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# The Role of Aligned Trade Documents in Trade Facilitation

UNECE/UNESCAP Workshop on United Nations  
electronic Documents for Single Window Facilities in  
Asia and the Pacific

Bangkok, 10-14 December 2007

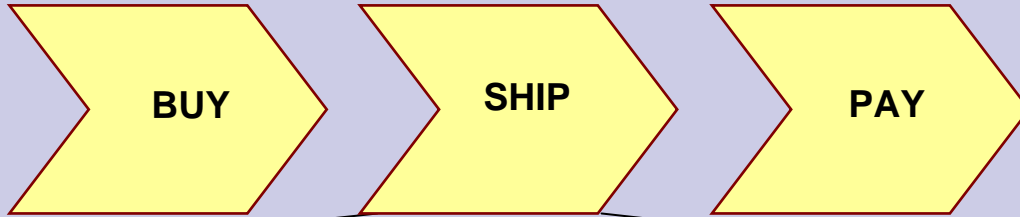
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Trade Efficiency and Facilitation Section

Trade and Investment Division

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# International Trade Transaction



**Commercial Procedures**

- Establish Contract
- Order Goods
- Advise On Delivery
- Request Payment

**Transport Procedures**

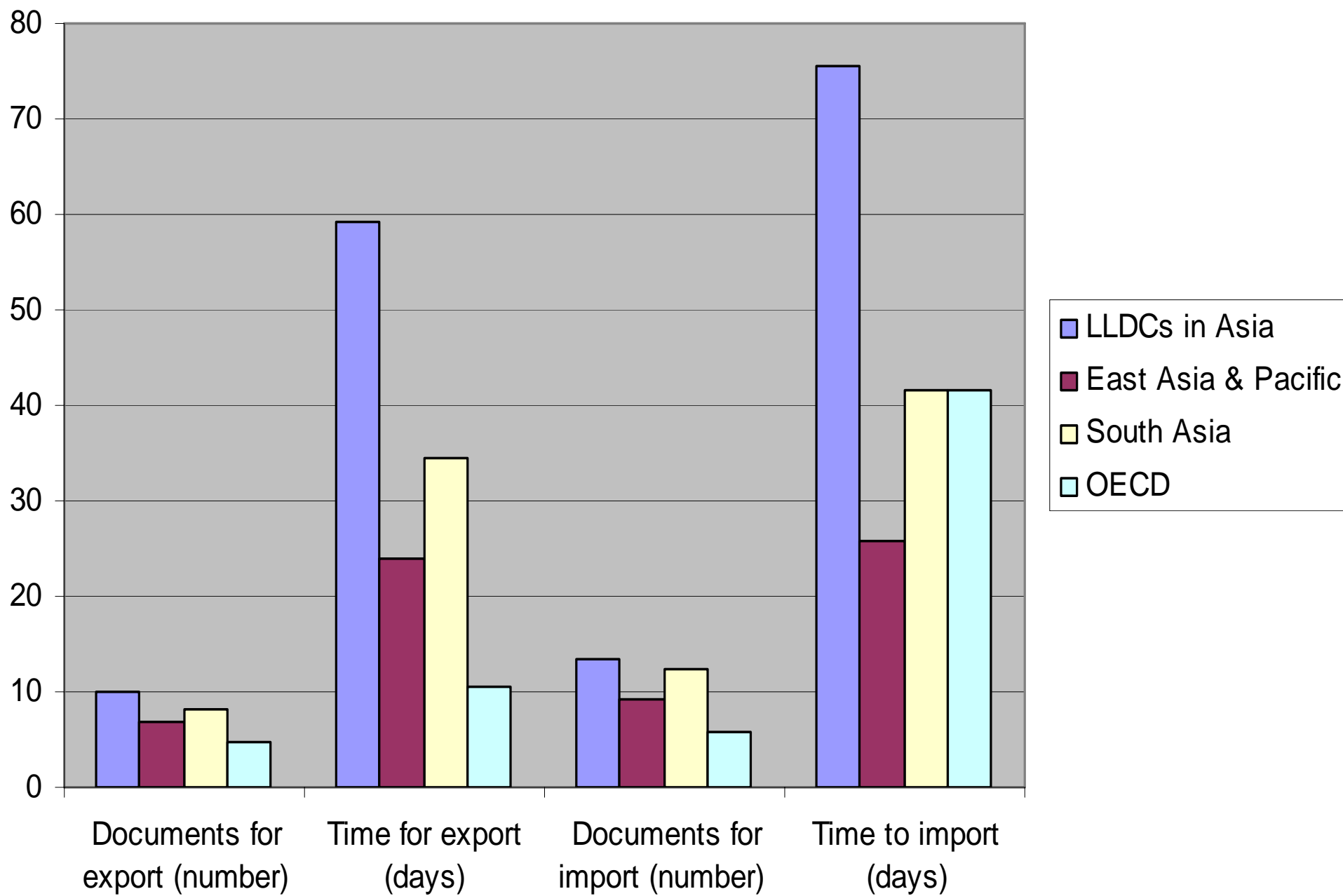
- Establish Transport Contract
- Collect, Transport and Deliver Goods
- Provide Waybills, Goods Receipts Status reports etc.

