

ASEAN Single Window

Hearing Survey in 2012

Issues to be Studied

December 2012

JASTPRO

Japan Association for Simplification of International Trade Procedures

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1 General Scope

1.1 Background of the Survey

ASEAN is now working to compose the “ASEAN Community” by 2015. In the ASEAN Economic Community Blueprint, elaborated in 2007, it is regarded that the ASEAN Single Window is an important element to allow the Free Circulation of Goods, reinforcing ASEAN as a “Single Market and Single Production Base”. The ASEAN Single Window is, in that sense, said to be the Corner Stone of ASEAN Community.

2012 is the target year to establish the ASEAN Single Window and each country shall complete their National Single Window ready to be linked to the ASEAN Single Window, although for the Least Developed Countries the allowance of another 3 years has been given, i.e. by 2015.

JASTPRO, Japan Association for Simplification of International Trade Procedures, which was established in December 1974, as an organization in order to facilitate the simplification of trade-related procedures in Japan, has much concern in the ASEAN Single Window Project and conducted a survey this year, the year of mile stone of the said Project, to know the current situation and the issues to be studied.

1.2 Survey Method and the Time of the Survey

The survey has been conducted by reviewing related information on web sites and also by direct Hearing to the responsible persons of the ASEAN Single Window and the persons related to National Single Window of each country.

The survey has been carried out by Mr. Kokichi Watanabe, Senior Advisor of JASTPRO, from July 1 to October 31 in 2012, and the hearing survey has been conducted as follows:

- July 30 ~ August 15:
Indonesia → Singapore → Malaysia → Thailand → Vietnam → Philippines
- September 16 ~ 22:
Lao PDR → Cambodia

1.3 Disclaimer

The major part of the information, mentioned in this report, is obtained through the hearing survey. As the nature of the hearing survey, there is room that some personal opinions of interviewees or some misunderstandings of interviewer could be included.

Under no circumstances, JASTPRO or any persons related to the survey and to the report will be liable to anybody for any incidental or consequential damages, if any, that would be caused by this report.

2 The ASEAN Single Window and the National Single Windows

2.1 Two different concepts of “Single Window”

In ASEAN a “National Single Window” is defined as a SYSTEM (in many cases, it will be equipped with some physical server systems and associated mechanical facilities) that enables:

- a. a single submission of data and information
- b. a single and synchronous processing of data and information
- c. a single decision making for customs release and clearance

On the other hand the “ASEAN Single Window” is defined as the ENVIRONMENT (actually it will mean a kind of Network system) where National Single Windows of Member Countries are operated and are integrated all together.

Although the same wording “Single Window” is used for both ASEAN Single Window and National Single Window, the concept is quite different each other as above that should be distinguished clearly.

2.2 Purposes of these Single Windows

The purposes of the ASEAN Single Window are as follows in accordance with ASEAN Economic Community Blueprint item 16:

“Simple, harmonized and standardized trade and customs processes, procedures and related information flows are expected to reduce transaction costs in ASEAN which will enhance export competitiveness and facilitate the integration of ASEAN into a single market for goods, services and investments and a single production base.”

The purposes of the National Single Window are as follows in accordance with ASEAN Economic Community Blueprint item 18:

“Expedite the customs clearance, reduce transaction time and costs, and thus enhance trade efficiency and competitiveness.”

3 The Model of ASEAN Single Window

3.1 Variation of Models for Regional Single Window

Gateway is the facility with which international trade data exchange is realized between two parties concerned through Regional Single Window. (In case of ASEAN, such Gateway is called “ASW Gateway”.) Regional Single Window will be categorized into two Models depending upon where such Gateway is installed: the “Centralized Gateway Model” whereby the Gateway is installed in a single Central Server for the common use of all participating countries, and the “Distributed Gateway Model” whereby the Gateway is installed separately in the national network perimeter of each participating country.

3.1.1 Centralized Gateway Model

If the Centralized Gateway Model were adopted for ASEAN Single Window, it will involve the centralized hosting of the ASW Gateway in a Central Server whereby trade data exchange between any 2 ASEAN Member States will pass through the Central Server, hosting the ASW Gateway.

The structure of Centralized Gateway Model is comparatively simple, because just one Central Server supports whole scope of Regional Single Window. However in reality, Centralized Gateway Model has not been taken as ASEAN Single Window caused by various issues like followings:

- a. In which country such Centralized Gateway Facility (Central Server) could be installed. (political issue)
- b. Whether or not it is a problem that the trade-related data between exporting country and importing country is transmitted via a third country where the Central Server is installed. (political issue)
- c. Such Central Server could be an eye-catching target of cyber terrorism (technical issue)

3.1.2 Distributed Gateway Model

ASEAN has taken a method to use a common and regionally developed Gateway application to be installed within the national network perimeter of each ASEAN Member State to connect with each National Single Window. The common Gateway application is called the ASW Gateway Application.

(1) ASW Gateway Application:

The ASW Gateway Application is centrally developed and hosted by each ASEAN Member States. Each ASEAN Member States has their own ways to connect their respective National Single Window to this ASEAN Gateway Application and security is also under their full purview.

(2) Distributed Gateway Model:

The ASW Gateway Applications hosted by every ASEAN Member State are connected each other through a secured network and integrally realize the functions similar to the Central Server of the Centralized Gateway Model. The exchange of data between sending and receiving parties concerned is transmitted directly between the same ASW Gateway Applications.

(3) Node for access from outside ASEAN:

A new participant outside ASEAN can connect to the ASW regional network via the international node of the ASW secure network architecture for sending and receiving data to and from any of the National Single Window. By accessing to the ASW regional network, they can connect with any of the ASEAN Member States. In this way, it can provide a smart service to the parties outside the Region that intend to exchange data with any of the ASEAN Member States and at the same time without compromising data security.

(4) Regional Services:

The ASEAN Single Window will have a facility to administrate and maintain the standard formats, codes and other basic information of ASEAN Single Window. Such facility will be called “Regional Services”. The standard formats, templates, codes etc... will be customized, even without being aware of it, while they are used between many pairs of ASEAN countries bilaterally without Central Server. Therefore a kind of Library to refer the “Standard” or

“Original” of ASEAN data document formats will be necessary for maintaining the harmonization of the ASEAN Single Window.

The Chart 1 below shows the Model of ASEAN Single Window.

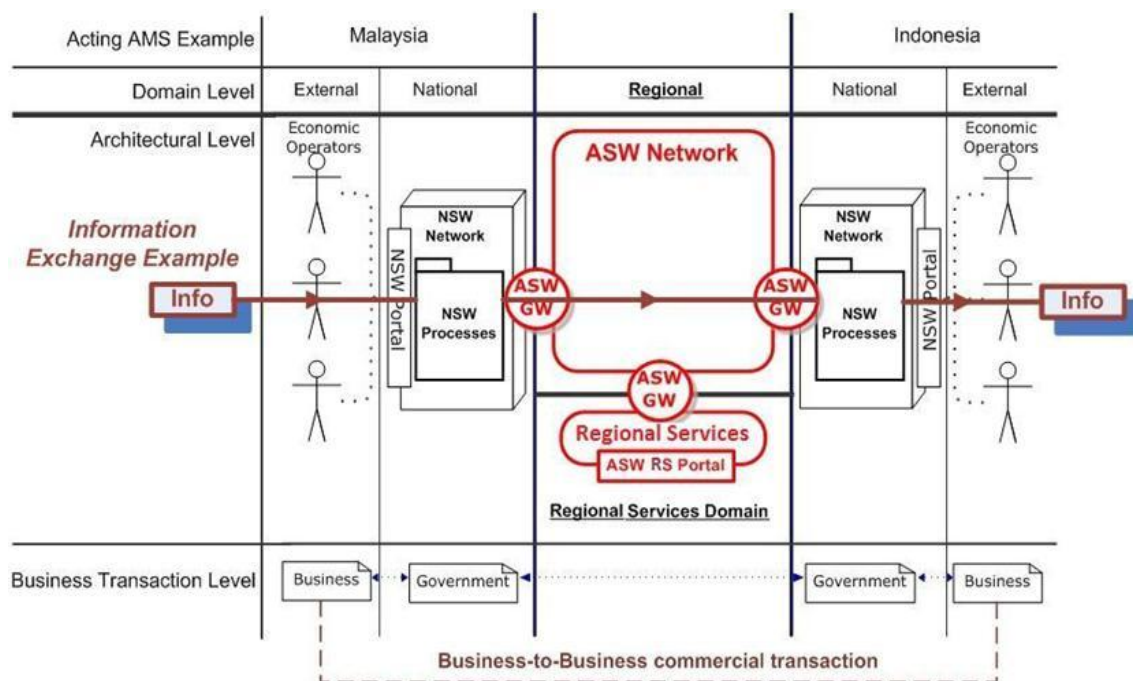


Chart 1 Model of ASEAN Single Window (Distributed Gateway Model) (source: material distributed at the Asia-Pacific Trade Facilitation Forum APTFF 2012 in Colombo)

3.2 Program towards the live implementation

“Distributed Gateway Model” is in process to be selected as the approved Model of the ASEAN Single Window and a pilot project with a scaled-down architecture is underway among seven ASEAN Member States except Cambodia, Myanmar and Lao PDR. The pilot of the full-fledged architecture is expected to be carried out in 2013 followed by a full evaluation. The result of the evaluation of the pilot on the full-fledged architecture will be available in 2014. The result of the evaluation will help ASEAN to decide on the ultimate ASW for its ‘live’ implementation in 2015.

4 Legal Framework for ASEAN Single Window

Working Group on Legal and Regulatory Matters is planning to conclude the ASEAN Single Window Legal Framework Agreement in 2013. In preparation for this, each member country is going to conduct a gap analysis between the probable contents of the Agreement and Domestic Laws and Regulations. It is said that the basic policy is to avoid as much possible the inconsistency between the ASEAN Single Window Legal Framework Agreement and the Domestic Legal Framework of each country.

5 Issues to be studied

5.1 Number of different types of document

It is obvious that a National Single Window can't send a Data Document to another National Single Window, if the recipient side doesn't handle such type of Data Document, even if both of them are under the scheme of ASEAN Single Window. It means that it is the Key factor for the efficient use of ASEAN Single Window to increase the number of types of documents to be handled commonly among all National Single Windows of ASEAN countries.

