



**World Customs  
Organization**

# WCO E-Commerce FoS and associated tools and initiatives

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**IDB/INTAL e-commerce workshop  
for Mercosur countries**

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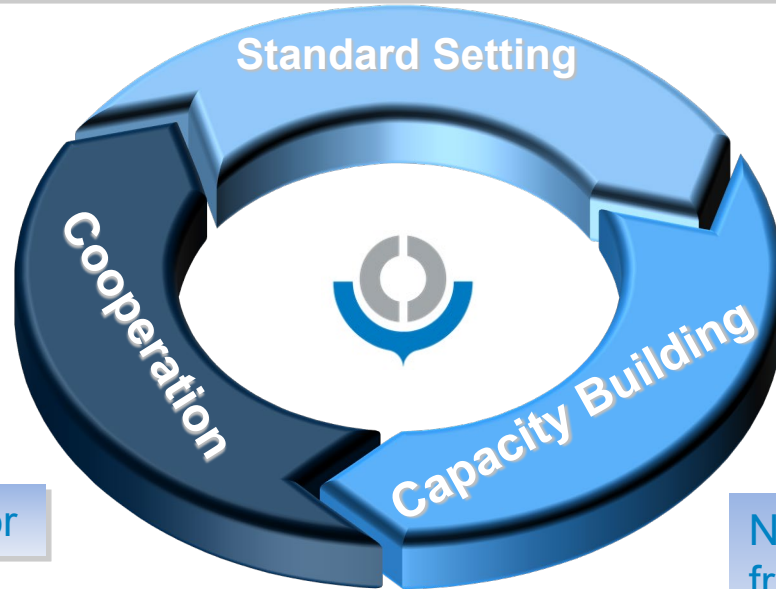
# Introduction to the WCO



- Independent intergovernmental organization exclusively focused on Customs matters
- Established in 1952 as the Customs Co-operation Council
- 183 Members
- Mission - The WCO develops international standards, fosters cooperation and builds capacity to facilitate legitimate trade, to secure a fair revenue collection and to protect society, providing leadership, guidance and support to Customs administrations

# Key functions of the WCO

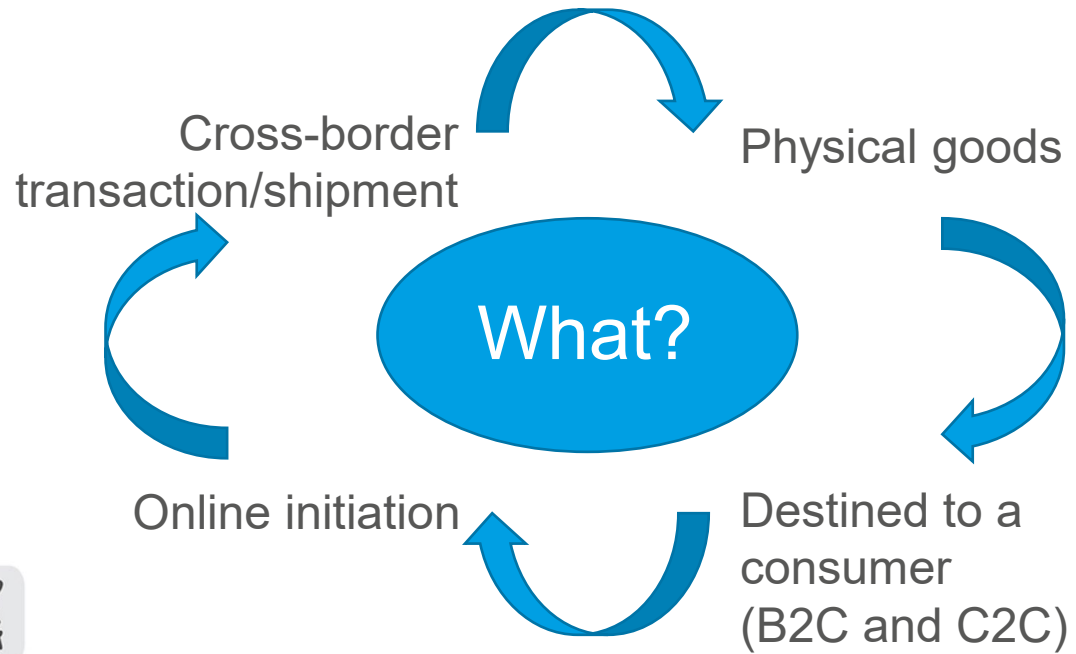
Conventions (HS, RKC, etc.)  
FoS, Guidelines, Compendia, Study Reports  
WCO Data Model



Other IOs, private sector

Network of accredited experts  
from Customs Administrations  
Donor engagement

# Cross-Border E-Commerce – the WCO Perspective



# WCO Discussions on cross-border e-commerce



Multi-stakeholder

Cross-cutting issues  
- Facilitation & control  
- Revenue collection

Collaborative solutions  
- Develop framework / recommendations / guidelines

→ **E-Commerce Package**

Collection and dissemination of Members' practices and initiatives

Since September 2016, the WGEC held six meetings and several sub-group meetings, and reported the results to the Permanent Technical Committee, the Enforcement Committee and the Policy Commission.