**Regulatory Procedures**

- Obtain Import/Export Licenses etc
- Provide Customs Declarations
- Provide Cargo Declaration
- Apply Trade Security Procedures
- Clear Goods for Export/Import

**Financial Procedures**

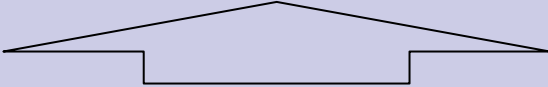
- Provide Credit Rating
- Provide Insurance
- Provide Credit
- Execute Payment
- Issue Statements



# Main motivations

**Business: Reduce time and cost of trade and improve transparency**



- Global Initiatives:
    - ❖ WTO Negotiations: Articles V, VIII and X of GATT
    - ❖ International conventions, standard and best practices (WCO, UNECE-UN/CEFACT, IMO, ICC)
  - Regional Initiatives:
    - ❖ APEC, ASEAN, GMS, CAREC, SPECA, APTA
  - National Initiatives:
    - ❖ National customs modernization programmes, single window and paperless trade initiatives
- 

**Government: Enhance control, revenue collection, and create balance between trade security & trade facilitation**



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# TRADE FACILITATION

## Simplification

Process of eliminating all unnecessary elements and duplications in formalities, processes and procedures

## Harmonisation

Alignment of national procedures, operations and documents with international conventions, standards and practices.

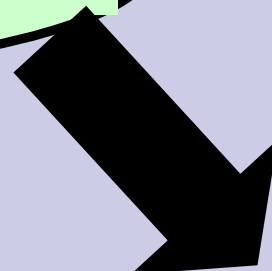
## Standardisation

Process of developing internationally agreed formats for practices and procedures, documents and information.

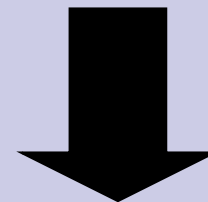


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**TRADE FACILITATION**



**Standardisation**



**Process of developing internationally agreed formats for practices and procedures, documents and information.**



# International rules and standards

- ISO
- UNECE/ UN/CEFACT
- WCO
- WTO

# United Nations Layout Key for Trade Documents

**LAYOUT KEY FOR TRADE DOCUMENTS**

Consignor (Exporter)		Date, Reference No, etc.		
Consignee		Byer (if other than consignee) or other address		
Notify or delivery address		Country whence consigned		
		Country of origin	Country of destination	
Transport details		Terms of delivery and payment		
Shipping marks; Container No.	Number and kind of packages; Goods description	Commodity No.	Gross weight	Cube
			Net quantity	Value
<p><b>Free disposal</b></p>				
Place and date of issue; Authentication				