For example, in case of Manifest (detailed list of loaded cargo), as it is reported specifically in the item 6 below, in the current situation of the National Single Windows, depending on the country, it is handled by a proper Port System operated independently, out of the scope of the National Single Window. Manifest information may have much necessity in future to be transferred internationally for security reason. It will be desirable that such information would be included within the items of the service of ASEAN Single Window.

5.2 Improvement of efficiency of regional trade

5.2.1 By means of Standardization of Official Documents

5.2.1.1 *Customs Declaration*

ASEAN has set up a standard and common format for Customs Declarations with the name of "ASEAN Customs Declaration Document

(ACDD)”. ACDD was developed using the SAD¹ as a basis/reference. Out of the numerous variation of information, piled up by the requirements from each Customs of ASEAN Member States, 48 information parameters, commonly required by most of the Member States, have been picked up to compose the ACDD. The current stage of ACDD is that ASEAN Member States are still exploring the options on the usage of the ACDD at the regional level. It has been decided that as long as the 48 information parameters (except for one Member State who has agreed on 34) are in the national data set of customs, the ASEAN Member States is considered to have complied with ACDD.

Applying the idea which is frequently studied for the exchange of Declaration data between Export country and Import country, one of the usages of ACDD may be considered as follows:

The Export Declarations in ACDD format are sent from the Export country to the Import Country where the Importers pick up the same in their National Single Window (Import country) and fill up vacant boxes with the information necessary for the Import Declaration. As Importers do not need to input certain boxes of ACDD that are already filled up by Exporters, Importers can save their labor correspondingly. In this way it may be possible to make the over-all trade-related procedures in ASEAN region more efficient, theoretically.

However the Customs of Import country examines Import Declarations very strictly, because it is directly related to the Duty, while the Export Declarations, in some countries, are required just for statistic record with less severe control and sometimes with time allowance of one week or so after shipment. Therefore we should be cautious on the following points:

- a. whether significant portion of ACDD is filled up by the Exporters
- b. how accurate is the data in Export Declaration
- c. if the Export Declaration can reach in time for Import Declaration

In case of the cross-border trade between the head quarter of a company (importer) and the over-seas subsidiary company (exporter), for example, the scheme of exchanging ACDD works adequately. The importer can instruct to the exporter to fill up the ACDD format for Export Declaration with exact

¹ Single Administrative Document

The export and import declaration format commonly used in EU

data as much detail as, and as soon as possible. So, it is case by case whether or not the exchange of ACDD can be an efficient tool to facilitate the customs procedure.

5.2.1.2 Other Certificates etc...

ASEAN has a standard format for Preferential Certificate of Origin called ATIGA Form D, with which various data exchange trials are conducted among ASEAN countries with satisfactory results. Other Certificates such as Sanitary and Phytosanitary Certificates are also the targets to be exchanged under ASEAN Single Window.

In this way, the data formats of many types of Official Documents, related to the customs procedure, are standardized in ASEAN region to be used in ASEAN Single Window. This is very advantageous not only for exchanging data in ASEAN region, but also for getting favorable reception from other countries outside ASEAN. Trading partners outside ASEAN need not study country by country the data formats of Official Documents, because they are standardized and the same formats are used in all 10 ASEAN countries.

5.2.2 Expansion to Commercial Documents

Although the Digitalization and Standardization of Official Documents bring about certain advantages to ASEAN, the total volume of transactions of Official Documents, related to the trade procedures, are limited, compared with the volume of transactions of the B-B Commercial Documents such as Invoice, Packing List, B/L Waybill etc... Therefore in order to make good use of ASEAN Single Window, it will be extremely important that Commercial Documents are exchanged among Business parties. In this sense, it will be necessary to equip fully the Standard Formats of Commercial Documents and also establish an e-Commerce environment where Business parties can be confident in the effectiveness of electronic documents and in the legal preparedness for commercial conflicts, caused by the electronic transactions.

5.3 Binding Force of ASEAN Single Window Legal Framework Agreement

< In order to encourage Business parties to exchange their Commercial Documents through ASEAN Single Window >

In the “Protocol to Establish and Implement the ASEAN Single Window” Article 7 Point 4, it is mentioned as follows:

“The access to, exchange, use, legal validity, and confidentiality of data and information in the framework of the ASEAN Single Window are subject to the national laws and regulations of the respective Member Countries.”

This principle may cause some doubt to Business Parties. If the legal validity of data and information in the framework of the ASEAN Single Window are not uniformly guaranteed by the ASEAN Single Window Legal Framework Agreement, and are left subject to the endorsement by national laws and regulations of each ASEAN countries, the sender of the Data through ASEAN Single Window shall get the prior confirmation of the recipient that such electronic documents and such kind of electronic transaction is valid in the Laws and Regulations in the country of recipient. It is not practical.

Under such circumstances, it will be a bit difficult to promote the use of ASEAN Single Window for the data exchange of Business Documents.

It will be worth study to make the power of Legal Framework Agreement strong enough to supersede the Domestic Laws and regulations when the scheme of ASEAN Single Window is applied for the commercial transactions, in order that all Business parties can use it with confidence, not worrying about effectiveness and enforceability of the electronic commercial transactions.

6. National Single Windows

--- Current situation of ASEAN Member Countries ---

The results of hearing survey mentioned in above item 1.2 are summarized in the following items.

6.1 Indonesia

6.1.1 Outline

Name: Indonesia National Single Window (INSW)
Web site: <http://www.insw.go.id/>
Started: 2007
Official Launching : 2010 by President of the Republic of Indonesia
Operator: PT EDI Indonesia
PT EDI Indonesia has been established in 1995 by the resolution 89/HK/501/PPT-95, financially supported by the national budget through Customs for the operation of the EDI Network Services and National Single Window indirectly.
Superintendent: Ministry of Finance
Coordinating Ministry of Economic Affairs

The preceding system, the Customs EDI, has been developed in 1996. Later on, in compliance with the agreement accorded among ASEAN countries to establish the ASEAN Single Window, it was intended to enhance the Customs Automation System, from EDI Services to the National Single Window of Indonesia. In this way, the National Single Window has been started in 2007 applicable for the Import procedures, and then, in 2009 applicable to Export procedures.

In 2010 the Indonesia National Single Window got into real operation in 5 principal Ports, and expanded to the total of 10 Major Ports in 2012.

6.1.2 18 Participating Government Agencies and their systems

Customs

Customs EDI

Food and Drug Agency	e-BPOM System
Ministry of Trade,	InaTrade System
Agriculture Quarantine Authority	PPK Online
Animal Quarantine Authority	PPK Online
Fishery/Maine Quarantine Agency	PPK Online
Ministry of Health	e-Pharm
Postel	e-Postel System
Nuclear Energy Control Agency	B@US Online
Sea Transportation	INA Port Net
Air Transportation	Airport Net
Ministry of Agriculture	Web Form
Ministry of Energy	Web Form
Ministry of Environment	Web Form
Ministry of Forestry	Web Form
National Police HQ	Web Form
Ministry of Defense	Web Form

6.1.3 Variation of Document Format prepared for the service:

Import related Licenses etc...	all formats
Export related Licenses etc...	all formats

6.1.4 Record (approximate figures)

Number of exchanged data documents:		
	approx.	20,000 documents/day
Number of traffics:	approx.	140,000,000/day
Number of INSW registered companies:		
	approx.	18,000
(Among them exporters and importers are approx.. 5,500.)		
Number of ports where INSW is available:	10 ports	
Utilization rate:	100% for those procedures for which INSW is available. (Mandatory for users)	

6.1.5 Fee for usage

Free of charge for users
All costs are covered by the government

6.1.6 Governmental structure to promote the National Single Window

The following chart shows the composition of organizations that the Indonesian government has established, to promote the smooth development of Indonesia National Single Window.

