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Electronic Permitting

48th Meeting of the Committee on Trade in Wild Fauna and Flora

Convention on International Trade in Endangered Species of Wild Fauna and Flora



Evolution of trade dynamics

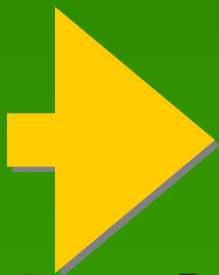
- Trade volume



- Trade velocity



- Trade procedures



The trade of today runs on the rules and administrative methods of the past



UNCTAD trade efficiency study

- Average trade transaction :
 - Goes through 27-30 persons
 - At least 40 documents are involved
 - Over 200 data elements are typically requested
 - 60-70% are re-typed at least once
 - 15% re-typed 30 times
- Result: **time and resources** are wasted because of outdated trade procedures
- Result: **economic development** is affected, mainly in developing countries



Main problems

- Unnecessary and excessive data and documentation requirements
- Lack of transparency of Customs
- Excessive clearance times
- Lack of coordination
- Absence of modern techniques



Concept of trade facilitation

- **Trade facilitation** is a concept directed towards reducing the complexity and cost of the trade transaction process, and ensuring that all activities take place in an efficient, transparent and predictable manner
- Trade facilitation relates to a wide range of areas and activities, such as government regulations and controls, business efficiency, transportation, information and communications technologies and payment systems



Concept of trade facilitation

- **Trade facilitation** generally encompasses the simplification and standardization of procedures and associated information flows required to move goods internationally from seller to buyer and to pass payment in the other direction
- This covers Customs, other regulatory agencies, transport, ports, customs brokers, freight forwarders, finance, insurance, legal issues, etc
- It is based on **internationally accepted standards, norms and practices** and involves improvement of physical infrastructure and facilities and the harmonization of applicable laws and regulations



Concept of trade facilitation

- Aims:
 - **Harmonization** of applicable laws and regulations
 - **Simplification** of administrative and commercial formalities, procedures and documents
 - **Standardization** and **integration** of information and requirements, and the use of technologies to exchange information efficiently
 - **Transparency**, making information available



Current activities of interest

- WCO Data Model for cross-border information exchange
- IATA - *Simplifying the Business* initiative
- UN/CEFACT (United Nations Centre for Trade Facilitation and Electronic Business)
- Other efforts to develop information standards



What does this mean for CITES?



Adapting to a changing trade world

- Changes in how the world will conduct trade in future are **inevitable**
- This will have an **impact** on CITES transactions
- CITES can prepare to align itself with the data needs and procedures of tomorrow



CITES, IT and trade

- CITES requirements

- Process application
- Consideration of requirements, non-detriment etc.
- Issuance of documents
- Filing of documents issued and accepted
- Production of trade reports

- Trade requirements

- Processing by Customs (export)
- Processing by Customs (import)
- Processing by Customs (re-export)
- Transfer of permits/data to the Management Authority
- Processing miscellaneous documents (airwaybills, health/phytosanitary etc)



CITES, IT and trade

- CITES requirements
 - Process application
 - Consideration of requirements, non-detriment etc.
 - Issuance of documents
 - Filing of documents issued and accepted
 - Production of trade reports
- IT possibilities
 - On-line e-forms
 - Electronic printing of CITES documents
 - Electronic signatures
 - Electronic filing & databases
 - Production of reports
 - On-line guidance to traders etc



CITES, IT and trade

- IT Possibilities

- E-data provided to Customs
- E-data on export/import/re-export provided to the Management Authority
- Faster processing ???