- UNECE Recommendation 1; ISO 6422
- The most widely used international standard for trade documents
- Same data and information are in the same place
- Same format used regardless a size of paper (A4 and the U.S. legal format)
- Precondition to move to electronic documents





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# FIATA FORWARDING INSTRUCTIONS FFI

3336 Consignor 1		(approved by FIATA) 1492 Consignor's reference No. 2	
3132 Consignee 3		3170 Freight Forwarder 4	
3180 Notify party 5		3238 Country of origin 6	Documentary credit 7
Goods ready for shipment Place _____ Date _____ 8		4490 Conditions of sale 9	
8066 Mode of transport <input type="checkbox"/> Air <input type="checkbox"/> Road <input type="checkbox"/> Sea 10		Transport insurance 11	
3258 Place of destination		Covered by us	4112 Insurance conditions
7102 Marks & numbers 12		7224 Number & 7064 type of pkgs.	7002 Description of goods 13
		7357 Commodity code 14	6292 Gross weight 15
		6048 Net net weight	6322 Cube 16
		To be covered by you	6345 Currency and 5011 value insured
The goods and instructions are accepted and dealt with subject to the Trading Conditions printed overleaf.			
4078 Handling instructions (dangerous goods etc.) 17			
Dimensions / Measurement and weight of each package			
1346 Document enclosed:		1160 Document required: 18	
Orig. Copy		4052 Terms of delivery 19	
		3410 Place and 2006 date of issue 20	
		4426 Authentication 21	

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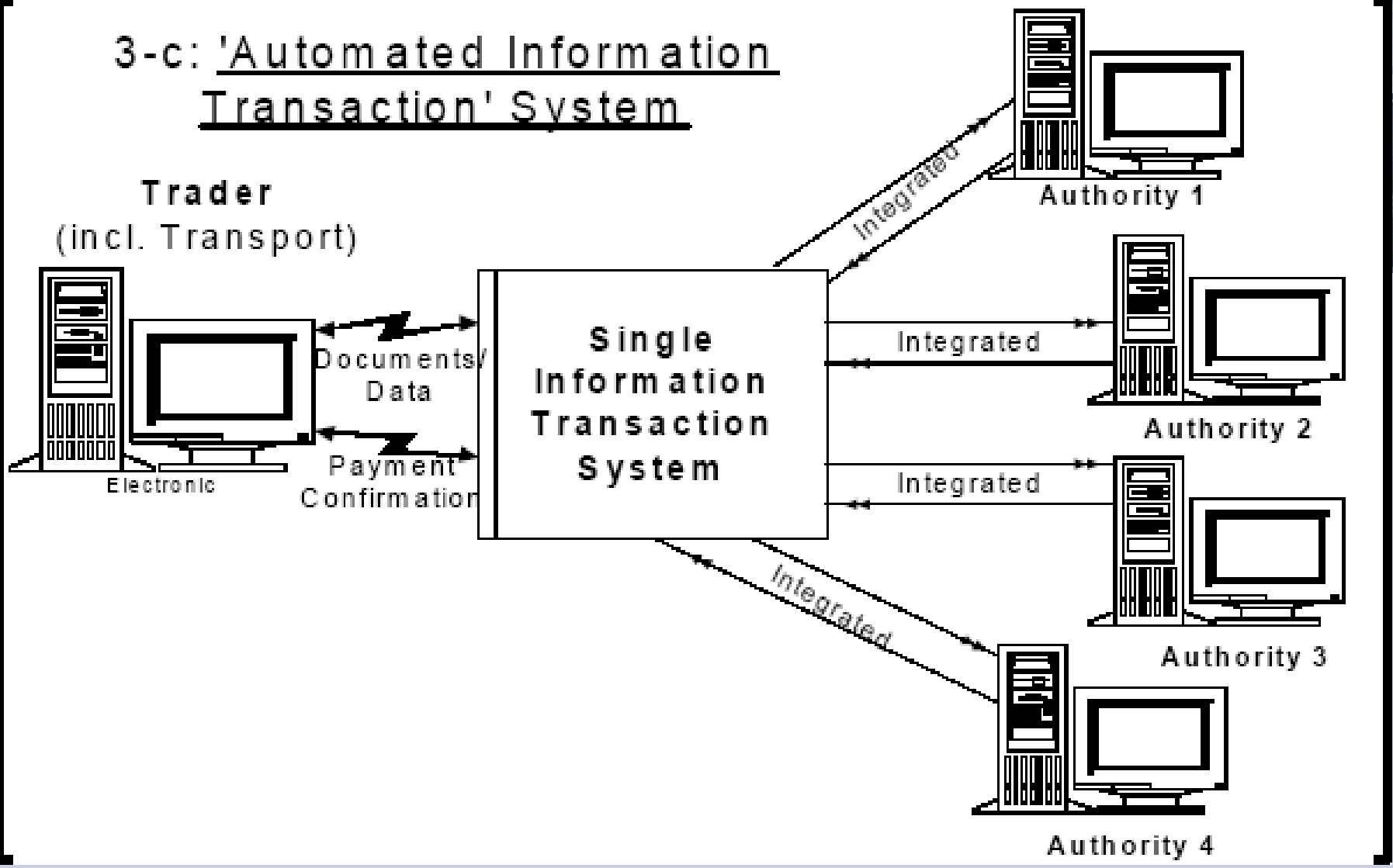
# TRADE FACILITATION

