“e-Certificates of Origin as one of the key components to accelerate cross-border paperless trade”
Cross-Border Paperless Trade Database e-CO Projects
01 September 2022
e-COs AS A KEY COMPONENT OF CROSS-BORDER TRANSACTIONS

Global trade transactions impacted on volume of e-COs’ issuance

- e-COs have a key role for:
  - proof of origin to safeguard
  - fraud prevention
  - government procurement
  - trade statistics, tariff quotas
  - quantitative restrictions
  - origin marking
  - AD/countervailing duties, etc.

- Preferential e-COs more common in FTAs, in different formats of self-certification of origin, i.e. approved exporter, fully exporter-based certification, or importer-based system, ensures the favorable fiscal treatment.

- China, the UK, the Netherlands, Belgium, South Korea and Spain have reported the largest e-CO issuing volume and among them, China and South Korea offer only e-COs (China issuing around 4 million COs and South Korea issuing 550K COs in 2019). According to the International Chamber of Commerce more and more Chambers are issuing e-COs.
Agreement between Korean and Chinese customs authorities on the implementation of the FTA (October 2015)

- An Electronic Origin Data Exchange System (EODES) have been implemented (e-Cos)

  - Korean Chamber of Commerce and Industry: KCCI issues both preferential and non-preferential COs. [http://cert.korcham.net/base/index.htm]

  - Korea Customs Service: KCS only issues preferential COs for FTAs, APTA, GSP, and GSTP and TNDC to promote trade and to provide convenience to the trading industry. [https://unipass.customs.go.kr/csp/index.do]

  - China Council for the Promotion of International Trade: CCPIT issues preferential COs for traders through its 300 plus regional offices and agencies for FTAs. [http://check.ccpiteco.net/]

  - G.A. of Quality Supervision, Inspection and Quarantine: AQSIQ is a direct agency of the Chinese State Council that controls quality of agricultural and manufactured goods and quarantine. To apply a CO, a trader must register through [www.eciq.cn] then apply to [http://www.itownet.cn]

### Table: Country-wise CO Usage

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<tbody>
<tr>
<td>For export</td>
<td>93.6%</td>
<td>86.7%</td>
<td>86%</td>
<td>52.1%</td>
<td>47.8%</td>
<td>70.9%</td>
<td>55%</td>
</tr>
<tr>
<td>For import</td>
<td>80.6%</td>
<td>76.4%</td>
<td>70.2%</td>
<td>76.8%</td>
<td>90%</td>
<td>57.3%</td>
<td>74.9%</td>
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Benefits of COs Digitalization

- **Time and Cost saving**
  - Private and public stakeholders
  - Accelerated/real-time verification and validation

- **Application of Advanced Technologies**
  - Insights for trade policies
  - Data driven decision making
  - Accelerated/real-time verification and validation
  - Application of Advanced Technologies
  - Insights for trade policies
  - Data driven decision making
  - Enhancement of Risk Management tools
  - Achievement of sustainability goals

- **Process Optimization**
  - Streamlined issuance, validation and verification
  - Process automation
  - Avoids roundabout communication

- **Digital Traceability & Accountability**
  - Improve supply chain resiliency and responsiveness
  - Enables efficiency for regulatory compliance
  - Enhance transparency of the process
UNTFSURVEY Formalities: e-COs Implementation Rate
Exchange of Information

Trade Facilitation and Paperless Trade Implementation Measures (2021)
Based on scores of 33 selected economies* | Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021

South Asia, South-East and East Asia & Pacific Islands

(14) Acceptance of copies of original supporting documents required for import, export or transit formalities

(22) Electronic application and issuance of Preferential Certificate of Origin

(28) Electronic exchange of Certificate of Origin

Degree of implementation (0 = not implemented; 3 = fully implemented)

Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021 | UNTFSURVEY.ORG
Cross-border Paperless Trade Database

- CBPT DB - Cross-Border Exchange of Information
- Any type of data exchanged impacting positively cross-border trade facilitation

https://www.digitalizetrade.org/
e-COs Projects on UNESCAP - ICC CBPT DB

- SGS eCert
  (https://www.digitalizetrade.org/projects/sgs-ecert-platform)
- Morpheus Platform
  (https://www.digitalizetrade.org/projects/morpheusnetwork)
- Singapore-Belgium eCOO exchange
- China – New Zealand
- Korea – Vietnam (pilot)
- Morocco Blockchain for eCOOs
- Korea – Chinese Taipei

End to end digital CoO flow – Example Flow

A Case Study: Digitalizetrade.org
Morpheus Platform

Morpheus.Network multi-award winning platform integrates with over 100+ industry leading technologies and service providers such as SAP, DHL, UPS, FedEx, SAP as well as various IoT devices from leading companies including Geotab, Hanhaa and Telefonica
Work in progress for new features - Beta version...

CBPT DB – GLOBAL REPOSITORY OF CROSS-BORDER DATA FLOWS

https://www.digitalizetrade.org/

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