# WCO E-Commerce Package



<http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/frameworks-of-standards/ecommerce.aspx>

## Framework of Standards on Cross-Border E-Commerce (June 2018)



## Tools supporting the implementation of the E-Commerce FoS

- Technical Specifications and related documents (June 2019 & Dec 2020)
  - Definitions
  - E-commerce Business Models
  - E-commerce Flow Charts
  - Reference Datasets for E-Commerce
  - Revenue Collection Approaches
  - E-Commerce Stakeholders
  - Implementation Strategy, Action Plan and Capacity Building Mechanism
- Resolution on the Guiding Principles for Cross-Border E-Commerce (December 2017)
- Resolution on the Framework of Standards on Cross-Border E-Commerce (June 2018)
- WCO Study Report on E-Commerce (March 2017)
- Compendium of Case Studies on E-Commerce
- KPIs for the E-Commerce FoS implementation
- Secretariat Notes

## Compendium of Case Studies on E-Commerce

Practical examples of how individual Members address priority issues such as exchange of advance electronic data, facilitation, safety, security and revenue collection (including de minimis levels)

1st edition, June 2020

2nd edition, June 2021

### - Case studies on the E-Commerce FoS implementation

Algeria, Argentina, Germany, Japan, Korea, Morocco, Paraguay, Peru, Serbia, and Thailand



China, EU, Guatemala, Indonesia, Myanmar, Saudi Arabia and Turkey

### - Case studies on revenue collection approaches

Argentina, Australia, Brazil, Eurasian Economic Union, Germany, Peru and Russian Federation



China and Turkey

## Other WCO tools supporting E-Commerce



- Revised Kyoto Convention and the Guidelines to it
- Immediate Release Guidelines
- SAFE Package
- WCO Data Model
- Data Analysis Practitioner's Handbook
- Risk Management Compendium\*  
\*Access to Volume II is restricted to Members only
- Single Window Compendium
- WCO UPU Postal Customs Guide
- Joint WCO-UPU Guidelines on the exchange of AED between Post and Customs
- Guidelines on Customs - Tax Cooperation







## 8 Principles of the E-Commerce FoS



- ✓ Advance Electronic Data and Risk Management
- ✓ Facilitation and Simplification
- ✓ Fair and Efficient Revenue Collection
- ✓ Safety and Security
- ✓ Partnerships
- ✓ Public Awareness, Outreach and Capacity Building
- ✓ Measurement and Analysis
- ✓ Leveraging Transformative Technologies

# Advance Electronic Data and Risk Management



## Advance Electronic Data and RM

- Standard 1: Legal Framework for AED
- Standard 2: Use of International Standards for AED
- Standard 3: Risk Management
- Standard 4: Use of Non-Intrusive Inspection Technologies and Data Analytics

## Issues of Advance Electronic Data

- Timing (pre-loading, pre arrival, at importation)
- Data elements (transaction data, payment data, logistic data)
- Mandatory submission vs Voluntary data

## Supporting tools:

- ✓ Technical Specifications
- ✓ Reference Datasets for Cross-Border E-Commerce
- ✓ E-Commerce Compendium
- ✓ KPIs
- ✓ WCO Data Model
- ✓ Joint WCO-UPU Guidelines on the exchange of AED between Post and Customs
- ✓ Tools on Data Analytics
- ✓ Risk Management Compendium, etc.

## Best practices:

- ✓ US – Section 321 and Entry Type 86 data pilots
- ✓ EU – ICS2 system, super-reduced dataset
- ✓ Canada – CLVS Programme

# Fair and Efficient Revenue Collection



## Fair and Efficient Revenue Collection

- Standard 7: Models of Revenue Collection and offer electronic payment options
- Standard 8: De Minimis

## Revenue collection models based on OECD Guidelines

- Seller/Vendor based collection
- Intermediary based collection
- Buyer/Consumer based collection
- Variant and hybrid approaches to collection

## Supporting tools:

- ✓ Technical Specifications
- ✓ Revenue Collection Approaches document
- ✓ E-Commerce Compendium
- ✓ KPIs
- ✓ Secretariat Note on effective and efficient revenue collection in cross-border e-commerce
- ✓ RKC tr. standard 4.13 and standard 4.14
- ✓ Guidelines to Chapter 4 of the RKC GA
- ✓ Immediate Release Guidelines
- ✓ Guidelines on Customs - Tax Cooperation, etc.

## Best practices:

- ✓ Australia – vendor collection model
- ✓ EU – EU VAT Package

# Safety, Security and Use of Technology



## Issues for Safety and Security

- Cargo inspection with Non-Intrusive Inspection Equipment
- Link between Scanned Image and AED
- Use of AI, Blockchain
- Customs to Customs cooperation
- Use of information in websites

## Safety, security and use of technology

- Standard 9: Prevention of Fraud and Illicit Trade
- Standard 10: Inter-Agency Cooperation and Information Sharing
- Standard 15: Explore Technological Developments and Innovation

## Best practices:

- ✓ Canada – AI
- ✓ China - AI
- ✓ Japan - AI and NQR
- ✓ Korea - AI, blockchain, DA

## Supporting tools:

- ✓ Technical Specifications
- ✓ E-Commerce Compendium
- ✓ KPIs
- ✓ SAFE Framework of Standards
- ✓ Single Window Compendium
- ✓ WCO TEG-NII, Technology Conference, Workshops on DT, etc.