- Trade requirements

- Processing by Customs (export)
- Processing by Customs (import)
- Processing by Customs (re-export)
- Transfer of permits/data to the Management Authority
- Processing miscellaneous documents (airwaybills, health/phytosanitary etc)



Progress on trade facilitation

- The Trade Facilitation Recommendations developed by the United Nations Centre for Trade Facilitation and Electronic Business and UNECE, several of which have become ISO Standards
- The Recommendations reflect best practices in trade procedures and standards
- They include the widely used UN Layout Key, a guideline for designing trade documents and the basis of the EU Single Administrative Document, the International Bill of Lading and other such documents



Progress on trade facilitation

- Other recommendations include the UN Location Code for over 40,000 trade locations in the world, and the Country Code that has been adopted as an ISO standard



International
Organization for
Standardization

(BE) BELGIUM

UN/LOCODE 2007 by UNECE

Ch	LOCODE	Name	NameWoDiacritics	SubDiv	Function	Status	Date	IATA	Coordinates
	BE ALB	Aalbeke	Aalbeke	VWV	-----6--	RL	0601		5046N 00313E
	BE AAB	Aalst	Aalst	VOV	1-3-----	RN	0307		5056N 00402E
	BE AAL	Aalter	Aalter	VOV	1-3-----	RN	0307		5105N 00327E
	BE AAS	Aarschot	Aarschot	VBR	--3-----	RN	0307		5059N 00450E



Single Window

- Aimed at enhancing the efficient exchange of information between trade and government, a **Single Window** is a facility that allows parties involved in international trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements
- If information is electronic, then individual data elements should only be submitted once



Single Window

- This can enhance the availability and handling of information, expedite and simplify information flows between trade and government and can result in a **greater harmonization and sharing of the relevant data across governmental systems**, bringing meaningful gains to all parties involved in cross-border trade



IATA e-freight

- IATA e-freight initiative is a joint air cargo industry programme of carriers, forwarders and Customs, led by IATA
- It is aimed at eliminating the need to produce and transports all paper documents for air cargo shipments
- Linked to the development of the Customs 'single window' approach
- Can deliver paper if needed, but is not dependent on paper
- Currently about to start testing in trial countries



What this means for CITES

- The world of international trade is moving towards 'paperless' e-trade, 'single window' Customs processing, and various trade facilitation measures
- CITES trade will need to adapt to changes in global trade practices



What this means for CITES

- What is important is for CITES documents to conform to international **data standards** for e-trade and **protocols** for electronic data exchange
- Parties are already recommended to adopt a standard permit form, and guidance has been provided in Resolutions on information to be entered in permits and certificates (e.g. **Resolution Conf. 12.3 (Rev. CoP14)**)
- As long as **data standards** are used, it does not matter if the trade is 'paperless' or in the traditional form – implementation over time can be staggered according to national priorities



CITES Electronic Permits

Current Situation:

- Many Parties establishing CITES electronic permit systems
- Some Parties have asked about using electronic signatures instead of “handwritten signatures” (**Resolution Conf. 12.3 (Rev. CoP14)**)



CITES Electronic Permits

Current Situation:

- Some Parties are ready to use “fully electronic” CITES permit systems (i.e., Brazil)
- **Problem:** Little guidance in the development of CITES electronic permit systems



CITES Electronic Permits

Current Situation:

- **Problem:** Many disparate independent systems using different protocols and standards
- This situation creates difficulties for the exchange of data, and for the development of interoperable systems



CITES Electronic Permits

Current Situation:

- **Trends:** Need to harmonize with other initiatives
 - World Customs Organization data model v.2 and v.3
 - UN/CEFACT standards for e-commerce



CITES Electronic Permits

History:

- **Decision 12.76:** *Study and evaluate the possibility of creating a future centralized system that would allow the establishment of a communications network through the CITES website that would make it possible to check the authenticity and veracity of permits and certificates issued and received by each of the Parties.*



CITES Electronic Permits

History:

- **Decisions 14.55-57:** Established the *Working Group on the Use of Information Technologies and Electronic Systems*



CITES Electronic Permits

Working Group on Electronic Permits

Switzerland (Chair)

Singapore

Brazil

Thailand

Canada

United Arab Emirates

France

United Kingdom of Great
Britain and Northern
Ireland

Guatemala (joined 09/2009)