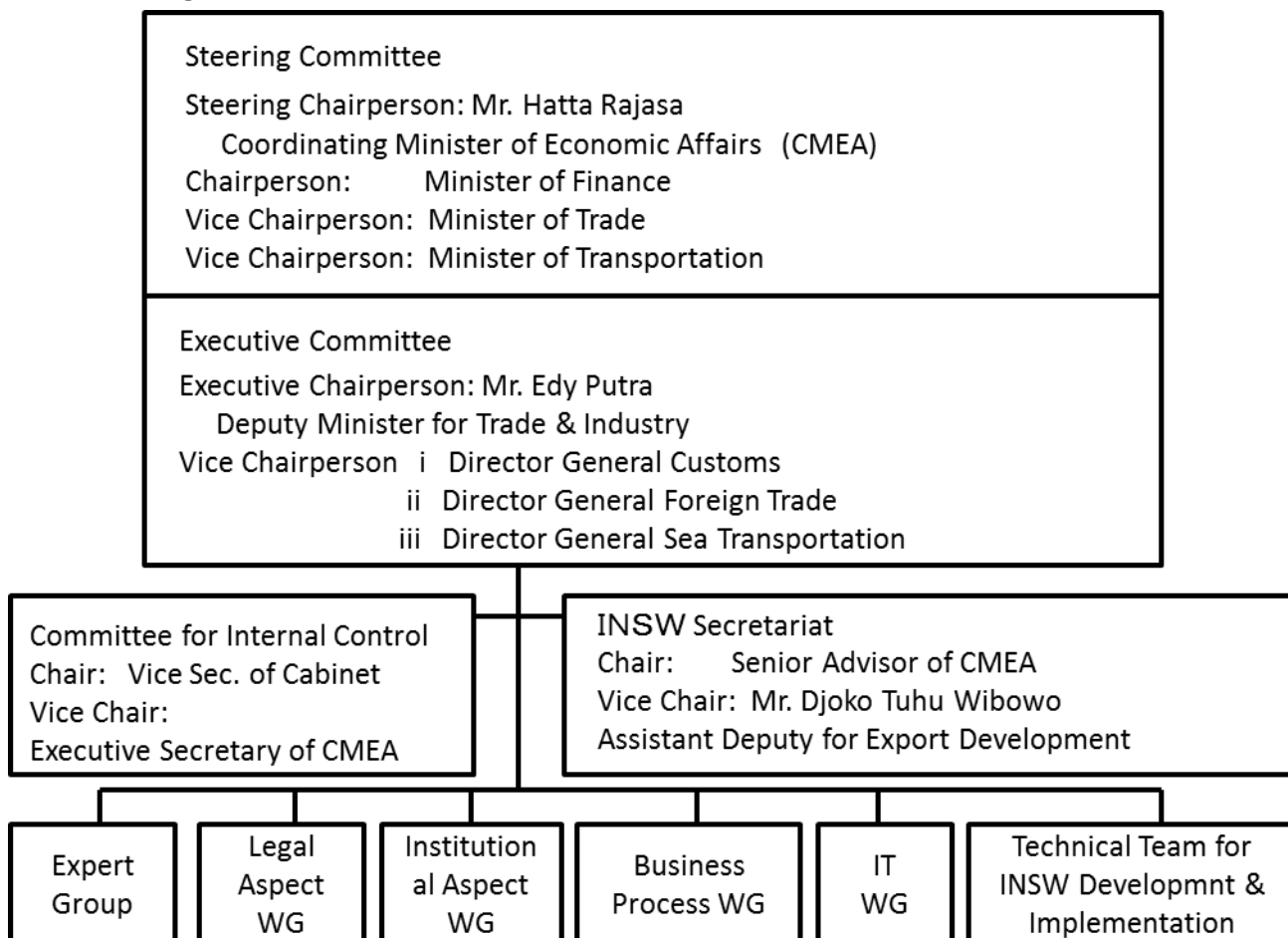


Chart 2 Governmental structure for the National Single Window

In Indonesia, to organize the establishment of NSW, Coordinating Ministry of Economic Affairs (CMEA) has the mission to coordinate issues that are related to multiple Ministries on economic and trade affairs. The promotion of National Single Window is, in view of its nature, one of the mandates that CMEA is assigned to take care. As it is shown in above Chart 2, CMEA is playing the important role in the National Single Window promotion body. The issue is that there are some Government Agencies that don't have systems to provide digital service to the public. To have a proper service system is indispensable for the Government Agency to participate to the National Single Window. However CMEA is not in a position to provide

financial supports to such Government Agency to develop their respective system. Therefore Government Agencies are obliged to negotiate with the Ministry of Finance individually.

The big concern of the Indonesian government on the promotion of the National Single Window is that, apart from the necessity to comply with the ASEAN Single Window agreement, it will bring about an incidental advantage to reduce the intervention of human factor to the Import and Export Procedures and consequently it will make possible to increase the transparency.

6.1.7 Domestic Legal Framework for digital transactions

6.1.7.1 *Laws on Electronic Documents*

In Indonesia, the Law No.11 of 2008, regarding Electronic Transactions and Information (so called ITE law) has been promulgated in 2008. The principal concept of this law is mentioned as follows: “Electronic information and electronic documents, including their printouts, can be considered valid legal evidence, unless the law requires such documents to be in writing”.

6.7.1.2 *Digital Signature*

The above ETI law also stipulates on the conditions to be applied for the Digital Signature.

The Digital Signature is required for the cross-border transactions for 100%, while for the domestic transactions it is not always required.

A Certificate Authority (CA) is an entity that provides Certificates with a pair of Keys, necessary for furnishing Digital Signatures. In Indonesia there are some private Certificate Authorities delivering the services, including PT EDI Indonesia (the operator of INSW). However none of them are endorsed by the Indonesian Government.

6.1.7.4 *Other legal issues*

Statutory period of preservation for commercial documents by tax law: 10 years.

6.1.8 Whole scope of Import/Export related systems in Indonesia

In Indonesia the so-called “Two-pillar policy” is taken for the National Single Window. On this Policy, it is explained by the INSW Preparatory Team, in March 2011, as follows:

“Two-pillar policy is Slightly different with ASW Protocol (Single Pillar), due to the national interest consideration:

- Trade System is one of the pillars to promote the smooth issuance of import-export licenses and customs clearance.
- Port System is one of the pillars to encourage the smooth flow of goods at the port, especially in relation to cargo release process.”

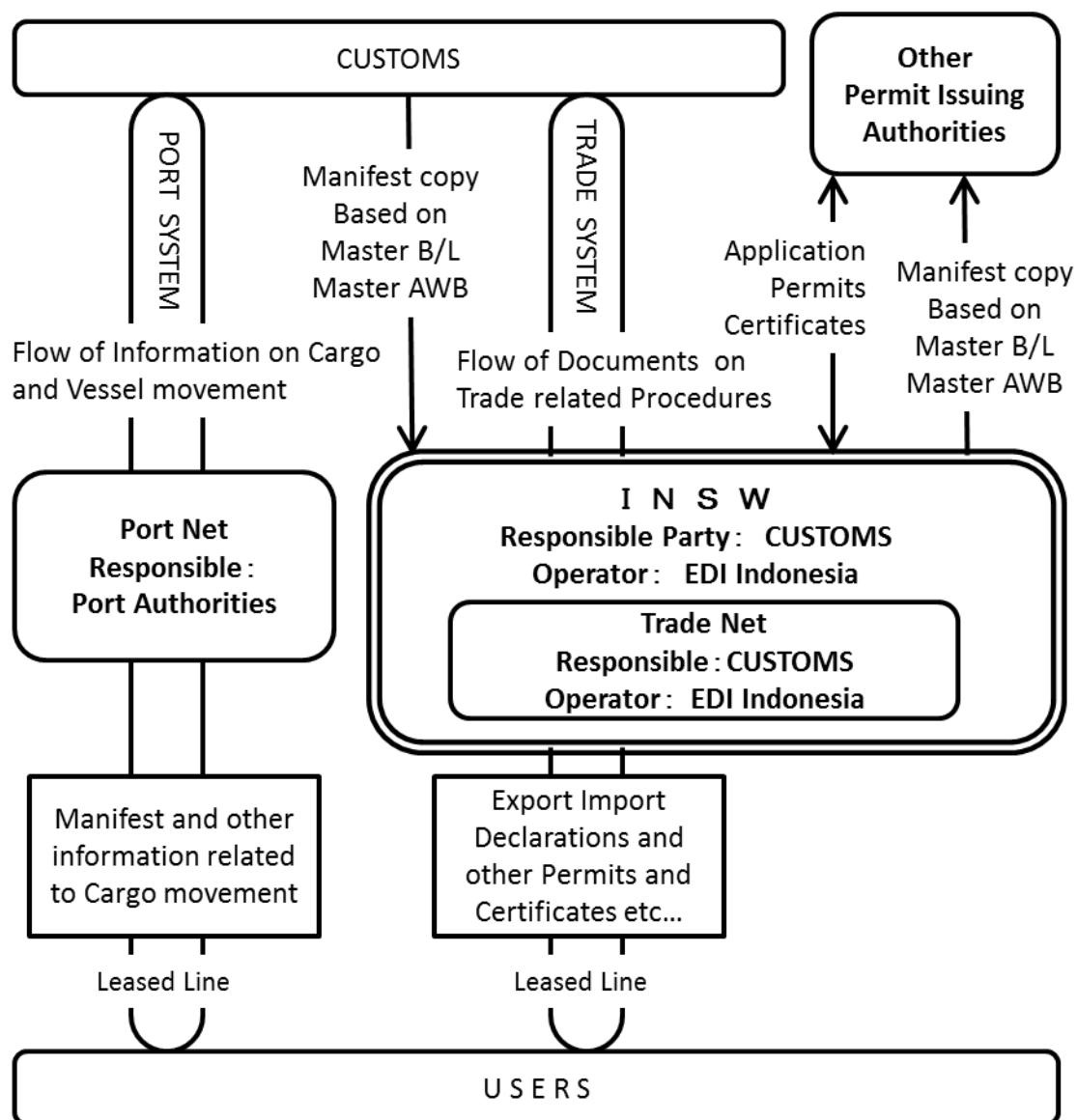


Chart 3 Components of Two-pillar system taken in INSW

6.1.9 Issues in relation with INSW

Each ASEAN country can register only one system as their National Single Window. Therefore in case of Indonesia, “Trade System” of above Chart 3 only is registered as INSW i.e. “Port System” is not counted as INSW yet.

Regarding to Manifest Data, the Customs are entitled to handle them by law, but INSW began to accommodate other Government Agencies with the information on Manifest data that are based on Master B/L and Master Air Way Bill, getting such data from the Customs, while for the Manifest Data based on House B/L (or Post B/L), they remain residing in the Customs back yard systems.

6.1.10 Other information

- AS2/SOA/EDIFACT are applied for the linkage between INSW and other systems of various Government Agencies.
- ebXML is applied for the data exchange between INSW and ASW and overseas systems.
- Users are required to access to INSW through Public internet circuit.
- Web service is also provided to users.
- The “Regional Service”, mentioned in above item 3.1, is realized by a Data Base Server that provides a function like a Library for the purpose of maintaining the constancy of the ASEAN Single Window. Everybody can refer the “Standard” and “Original” of formats and codes etc... of ASEAN Single Window to the “Regional Service”. The Data Base Server for “Regional Services” is located at the moment in Indonesia, where ASEAN Secretariat is located.

6.2 Malaysia

6.2.1 Outline

Name:	myTRADELINK
Web site:	http://www.mytradelink.gov.my
Started:	originally started in 2009, revamped in June 2012

Operator: Dagang Net Technologies SdnBhd

Dagang Net is a Service Provider established in 1989 to provide services of EDI (Electronic Data Interchange) and e-Commerce. A part of the Capital is invested by Malaysian government indirectly.²

Superintendent: Ministry of Finance

Dagang Net built KEDAI EDI (Regional Office) Clearing Centre in 1993 and started operation in Port Klang from 1994. In 1995 they implemented “SistemMaklumatKastam (SMK) Dagang Net System as the Customs System of Malaysia.

In 2009, Dagang Net has been nominated by the Malaysian Government for the company in charge to develop and operate the National Single Window of Malaysia.

6.2.2 Participating Parties

25 Government Agencies, 8 Banks and all Trade-related Industries will participate as per shown in the following Chart 4.

²Shareholders of Dagang Net are Time Engineering Bhd (semi-governmental company) for 71.25%, Haj Fund Authority for 9.5%, Bank Islam for 9.5%, Juasa Holdings SdnBhd for 4.75% and National Chamber of Commerce and Industry Malaysia for 5.0%.