## Partnership

- Applying AEO concept
- Information from the private sector on illegal activities (IPR, etc.)

## Facilitation and simplification

- Standard 5: Simplified Clearance Procedures
- Standard 6 : AEO

## Partnership

- Standard 11: Public-Private Partnerships
- Standard 12: International Cooperation

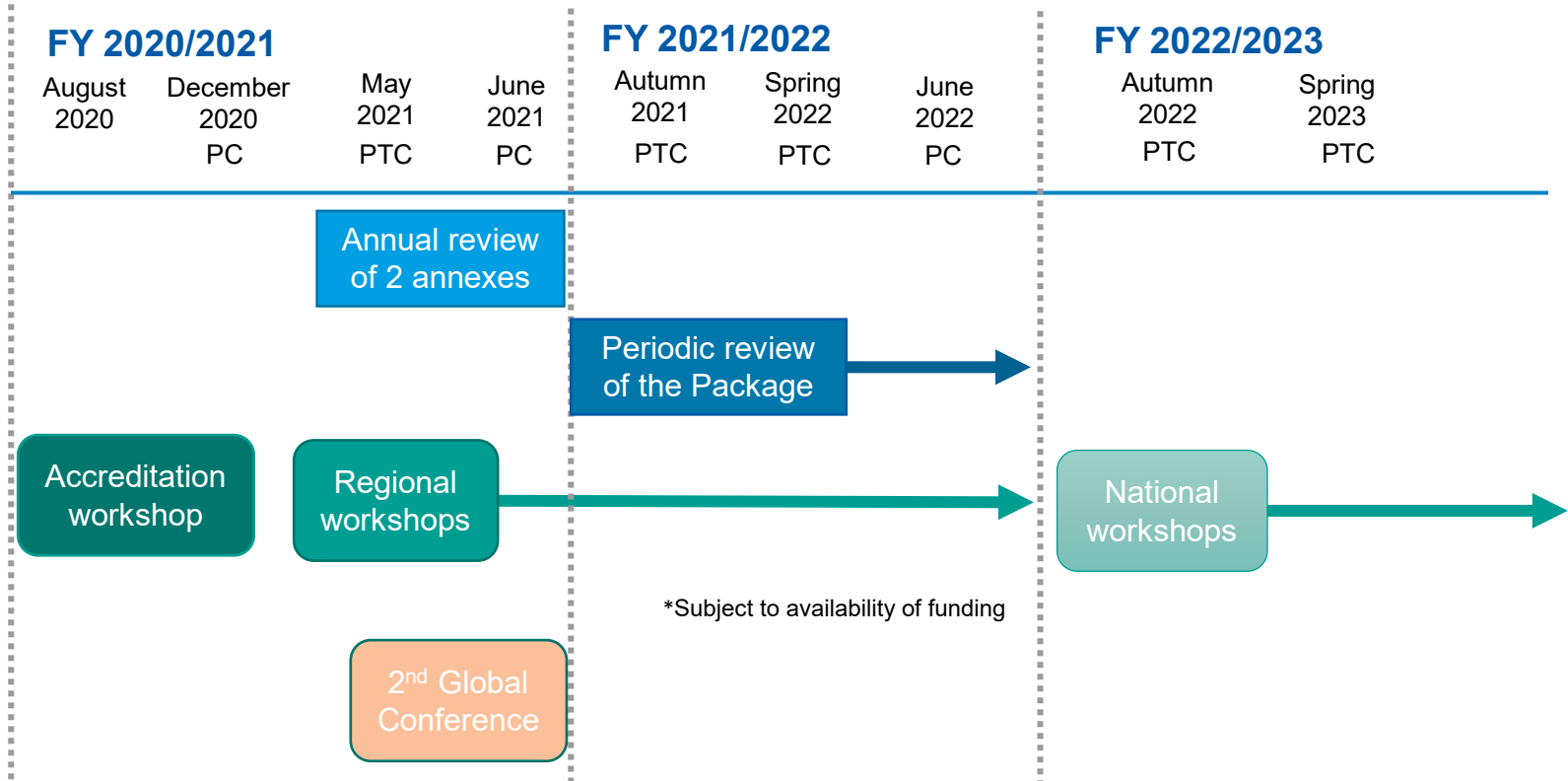
## Best practices:

- ✓ China
- ✓ EU
- ✓ US

## Supporting tools:

- ✓ Technical Specifications
- ✓ E-Commerce Stakeholders – Roles and Responsibilities
- ✓ E-Commerce Compendium
- ✓ KPIs
- ✓ Secretariat Note on expanding the concept of AEO to cross-border e-commerce
- ✓ Immediate Release Guidelines
- ✓ SAFE Package, etc.

# Update/maintenance mechanism and CB activities





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**Thank you**

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