Ireland

Italy

Vietnam

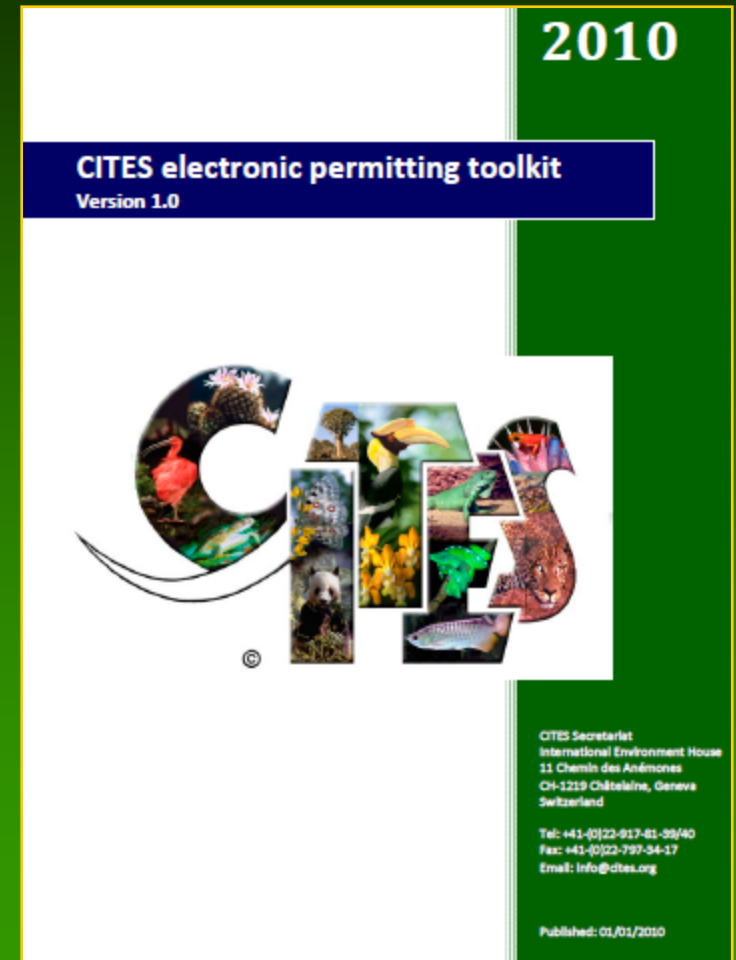
Philippines



CITES Electronic Permits

History:

- **Decisions 14.55-56:** Tasked the Secretariat, in conjunction with the Working Group, to develop a **toolkit to provide advice** on common formats, protocols and standards to facilitate the implementation of CITES electronic permit systems.



CITES Electronic Permits

- The Management Authorities of Switzerland and the United Kingdom established a pilot project on the use of CITES electronic systems.
- The first phase of the project was initiated in January 2009 and will begin exchanging data in early 2010.
- Testing of CITES electronic export permits only



CITES Electronic Permits

UN/CEFACT

The Secretariat presented the XML schema proposed for the project between the UK and Swiss Management Authorities to the Chair of the Electronic Trade Documents working group (TBG2) of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT).



CITES Electronic Permits

UN/CEFACT

Using the Swiss/UK XML schema, the Electronic Trade Documents Working Group assisted in the development of a standard based data model and XML schema for use in the toolkit according to ISO standards (ISO 15000, ebXML).



CITES Electronic Permits

UNEP-WCMC

With financial support from the European Commission and the United Kingdom, **UNEPWCMC** is currently developing a mechanism to facilitate the expedition, electronic exchange or verification of CITES-permit data among Management Authorities.



CITES Electronic Permits

UNEP-WCMC

The mechanism is being developed so that participating Management Authorities **can exchange data regardless of the type of information-management system** they use

It is **being developed in collaboration with the CITES e-permitting working group** and the CITES Secretariat, pursuant to Decision 14.57.

CITES Electronic Permits

Next Steps

- Adhere to recommended international standards development of the CITES e-permitting toolkit
- Revise Resolution 12.3 (Rev. CoP14) to accommodate electronic permits and digital signatures
- Present revised resolution and toolkit to CoP15 for consideration

CITES Electronic Permits

Next Steps

- Continue collaboration with UNEP-WCMC to harmonize projects
- Assist Parties interested in developing proof of concept projects among MAs or with other international actors (WCO, ASYCUDA, IATA, etc)
- Seek assistance for the organization of capacity building workshops on e-permitting.



CITES Secretariat Geneva