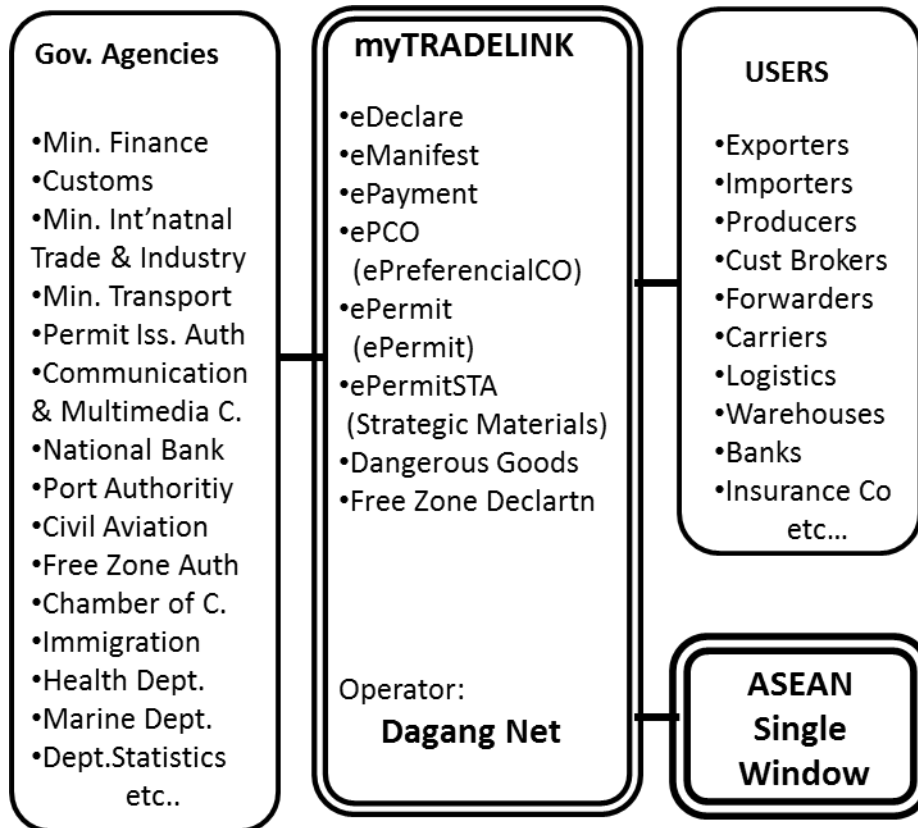


Chart 4 National Single Window of Malaysia

6.2.3 Record by Document Formats prepared for the service

Customs Declarations (Provided by: Customs)

Electronic Customs Declaration is available in 156 customs out of 173 customs in Malaysia.

The use of Electronic procedure is the obligation for applicants for those customs in which the Electronic application is available.

Number of users: 3,316 companies

Number of applications 968,141 per month in average as of 2010

e-Payment (Provided by Customs and Banks)

About 5% out of whole Duty payments are effected by e-Payment.

The average amount is 1.8 billion RM³ per year.

³1RM ≈ US\$0.33 as of Dec. 2012

e-Manifest (Provided by Port Authority)

Registration of the details of the Loaded Cargo by means of electronic procedure (e-Manifest) is available in 6 ports (9 ports in 2013) out of 21 ports in Malaysia.

4 ports out of 6 ports are linked to myTRADELINK for Manifest data.

Number of Utilization is 482,920 cases per month in average. e-Manifest is applied 100% in Port Klang and Kuantan.

e-Permit

In Malaysia, there are 32 Permit Issuing Agencies (PIA) in total and 25 agencies have started electronic service since 2009.

Number of Users is 10,714, the number of cases is 284,655.

e-Preferential Certificate of Origin (ePCO)

At the moment, there are 12 schemes available online. Ministry of International Trade and Industries is the approval agency for issuance of Certificate of Origin in Malaysia.

ASEAN Single Window Initiative

Connectivity testing and submission of test data have been realized with Indonesia, Thailand, Singapore, Brunei, Philippines and Vietnam in 2012. ATIGA Form D is applied for the transactions.

6.2.4 Fee for usage

(for eDeclare, eManifest, ePayment only)

Metered billing:	1 st and 2 nd year	RM 0.88 /Kb
	3 rd year onward	RM 0.80 /Kb

(for ePermit & ePCO only)

Document basis	RM 5.00 /approved document
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(1 time fee for subscription)

Subscription fee	Corporate	RM 500
(Small Medium Enterprise) SME		RM 200

(for eDeclare, eManifest, ePayment only)

Mail box charge	Corporate	RM 160 per month
(Small Medium Enterprise) SME		RM 90 per month
Subsequent Mail box		RM 90 per month

6.2.5 Domestic Legal Framework for digital transactions

6.2.5.1 Laws on Electronic Documents

In 1994, the Evidence Act, the Banker's Evidence Act and Penal Code have been revised.

Since then, it is approved that the electronic documents, generated by computer systems, can be valid documents and also legal evidences that are defined in the Court Act.

6.2.5.2 Digital Signature

The Law of Digital Signature (Law No.562) was promulgated in 1997.

Principally, digital signatures are not required for the use of the National Single Window, except for the transactions related to the duty payment as well as for application of strategic permits when it is required for the authentication of documents.

Certificate Authorities (CA), for Digital Signature, are following two entities :

- (1) MSC Trustgate
- (2) Digiceret

MSC Trustgate provides Certificates for Digital Signature to Dagang Net that is a member of PAA (Pan Asian e-Commerce Alliance).⁴ All CAs for PAA participating members are required to

⁴PAA is a regional private alliance that has been established in 2000 among companies that provide Electronic Customs Procedure Systems in Singapore, Taiwan and Hong Kong for the purpose of providing value added services to the users by means of realizing a seamless electronic documents exchange chain from the Export Customs Clearance to the Import Customs Clearance, enhancing the efficiency of regional cross-border commerce. Later on Macao, Korea, Japan, China, Malaysia, Thailand, Philippines and Indonesia have joined. The total number of participants is 11, as of 2012.

have Mutual Recognition each other and so MSC Trustgate. Certificate Authority is controlled by the Ministry of Commerce.

6.2.5.3 Other Legal issues

Statutory period of preservation for commercial documents:

7 years in total, while for the first 2 years, data shall be visible on-line, and for the rest 5 years data can be stored off-line.

6.2.6 Other Information

- myTRADELINK has the built-in function to exchange data with overseas systems.
- Users are required to access to myTRADELINK for online application of regulatory documents and submission to relevant authorities. SSL⁵ with 128bit encryption is applied for the security.
- It is the responsibility of Dagang Net to maintain myTRADELINK, but the revision of formats and other contents are the responsibility of respective Ministries in charge.
- Besides the operator of myTRADELINK, Dagang Net is operating their own system called MyPorts, which at the moment offers a repository portal for trade community to make reference for example search for tariff code, port code, and unit of measurement.

6.3 Philippines

6.3.1 Outline

Name: Philippines National Single Window (PNSW)
Web site: <http://www.nsw.gov.ph>
Started: 2009
Operator: Bureau of Customs (supported by Crown Agent)

⁵SSL (Secure Sockets Layer) is the standard security technology for establishing an encrypted link between a web server and a browser.

The project to construct the National Single Window has been started in December 27, 2005 when the Executive Order No.482 by the President was promulgated.

In compliance with the national rule, a public tender under the RA9184 law was called and the order to develop the National Single Window was awarded to Crown Agent (UK). They have constructed it in 2009, utilizing their proper package product called TRIPS as base technology.

6.3.2 Participating Government Agencies

<already linked 30 organizations>

Sugar Regulatory Administration*

Philippine Drug Enforcement Agency

Bureau of Internal Revenue*

Firearms and Explosive Office

Bureau of Product Standard

Philippine National Police

Bureau of Customs*

Forest Management Bureau

Board of Investments*

Environment Management Bureau

National Food Authority*

Philippine Ozone Desk

Food and Drug Administration*

Maritime Industry Authority

Philippine Economic Zone Authority*

Civil Aviation Authority

Bureau of Import Services

Optical Media Board

Bureau of Quarantine

Philippine Nuclear Research Institute

Fertilizer and Pesticide Authority

Philippine Coconut Authority

National Meat Inspection Services.

Department of Health

National Telecom Commission

Bureau of Fisheries & Aquatic Resources

Bureau of Export Trade Promotion
Bureau of Plant Industry
Dangerous Drug Board
Bureau of Animal Industry*
<to be linked 10 organizations>
Land Transportation Office
Insurance Commission
Philippine Shippers' Bureau
One Stop Shop (DoF)
Bureau of Immigration
Fiber Industry Development Administration
Bangko Sentral ng Filipinas
National Intelligence Coordinating
Intellectual Property Office
Criminal Investigation Detect Group

Note:

- Those organizations marked with underline are intending to provide services on local basis, too.
- Those organizations marked with asterisk (*) issue their permits or certificates electronically.

6.3.3 Document Formats prepared for the services

Numerous data formats are provided in the National Single Window.

Users are to click the name of the Government Agencies or Organizations shown in the portal page screen, then the variation of Data Formats that the respective Agency or Organization provide for users appear for their selection.

When the customs procedure requires to attach some evidences, the PNSW provides appropriate function to make it possible to attach documents electronically.

6.3.4 Record

Number of usage: about 3,000 applications per day

Number of users: about 2,800 entities

6.3.5 Fee for usage

The use of the system of PNSW is free of charge to users, because the cost is fully covered by the budget of the government. However when the Permit or Certificate Issuing Agencies were used to collect some charges for the applicants on paper basis, the same charge will be required even when the procedure is moved to electronic method.

6.3.6 Domestic Legal Framework for digital transactions

6.3.6.1 *Laws on Electronic Documents*

“Republic Act No.8792 – An Act providing for the Recognition and Use of Electronic Commercial and Non-Commercial Transactions and Documents, Penalties for Unlawful Use thereof and for other purposes” (commonly called “Electronic Commerce Act of 2000”)that has been promulgated in 2000, regulates electronic documents related issues.

In the Chapter II Sec. 7 of the same Act, it is stipulated as “Electronic documents shall have the legal effect, validity or enforceability as any other document or legal writing” and “Where the law requires a document to be in writing, that requirement is met by an electronic document if the said electronic document maintains its integrity and reliability and can be authenticated so as to be usable for subsequent reference”.

6.3.6.2 *Digital Signature*

The same Act (Republic Act No.8792) also regulates Digital Signature.