**Simplification**

**Process of eliminating  
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duplications in  
formalities, processes  
and procedures**



### 3-c: 'Automated Information Transaction' System





# Step by step toward e-single window & paperless trade

**Process  
Analysis**

**UMM, WB Audit Methodology, WCO Time Release**

**Simplification and  
Harmonization  
Process**

**Business/ political processes based on collaboration  
between government and business**

**Documents Simplification  
and Alignment**

**United nations Layout Key (ISO 6244),  
Master Document, UNTDED, TF Toolkit  
and Forms Repository**

**National Data Harmonization**

**UNTDED, Codes (Country  
Code, UN/LOCODE, etc.),  
UNeDocs**

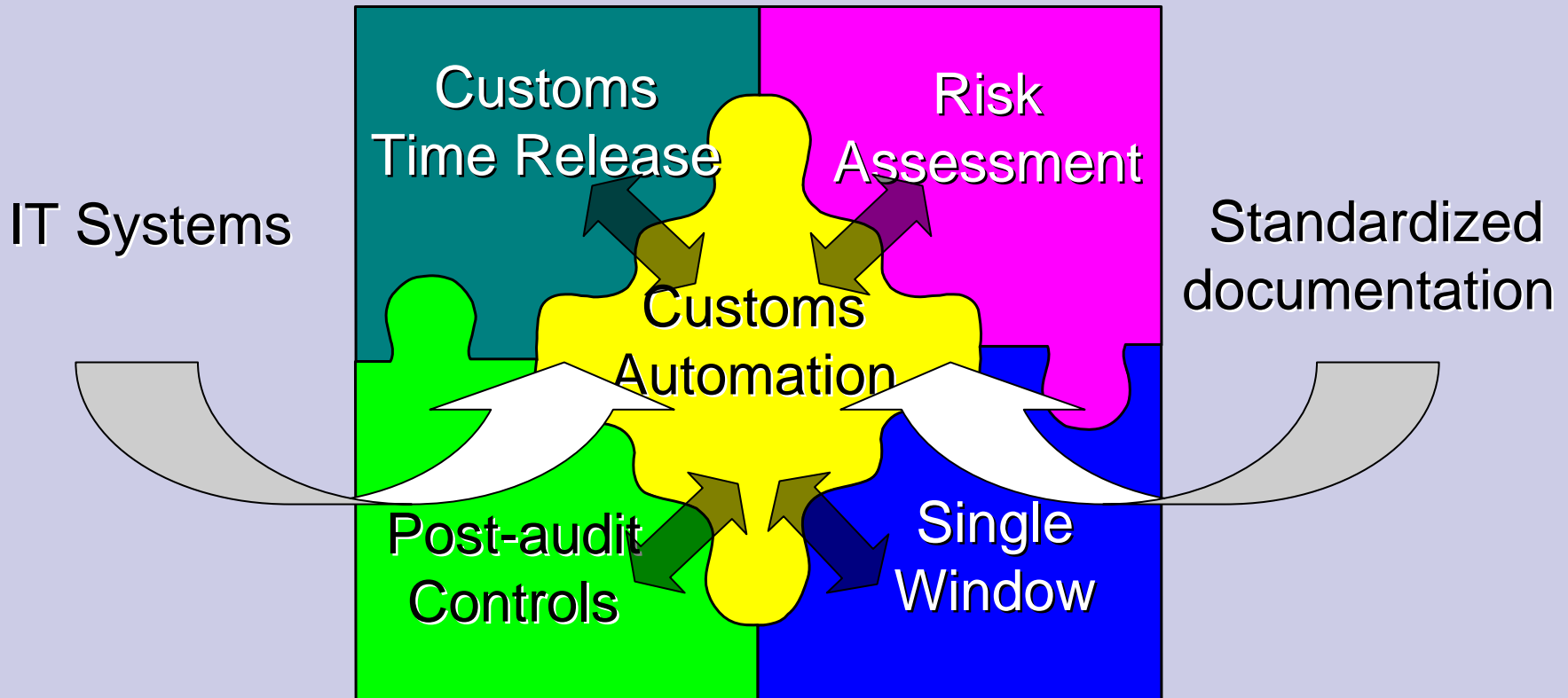
**Cross-border Data  
Exchange**

**UNeDocs, WCO  
Data Model,  
CBRDM**

**e-Single Window**

**UN/CEFACT Rec's 33,  
34 & 35**

# Functional linkages





# Implementation Tools

- United Nations electronic Trade Documents (UNeDocs):
  - Provides a conceptual framework to develop paper and electronic trade documents
- UN Trade Documents Toolkit:
  - Internet-based tool which serves to the development of aligned trade document forms

# Benefits of simplified and standardized trade documentation

- Fewer documents and forms to complete
- Reduced time, money and human resources resulting in lower trade transaction costs
- Harmonized data elements resulting in easier documents transmission between countries and removing language barriers
- Improved administrative controls – fewer errors
- Precondition for transition to automation and electronic documents:
  - Golden rule “First simplify the process and documentary requirements, then automate”

# Alignment of trade documents the context of WTO TF ne

## ■ GATT Article V (goods in transit):

- Strengthened non-discrimination
- Fees & charges
- Transit formalities and documentation requirements**
- Improved cooperation and coordination
- Operationalization and clarification of terms

## ■ GATT Article VIII (import/export fees & formalities):

- Fees and charges connected with imports/ exports
- Formalities connected with imports/ exports**
- Consularization
- Border agency coordination
- Expedited/ simplified release and clearance of goods**
- Tariff classification

### Proposed measures:

- Simplification of procedures and documentary requirements
- Use of international standards

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- Simplification of procedures and documentary requirements
- Use of international standards
- Introduction of Single Window facilities
- Advance cargo information
- Risk management techniques
- Pre-arrival clearance

# Challenges

- Paper still a major factor in international trade, yet there is an increasing need for advance information in electronic form
- The challenge is to establish a dual paper and electronic trade document system based on international standards (e.g. UNLK) and accessible to all levels of trade
- High costs for implementing ICT solution, automating and moving to paperless
- Need for skilled human resources → TACB → Regional Network for Paperless Trade

# THANK YOU!

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