In the Chapter II Sec.8, it is stipulated as “An electronic signature on the electronic document shall be equivalent to the signature of a person on a written document if that signature is proved by showing that a prescribed procedure, not alterable by the parties interested in the electronic document”

Although the environment is well prepared legally as above, in reality, Digital Signature is not required for the domestic procedures.

As of 2012, there is not any endorsed domestic Certificate Authority (CA) for Digital Signature and the Department of Trade and Industry (DTI) is now studying to establish criteria to authorize CA.

6.3.6.3 *Other Legal issues*

Statutory period of preservation for commercial documents:

10 years. Requirement of data preservation for the Customs post-clearance inspection is 3 years.

6.3.7 Issues on PNSW

The following Chart 5 reflects the current structure of PNSW for which details are explained in the items below.

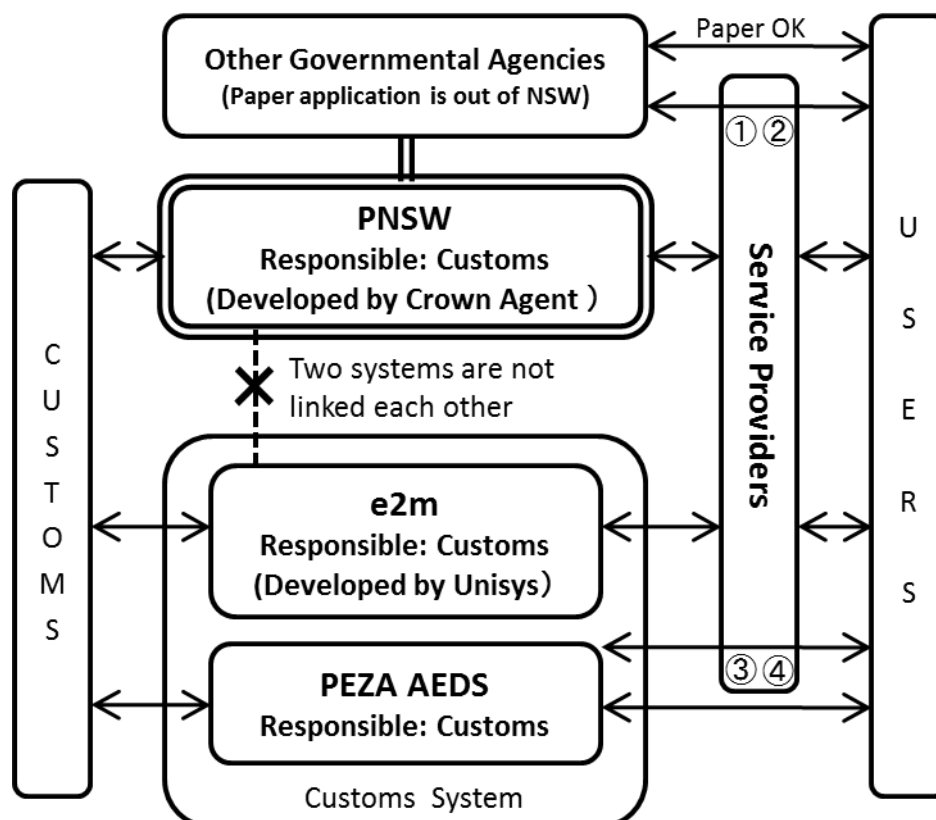


Chart 5 Structure of PNSW

(①②③④) in the Chart correspond to those explained in item 6.3.7.3)

6.3.7.1 Double Structure of Trade-related Electronic Systems

PNSW has been constructed under the initiation of the Philippine government in order to comply with the inter-government agreement among ASEAN countries to establish the ASEAN Single Window. The government assigned the Customs the responsible operator of PNSW. However the Customs already have had their own 2 Customs systems: one for Economic Zone and the other for outside the Economic Zone.

The basic concept of National Single Window is to link up all systems of Government Agencies including Customs systems. However in case of

Philippines, it doesn't seem to be easy to link the Customs systems to PNSW as of 2012. Many of the systems of Government Agencies are linked to PNSW and users are mostly proceeding trade-related procedures with PNSW, while with regard to the Customs Declaration, users are obliged to use another system provided by the Customs. It means that from Customs view point, they are attending to 2 Customs systems and also to PNSW (for other information on permissions by other Government Agencies) simultaneously.

6.3.7.2 Reverse flow of data from Government Agencies System to PNSW

The supposed flow of data, based on the concept of National Single Window, is that users input all necessary data and information solely to the National Single Window, and such data are transferred to various respective Government Agencies Systems as one stop service.

However in case of PNSW, in some cases, users apply directly or through value-added Service Providers, to various individual systems of Government Agencies first, instead of to PNSW altogether. And later on such information is transferred from the Government Agencies' systems to PNSW in reverse direction.

6.3.7.3 Procedures required to apply through Service Providers

- ① Certificate of Authority to Import
(Bureau of Internal Revenue)
- ② Sanitary and Phytosanitary Certificate
(Bureau of Plant Industry)
(Bureau of Fisheries Aquatic Resources)
(Bureau of Animal Industry)

③ Electronic Import Permit

④ Electronic Export Declaration

(Note: These item numbers are referred to in the Chart 5 above.)

<Service Providers>

- InterCommerce Network Services
- Cargo Data Exchange Center
- E-Konek Pilipinas

6.3.8 Other Information

Application and Declaration in writings will be terminated once PNSW comes to work fully.

PNSW is expected to clean up all illegal transactions such as:

- to get Export permit for unauthorized case or
- to use one Export Permit doubly or triply.

Import Duty can be paid through e-Payment

Particular Bar Code is furnished in each electronic Import Permit. Such Bar Code is used for the Cargo movement. For using the Bar Code, it is necessary to print out onto paper and present to the authorities, organizations or entities that control the Cargo movement.

In order to use PNSW, users are required to register, beforehand, to CPRS (Client Profile Registration System), and besides this, they need to get an “Accreditation” from the respective Government Agency for the use of their proper procedure system.

6.4 Singapore

6.4.1 Outline

Name:	Trade Net
Web site:	https://www.tradexchange.gov.sg
Started:	originally 1989 In 2007, “Trade Net” has been integrated to “Trade Exchange” for easier cross-border data exchange.
Operator:	CrimsonLogic Pte. Ltd. CrimsonLogic is a company that has governmental fund invested indirectly. ⁶
Superintendent:	Singapore Customs & Excise Department IDA (Infocomm Development Authority) EDB(Economic Development Board)

⁶ Shareholders of CrimsonLogic are as follows: IE (International Enterprise Singapore) by 55%, Singapore Telecom by 15%, PSA (Port of Singapore Authority) by 15% and CAAS (Civil Aviation Authority of Singapore)

6.4.2 Participating Government Agencies

35 governmental agencies are participating to Trade Net.

Among them, Ministry level organizations are following 15:

Trade and Industry	Transport
Defense	Education
Foreign Affairs	Home Affairs
Finance	Health
Law	National Development
Manpower	Prime Minister's Office
Information, Communication and the Arts	
Community Development, Youth and Sports	
The Environment and Water Recourses	

6.4.3 Document Formats and the respective Systems that handle them

Trade Net handles almost all documents that are required for the Customs Import and Export Procedures, such as Declarations, Various kinds of Permits, Certificates, Licenses etc...

However with regards to “Manifest” (Detailed List of Loaded Cargo), the Data are handled by Port Net⁷ i.e. Manifest is out of the scope of National Single Window of Singapore (Trade Net).

Chart 6 below shows the whole structure of National Single Window (Trade Net) and Port Net, together with their respective handling documents.

⁷ Port Net is a subsidiary established by PSA (Port of Singapore Authority) in 2000 for the purpose of improving the efficiency and reducing the cost of the Industry related to Port and Cargo Handling. The number of users are 8,000 and the number of transaction are 130 million.

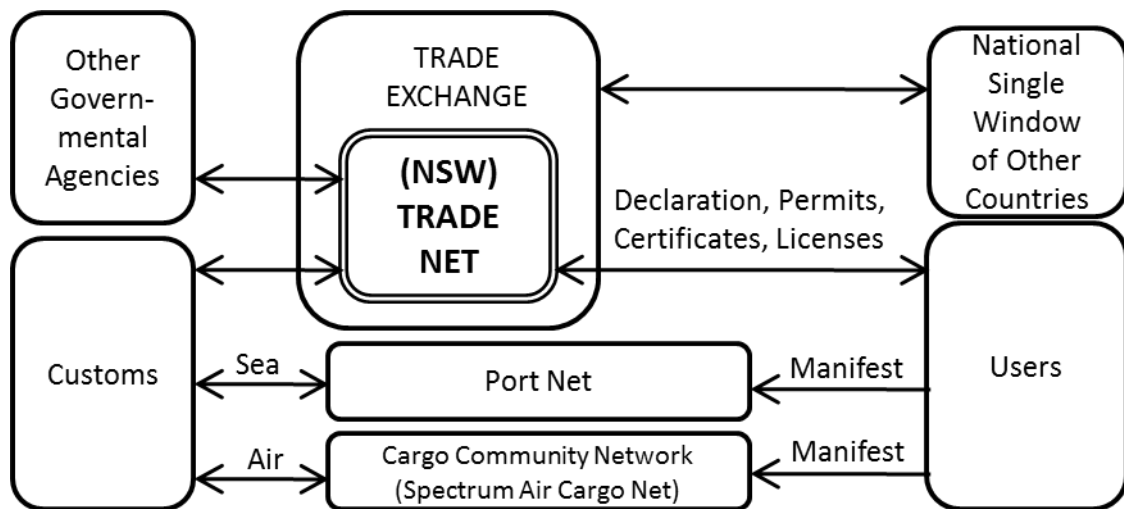


Chart 6 Whole structure of Trade Procedure related systems

6.4.4 Record

Number of transacted documents: 30,000~40,000 /day

Number of registered companies: about 2,600

Number of users: about 9,000

Usage Rate: almost 100%

6.4.5 Formation of the service to users and its fee system

For those small users that account for 60%~70% of all user companies, the National Single Window service is provided directly from Crimson Logic, the operator of Trade Net, free of charge, through Web service.

For those big users (in most cases, they wish to have network connection with their proper backyard computer system) CrimsonLogic doesn't provide National Single Window service directly. Instead, Value Added Service Providers mediate in between CrimsonLogic (Trade Net) and Big Users. There are various Service Providers, competing each other. The function of Value Added Service Providers is that, in addition to the various functions provided by the National Single Window (Trade Net) itself, they propose their proper and attractive value-added-service, in order to motivate Big users to select their channel to connect to the National Single Window. The Service Providers collect respective service fee from those Big users on commercial basis.

In this latter case, the service of the National Single Window is not free of charge. Service Providers must collect Fee (mostly S\$25⁸ per month to S\$800 per year) from Big users on behalf of CrimsonLogic, in addition to their proper service charge. The set up charge, at the time of start using the services of National Single Window (Trade Net), is necessary for users to pay to CrimsonLogic separately.

CrimsonLogic also, as they have the nature of commercial company, too, collocates their subsidiary company “e-Trade” as one of the Value Added Service Providers to compete with others such as “KEWILL”. In case of “e-Trade” they have their own service called “Trade Pallet”, to elaborate trade-related documents such as Invoice and Packing List and exchange them with their destined overseas recipients.

Following Chart 7 shows the formation of service to users.

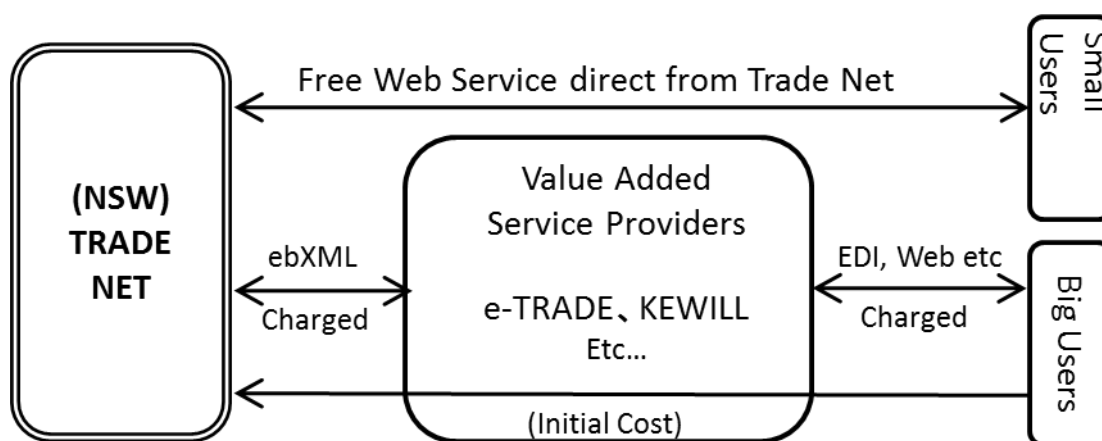


Chart 7 Formation of Service of Trade Net

6.4.6 Domestic Legal Framework for digital transactions

6.4.6.1 Laws on Electronic Documents

In 2010, the law “Electronic Transaction Act 2010” has been promulgated where it is stipulated as “Any public agency may accept the filing of documents and may issue permits, license or approval by means of electronic form.”

⁸ Singapore\$1 ≈ US\$0.82

In the Customs Act, it is stipulated as “Authorizes Director General to operate a computer service on declaration, permit, manifest etc...” Registered users can use services provided in such way.

Same kind of stipulation is mentioned in the Regulation of Imports and Exports Act.

Among ASEAN countries only Singapore ratified the United Nations Convention on Contracts for the International Sale of Goods (CISG; the Vienna Convention).⁹

6.4.6.2 *Digital Signature*

Digital Signature is not required for the Data Exchange in Singapore. Singapore Accredited Certificate Authority (CA) is NETRUST.

6.4.6.3 *Other Legal issues*

Statutory period of preservation for commercial documents:
7 years in most cases.

6.4.7 *Issues on Trade Net*

As it is mentioned in above item 6.4.3, Manifest is handled by Port Net for Sea cargo and Spectrum Air Cargo Net for Air cargo, both under control of Port Authority i.e. Manifest is not sent to the Customs through National Single Window (Trade Net). Manifest tends to be required for sending internationally, because many countries are starting a legal requirement similar to 24 hours rule initiated by USA for security reason. The importance that Manifest is handled by the National Single Window of each country will get more critical in future.

6.4.8 *Other Information*

Import Duties and Value Added Tax (so called “Goods and Services Tax”) can be paid through e-Payment.

⁹ The CISG is an international sales law to promote the smooth and efficient cross –border business, signed in Vienna in 1980, ratified by 78 countries as of Dec.2012. For example by this law the issue of Choice of Law can be theoretically solved. Unless excluded by the express terms of a contract, the CISG is deemed to be incorporated into any otherwise applicable domestic law(s) with respect to a transaction in goods between parties from different Contracting States

ebXML protocol is used for exchanging data with the systems in other countries.

6.5 Thailand

6.5.1 Outline

Name:	Thailand National Single Window
Web site:	http://www.thainsw.net/INSW/
Started:	Originally started in July 2008 as “e-Logistics” (phase-1) Revamped as National Single Window in December 2011
Operator	The Customs Department
Superintendent:	Ministry of Finance
Budget:	About US\$14 million for System Development (100% of budget has been funded by the Government.)

6.5.2 Participating Government Agencies

Number of participating organizations is 28 Government Agencies and 5 related entities, such as followings:

- Customs Department
- Department of Foreign Trade
- Port Authority of Thailand Port/Airport Department
- Department of Fisheries
- Department of Disease Control
- Department of Business Development
- Food and Drug Administration etc...

6.5.3 Document Formats prepared for the services

Import customs declaration	Customs clearance result
Export customs declaration	Cancel declaration
Duty payment	Import License
Duty refund declaration	Export License
Tax incentive declaration	Quota license
Vessel schedule	Import certificate
Flight schedule	Export certificate

Sea cargo manifest declaration	Certificate of Origin
Air cargo manifest declaration	(ATIGA Form-D)
Land cargo manifest declaration	Transfer declaration
Express goods declaration	Bonded warehouse declaration
Cargo movement declaration	RFID declaration (message)
Cargo release notification	Response Message
Payment order	Debit advice
Cancel instruction	Credit advice

Any other trade related documents including commercial documents such as Invoice, Packing List, Waybill etc... are available to provide whenever requested by users.

6.5.4 Services provided by National Single Window

Customs Declaration (e-Import and e-Export)

Customs Declaration Service is available at 660 Customs offices all over the country. (Sea Ports, Airports, Container Yards, Free Zone, Bonded Manufacturing Plants, Warehouses etc...)

- e-Payment (for Payment of Import Duties etc...)
- e-Manifest
- e-Licensing
- e-Express
- e-Tracking
- e-Seal (RFID)

6.5.5 The functions that Thailand National Single Window provides

- ① National scale Router to connect Government Agencies with users in various industries
- ② To partition and share the capacity of National Single Window to each system of various Government Agencies
 - Customs Declaration system
 - Application systems for various permits
 - e-Payment system
 - Track and Trace system etc...
- ③ Data Base on Essential Information
 - Guideline on Implementation
 - Information on Laws, Regulations, Agreements, MOU

Materials for training

Various References

Types of Data as the standard of Thailand

International Standard Codes

Study reports etc...

④To provide a single and integrated connection point to Thailand for overseas systems including ASEAN Single Window and other systems of foreign countries

Chart 8 shows the whole scope of Thailand National Single Window.

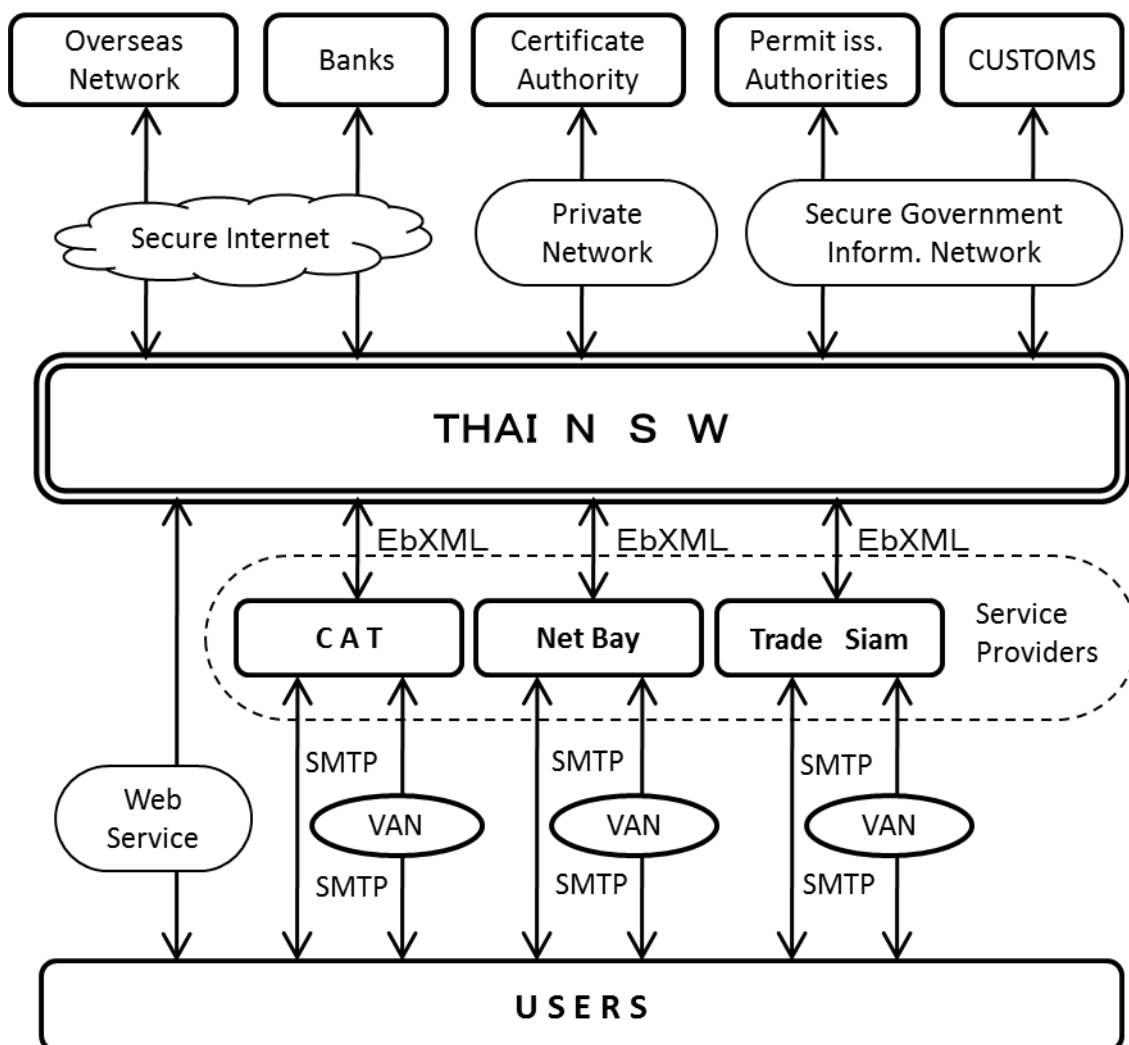


Chart 8 Scope of Thailand National Single Window

6.5.6 Record

Number of transaction: 63 million documents per month (June 2012)
Number of companies: about 8,000

Number of users:	about 125,000
Utilization Rate:	Electronic application is an obligation wherever electronic application is available.
Trial with overseas:	Customs Declaration and Invoice (with Laos) Certificate of Origin (with Taiwan)

6.5.7 Fee for usage

The use of Thailand National Single Window is free of charge, because the system is developed and operated by the government.

However when it is used through Service Providers, following charge will be required:

25 Bahts¹⁰ for 25 Kb each 1 Baht for 1 additional Kb

Max 300 Bahts per 1 document

6.5.8 Domestic Legal Framework for digital transactions

6.5.8.1 Laws on Electronic Documents

The Electronic Transaction Act 2001 was promulgated in April 2002.

With this law, commercial transactions, carried out by means of electronic documents, are guaranteed to have the same effectiveness as the ones carried out by means of paper documents.

For the purpose of filing in court, it is required to print out respective electronic documents onto paper and present them for the further procedure.

6.5.8.2 Digital Signature

Digital Signature is normally required for the use of National Single Window.

However, as of 2012, there doesn't exist in Thailand any Government endorsed Certificate Authority for Digital Signature. The criteria, to approve officially such Certificate Authority, are under elaboration by the Council of State.

The current Certificate Authorities are as follows:

CAT Telecom (<http://www.thaipki.com>)

TOT (<http://www.ca.tot.co.th>)

Thai Digital ID (<http://www.thaidigitalid.com>)

¹⁰ Bahts100 ≈ US\$3.30

With regards to the effectiveness of the Digital Signature furnished in foreign countries outside Thailand, it is accepted in the Electronic Transactions Act 2001 Section 31 as follows:

“An electronic signature created or used in a foreign country shall have the same legal effect in the country as an electronic signature created or used in the country if the level of reliability used in creating or using such electronic signature is not lower than as prescribed in this Act.”

6.5.8.3 Other Legal issues

Statutory period of preservation for commercial documents:
5 to 10 years case by case.

6.5.9 Other Information

The Thailand National Single Window is programed to be able to handle almost all data protocols admitted as international standard.

6.6 Vietnam

6.6.1 Outline

Name: VNACCS
Start: Programmed to start in 2014
Superintendent: General Department of Vietnam Customs

Vietnam Customs is operating a system called “e-Customs” as of 2012 that is a kind of Customs system.

Meanwhile on April 9, 2012, between the Vietnamese General Department of Customs and the Japan International Cooperation Agency (JICA), the agreement to grant JPY2.66 billion (US\$33 million) has been concluded. The purpose of this agreement is to help Vietnam build a “one-stop” system for trade-related procedures providing functions as a National Single Window of Vietnam. The fund will be used to deploy the Vietnam Automated Cargo and Port Consolidated System (provisional name) and Vietnam Customs Information System (VNACCS/VCIS) which is based on Japan’s Nippon Automated Cargo and port Consolidated System (NACCS), currently operated as the Japanese National Single Window.

6.6.2 Participating Government Agencies

In Vietnam there exist 48 Government Agencies (excluding those of Local Governments), and out of that, following 11 Government Agencies have their own electronic systems.

Ministry of Finance

General Department of Customs

Ministry of Trade

Ministry of Industry

Ministry of Transport and Communications

Ministry of Health

Ministry of Justice

Ministry of Defense

Ministry of Agriculture and Rural Development

State Security Committee

Office of Government

6.6.3 Expected services of VNACCS

e-Import and e-Export Declarations

e-Manifest

e-Certificate of Origin

e-Permit

e-Payment (Import Duty)

e-Office (various bureaucratic procedures)

The following Chart 9 shows the scope of VNACCS.

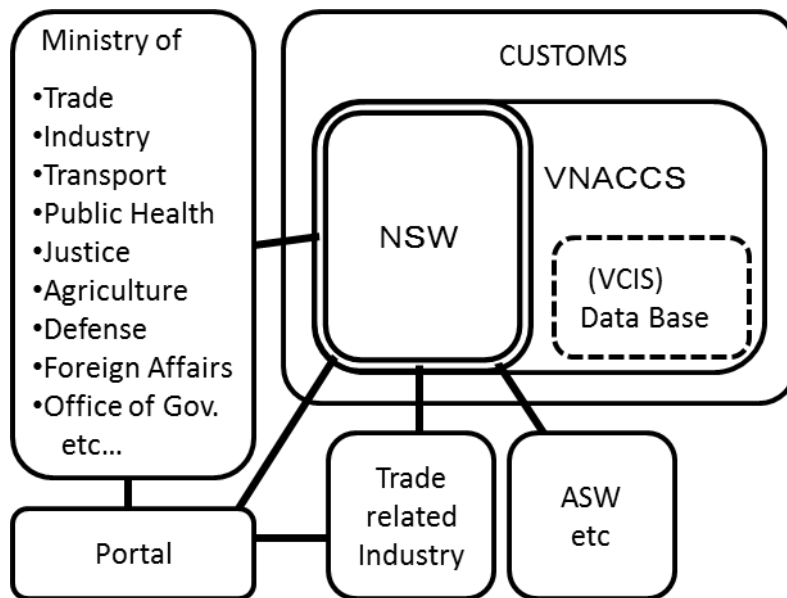


Chart 9 Scope of VNACCS

6.6.4 Domestic Legal Framework for digital transactions

6.6.4.1 Laws on Electronic Documents

The law called “Law on e-Transaction” took effect on March 1, 2006 where defined almost all issues related to the transactions by means of electronic documents.

Article 3.: Application of the Law on E- Transactions

In case of difference between the provisions of the Law on E-Transactions and other provisions of law on the same matter related to e-transactions, the provisions of the Law on E-Transactions shall apply.

Article 5.: General principles in e-transactions

5. To protect lawful rights and interests of agencies, organizations, individuals, interests of the State and public interests.

Article 11.: Legal validity of data message

Information in data message cannot have its legal validity disclaimed for the sole reason that it is expressed in the form of data messages.

Article 12.: Data messages being as valid as documents

Where the law requires information to be in writing, a data message shall be considered having met this condition if the information contained therein is accessible and usable for reference when necessary.

Article 14.: Data message being as valid as evidence

1. A data message cannot be disclaimed in terms of its validity as evidence for the sole reason that it is a data message.

Article 15.: Storage of data message

1. In cases where the law requires records, files or information to be stored, such records, files or information can be stored in the form of data messages when the following conditions are satisfied: (3 criteria are mentioned, that are skipped in here.)

Articles 16-19: Stipulations to define the time of arrival of data.

Articles 20-32: Rules on Digital Signature

Articles 33-38: Rules on the effectiveness of electronic contract.

Articles 39-43: Rules on Linkage with various Government Agencies

Articles 44-49: Rules on Security and Secrecy

Articles 50-52: Rules on the solution of conflict

6.6.4.2 Digital Signature

For applying to trade-related procedures, Digital Signature will be required. After logging in with user's own I/D and password, the system will match the I/D and Digital Signature furnished in their application for accepting it.

In Vietnam there exist 6 Certificate Authorities as follows:

①VNPT (Vietnam Ports and Telecommunications Group)

②Nacencom, ③Viettel, ④The FPT, ⑤Bkav, ⑥The CK

With regards to the legal validity of the Digital Signature furnished in foreign countries, in the Article 27 of above "Law of e-Transaction" it is mentioned as follows to define the criteria to accept it:

Article 27.: Recognition of foreign e-signatures and e-certificates

1. The Government recognizes the legal validity of foreign e-signatures and e-certificates if such e-signatures or e-certificates have the same level of reliability as those provided for by law. The determination of the reliability of foreign e-signatures and e-certificates must be based on recognized international standards, on treaties to which the Socialist Republic of Vietnam is a contracting party and other relevant factors.

6.6.4.3 Other Legal issues

Possibility to solve issues related to Format and Protocol Conversion:

For the use of ASEAN Single Window through the National Single Window, it is most likely to happen that users ask to National Single Window or intermediate Value Added Service Providers to convert the Document Format or Protocol from Users' own internal Format and Protocol, used in their office backyard systems, to the Standard Format and Protocol required indispensably by the ASEAN Single Window. In such case the senders' Digital Signature furnished on the original e-documents elaborated in their office backyard systems are inevitably broken at the time of Format and Protocol conversion.

The Article 13 of the "Law of e-Transaction" may give some orientation how to solve this issue. Depending on the interpretation of this article (refer to the quotation below), the Format or Protocol conversions effected by National Single Windows or Service Providers of one or both of sending and receiving countries do not need to count as "change" (sometimes "change" is considered or taken same as "falsification"). If such is the case, the breakage of sender's original Digital Signature may not cause problem. Some alternative idea can be taken. For example, National Single Window or Service Provider, effected conversion work, furnish their own Digital Signature, in place of the sender's one, which is deemed to be equivalent to the original Digital Signature of the sender..

Article 13.: Data message being as valid as original copy

A data message shall be as valid as an original copy when satisfying the following conditions:

1. The contents of the data message are kept intact since its first origination in the form of a complete data message.

The contents of a data message are considered intact when they remain unchanged, except for changes in their appearance, which arise in the process of sending, storage or display of the data message.

Statutory period of preservation for commercial documents:

10 years

6.6.5 Issues on VNACCS:

Various Government Agencies don't have established yet their own public service system with which they could be linked to VNACCS in future.

One of the important concepts of VNACCS is to provide a one-stop service to users. There exists an example in Vietnam that this concept itself is realized in an analog way.

For each procedure of Import and Export transactions required by Government Agencies, users shall apply to the respective “Reception Desk”, presenting necessary documents. A big burden for users is that they need to go around various places where such Reception Desks are located. In order to alleviate such burden, in some cases, those Reception Desks (Port control, Immigration, Customs clearance, Sanitary and phytosanitary applications etc..) are gathered in one office and sometimes share data on personal computer basis. This will be a kind of “one-stop service” realized physically.

As mentioned above VNACCS is to realize a “one-stop-service”, digitally, that enables users to proceed various trade-related official requirements just accessing to VNACCS, instead of accessing to various systems of Government Agents. The users may become aware of the usefulness of VNACCS as an efficient tool to improve the environment of trade-related issues.

6.6.6 Other Information:

It is planned that users access to VNACCS through internet and SSL will be applied for the security issue.

Web service is also programmed.

6.7 Lao PDR

6.7.1 Current Situation

As of 2012, it is under study how to build the National Single Window.

In June 2012, the Department of Import and Export (DIMEX) implemented a trade-procedure-related system called “Lao Trade Portal” (<http://www.laotradeportal.gov.la>). The function of this system is to provide necessary information or guidance, such as what kind of licenses, permits, approvals, certificates etc... are required for what transaction, for the industries that work in the area of cross-border business.

This portal site is not linked to the customs system, mentioned below.

As for the Customs system, the ASYCUDA¹¹ system (“ASYCUDA World” generation) has been implemented based on the World Bank grant (US\$ 6 million) and as of 2012, this system is in operation at Thanaleng border customs. (<http://laocustoms.laopdr.net/>) The Customs Department of the Ministry of Finance is operating this system.

6.7.2 National Single Window Preparatory Committee

Lao PDR has organized “National Single Window Committee” to define their most adequate model of National Single Window.

The members of the Committee are as follows:

Chairperson:	Vice Minister of Finance
Vice-Chairperson:	Director General of Customs
Vice-Chairperson:	Head of Cabinet

Members

- Ministry of Industry and Commerce (DIMEX) (DDG)
- Chamber of Commerce (DG)
- Tax Department (DDG)
- Department of National Treasury (DDG)
- Ministry of Transportation (DDG)
- Planning Department of Ministry of Agriculture (DDG)
- Ministry of Science and Technology (DDG)
- Ministry of Information Technology (DDG)
- + Private Sector (LIFA)

(Remark: DG= Director General, DDG=Deputy DG)

6.7.3 Issues on establishing the National Single Window of Lao PDR

Except for the Customs that operate ASYCUDA System, other Government Agencies don’t have systems to provide their respective services to the public, while the basic concept of the National Single Window is to link up systems of all Government Agencies. Therefore at the time of studying National Single Window, in the beginning, it is necessary to study how to establish the proper systems of these Government Agencies.

¹¹ The ASYCUDA is the abbreviation of Automated SYstem for CUstoms DATa , a computerized system designed by the United Nations Conference on Trade and Development (UNCTAD) to administer a country's customs, covering over 80 countries and 4 regional projects.

Instead of linking various systems of Government Agencies to one National Single Window, to partition the capacity of National Single Window and share for various services of respective Government Agencies may be another way of solving the issue. In this case the National Single Window integrally provides respective services in place of corresponding Government Agencies,

The Government sent fact-finding mission to Indonesia, Singapore and Thailand, hearing on the situation of their National Single Windows. As the result, they have decided to make a separate and independent National Single Window for Lao PDR. ASYCUDA will be linked to such National Single Window once it is established.

6.7.4 Two different proposals for Lao PDR National Single Window

6.7.4.1 *World Bank*

World Bank (WB) has committed to fund US\$1.35 million for conducting a Feasibility Study on the most adequate model of National Single Window for Lao PDR. The Feasibility Study has been awarded to PN Group Limited (UK)¹². They are required to present a “Blue Print” as the final report.

In case Lao PDR decides to follow the recommendation of WB, which will be given in above Blue Print, WB seems to have intention to provide another fund for really developing Lao National Single Window, on top of the fund for Feasibility Study.

However the issue on this WB option is that it will take so much time before realizing the National Single Window. It will cause broad delay against the time line set forth by ASEAN Single Window.

6.7.4.2 *Bureau Veritas*

Bureau Veritas (French) offered to Lao PDR a kind of BOT (Build Operate and Transfer) alternative on building the Lao National Single Window.

Bureau Veritas has a package product for building a Single Window. It is said that they have experience of implementing it in African countries. The proposal of Bureau Veritas is that they build the Lao National Single

¹² PN Group Limited is the company who developed “Lao Trade Portal”.

Window using their own resources (financing etc...), and afterwards they recover money, invested for building the National Single Window, by collecting usage fee from users for certain years, before handing over the property right of the Single Window system to Lao PDR.

From the view point of building a National Single Window in comparatively short period of time, avoiding the large consumption of limited resources of Lao PDR (especially, they are suffering from short of IT engineers) this proposal is considered to be attractive for Lao PDR.

6.7.5 Domestic Legal Framework for digital transactions

The Ministry of Science and Technology is, as of 2012, elaborating a Law that endorses the effectiveness of electronic documents.

Commercial documents are legally required to store 3 years for Customs related issues.

6.8 Cambodia

6.8.1 Current situation

As of 2012, it is under study how to build the National Single Window.

In 2005 ASYCUDA (“ASYCUDA World” generation) was deployed as the customs system, forming a part of the nation’s policy called “Trade Facilitation Project”, supported by the World Bank.

In 2006, in compliance with the regional agreement in ASEAN to establish the ASEAN Single Window, Cambodia, as a member of ASEAN, took a decision to build a National Single Window. Basic idea of Cambodia is that they revamp the current ASYCUDA system to be the National Single Window of Cambodia, enhancing its functions and capacity.

6.8.2 Probable Participating Government Agencies

As of 2012, Inter-Agency Coordination Group, chaired by the Customs, is inducing as much Government Agencies, to be linked to the National Single Window. There will be at least 10 government agencies (Permit Issuing Agencies, Certificate Issuing Agencies etc...) that will be necessary to be linked, including followings:

- General Departments of Ministry of Economy and Finance
- Ministry of Commerce

Ministry of Industry, Mining and Energy
Ministry of Agriculture, Forestry and Fishery
Ministry of Health

6.8.3 Probable Policy on usage Fee

A fee is charged for Import and Export Declarations on paper basis. The same amount of fee is charged for the declaration through ASYCUDA, too. The same schedule of fee will be applied when the National Single Window is established. It may be possible to review the amount of fee, when such fee is not enough to maintain the National Single Window.

6.8.4 Domestic Legal Framework for digital transactions

As of 2012, the Ministry of Commerce is preparing “e-Commerce Law” to specify the detailed conditions and criteria to endorse electronic documents, to have the same value and effectiveness as the documents written on paper.

6.8.5 Laws on Electronic Documents

As of 2012, “Manual signature” on paper documents is required for all trade-related procedures.

The Ministry of Commerce is studying on the rule for Digital Signature.

6.8.6 Other Legal Issues

Statutory period of preservation for commercial documents:

3 years for post-clearance audit. However once the authority judge it necessary, such period can be extended to 10 years.

6.8.7 Issues on building the National Single Window

Except for the Import and Export Declarations and Certificate of Origin, other Government Agencies in charge of other procedures do not have electronic system to provide services to the public. Therefore it is necessary for these Government Agencies to start from building their proper service systems to be linked to the National Single Window.

Even for those procedures, which services are provided to the public electronically, it is not fully automated. There exist various steps where “human factor” is incorporated, or required to print out onto paper at the final stage and furnish manual signatures.

It may be adequate to re-design trade-related procedures in order to have smooth shift from manual procedure to digital procedure by inducing National Single Window.

7 Conclusion

7.1 Corner stone for ASEAN Community

The initiative of ASEAN Single Window is working very closely to the establishment of the “ASEAN Community” by 2015. Motivated by the Regional Agreement to build the ASEAN Single Window, those ASEAN countries, which don’t have yet the National Single Window, started to build one, because it is indispensable for all countries to have their own National Single Window with which the country is linked to the ASEAN Single Window. By having National Single Window, the trade-related procedures of all ASEAN countries become efficient and transparent that is very important to make ASEAN a Single Market and Single Production Base. And this is one of the main objectives of the “ASEAN Community”.

7.2 Public Service System of Government Agencies

The basic concept of the National Single Window is to provide for users a one-stop-service for all trade-related procedures that are required by various Government Agencies. In other words, all trade-related procedures of various Government Agencies shall be automated and systematized to be able to be provided through the National Single Window. In order to automate and systematize the procedure, it is necessary to review the procedure itself and streamline it. It is just like a BPR (Business Procedure Reengineering) of the Business practice. In this way the facilitation of import and export procedures, all over the ASEAN region, is realized, thanking to the National Single Window.

7.3 Domestic Law to support Effectiveness of e-Documents

At the same time each country shall set up a suitable domestic legal framework to support the effectiveness of electronic documents, electronic

business, digital signature etc... that is a kind of pre-requisite in order that the ASEAN Single Window could work as an infrastructure of ASEAN.

7.4 Importance to have the Standard of ASEAN Single Window

From the regional view point, to have standard data document formats (such as ATIGA Form-D for the Certificate of Origin, ASEAN Customs Declaration Document =ACDD etc...), standard protocol (commonly used ebXML), standard code (such as ASEAN Harmonized Tariff Nomenclature =AHTN) can be very mighty tools to activate more the regional economy of ASEAN, and also encourage the countries outside the region that make business with ASEAN. They can easily understand the meaning of each column of procedural documents and issued certificates, which are uniform for all ASEAN countries, and can put confidence in the transparency of the procedure, thanking to the announced rule of ASEAN Single Window.

7.5 Issues to be studied

Following issues would be studied:

- ① All National Single Windows shall try to handle as much variations of trade-related documents as possible, in order to widen the scope of coverage of ASEAN Single Window, that make it comfortable to use.
- ② Not only governmental documents such as Permits and Certificates, Business documents such as Invoice, Packing List, B/L, Waybill etc... shall be handled, in order that the National Single Windows would be used efficiently, getting a big volume of data exchange.
- ③ In order to motivate Business sector to use the ASEAN Single Window for their exchange of Business Documents, a strict ASEAN Single Window Legal Agreement will be necessary. They need to put full confidence in the conflict solution under such Legal Agreement.