

Technical note on the WTO Trade Facilitation Agreement

Article 10.4: Single Window

This document is an extract from
"Getting down to business: Making the Most of the WTO Trade Facilitation Agreement",
published by the International Trade Centre in partnership with UNCTAD and UNECE.

Single Window: Article 10.4

Adopting a system that allows traders to submit documentation and data requirements at a single-entry point – either physical or electronic – to fulfil all import or export-related regulatory requirements is a fundamental trade facilitation reform. A single window (SW) facility will expedite and simplify procedures to submit documents and data requirements to government agencies.

Members are required to establish or maintain a single window (SW) to allow traders to submit documents and data requirements through a single entry point just once.

The SW concept is a practical application of trade facilitation principles to reduce procedural obstacles. It can deliver immediate benefits to the business community by easing the burden of compliance, as well as reducing the time and cost of clearance and release processes.¹¹

The measure

ARTICLE 10 FORMALITIES CONNECTED WITH IMPORTATION, EXPORTATION AND TRANSIT

4 Single Window

4.1 Members shall endeavor to establish or maintain a single window, enabling traders to submit documentation and/or data requirements for importation, exportation, or transit of goods through a single entry point to the participating authorities or agencies. After the examination by the participating authorities or agencies of the documentation and/or data, the results shall be notified to the applicants through the single window in a timely manner.

4.2 In cases where documentation and/or data requirements have already been received through the single window, the same documentation and/or data requirements shall not be requested by participating authorities or agencies except in urgent circumstances and other limited exceptions which are made public.

4.3 Members shall notify the Committee of the details of operation of the single window.

4.4 Members shall, to the extent possible and practicable, use information technology to support the single window.

Understanding the measure

What is covered?

Scope

Article 10.4 requires WTO Members to attempt to establish or maintain a SW system, which allows traders to submit through a single entry point documentation and/or data requirements connected to importation, exportation or transit of goods.

Once submitted to the single-entry point, the documents are available to all relevant government authorities for evaluation, the results of which must be notified to the applicants through the system in a timely manner.

¹¹ UNECE: The Single Window Concept. <http://tfig.unece.org/contents/single-window-concept.htm>

Core obligation

This measure requires Members *at least* to attempt – ‘shall endeavour’ – to implement this provision. Nonetheless, Members are not legally bound to establish or maintain a SW system. When a SW system is in place, however, Members must process received documentation and communicate results of evaluations to applicants through the SW in a timely manner to ensure that traders do not incur bureaucratic delays.

Avoidance of redundancies and exception to the rule

Paragraph 4.2 requires Members to ensure their agencies do not request traders to provide second copies of documents or data requirements that have already been submitted through the SW.

However, Members are allowed to request traders to re-submit documents and data requirements under ‘urgent circumstances and other limited exceptions which are made public.’ However, these conditions should not undermine the purpose and function of the SW. Thus the requirement to make public the urgent circumstances will limit their occurrence to only reasonable, justifiable and demonstrable causes, while at the same time ensuring the highest degree of transparency.

Informing the WTO Committee on Trade Facilitation

Members are required to notify the WTO Committee on Trade Facilitation of their SW operation.

Use of information technology

The last paragraph of Article 10.4 requires Members to use information technology to support the establishment and maintenance of the SW. However, the use of the qualifying words ‘to the extent possible and practicable’ introduces a wide degree of flexibility in terms of scope, coverage and technical capacity.

What is not covered?

The measure does not detail how to establish a fully-fledged SW, providing flexibility for Members to progressively guide transition of all procedures and agencies to a SW system, depending on available resources.

Similarly, the timeline for setting up an operational SW mechanism is not specified and depends on the capacity of participating agencies to integrate ICT. The use of relevant international standards is not mandatory when setting up SW schemes.

Benefits and opportunities for stakeholders

A single entry point to submit required documentation will benefit traders by allowing faster clearance and release of goods across borders, particularly if the SW allows for electronic lodgement of data and documents. A SW system will deliver transparency and predictability to economic operators, who can better plan processes and comply more quickly with procedural requirements.

Border agencies will be able to coordinate information sharing and processing operations in the SW system, expediting the clearance and release of goods. Enhanced inter-agency cooperation through the SW system will allow agencies to share best practices and experiences and find innovative solutions to bottlenecks faced by traders.

Implementation

Implementation checklist

The following checklist may be used to estimate the level of compliance with the measure:

- A substantive effort is underway to establish a single entry point for traders to submit required documentation and/or data requirements for importation, exportation or transit of goods only once and to receive responses from all agencies within the SW system.
- A concrete and official plan has been established to progressively integrate participation of all appropriate agencies in the national SW system.
- Details of the national SW system are notified to the WTO Committee on Trade Facilitation.

- Appropriate ICT is used to support the national SW, to the extent possible.
- A legal definition of 'urgent circumstances and other limited exceptions' has been formulated.

Preparing a national implementation plan

The following template may be used as the basis for a national implementation plan:

Implementation sequence	Actions required
	Preparatory phase
	A comprehensive feasibility study is required to develop a roadmap that caters to the needs of all stakeholders in submitting export, import or transit documentation and information within a SW system. The study would identify the following requirements to implement the single entry point: <ul style="list-style-type: none"> ○ Legal, institutional, infrastructure, management and resources reforms; ○ Simplification and harmonization of the framework regulating the national trade and transit documentation; ○ Incorporation of a risk management system; ○ Gradual integration of all agencies in the system, and ○ Phased integration of ICT in supporting the SW system.
	Other cross-cutting issues and practices should be addressed, including change management, promotion and communication of the system, use of best practices and international standards, capacity building and extensive use of ICT.
	Nominate a lead agency that will coordinate implementation. Identify relevant national and cross-border agencies, ministries and private sector representatives, and form a project team with representation from each agency/sector.
	Identify shortcomings in legal, regulatory and institutional frameworks that may hinder implementation of the measure and address those issues. If necessary, establish/amend legal frameworks to facilitate establishment or maintenance of a SW and obtain necessary approvals.
	Review existing procedures and business processes to identify bottlenecks and devise new processes using enhanced cooperation and coordination between agencies.
Determine changes required to organizational structures, ICT infrastructures of different agencies to enable successful deployment.	

Implementation sequence	Set-up phase
	Select a suitable SW model based on the results of feasibility study.
	Ensure that necessary changes in national legal, institutional, administrative and ICT frameworks are progressing in timely manner.
	Harmonize trade and transit documentation and data towards international standards.
	Progressively integrate the use of information technology.
	Carry out a public awareness campaign to raise awareness of benefits.
	Management and follow-up phase
	Train staff and provide them with the necessary equipment/infrastructure/technical skills.
	Follow up compliance of the measure.
	Keep the WTO Committee on Trade Facilitation informed about the structure of the national SW and any future improvements.
	Share with other countries relevant information and best practices and ensure a positive and efficient inter-agency coordination among countries.
	Periodically review and implement upgrades to the SW system.
Average time for implementation	Three and a half years.
Leading implementation agency	The ministry of trade or customs service, under the authority of the ministry of finance, are most commonly chosen as the leading implementation agency.

Key challenges

Governments may not have capacity to harmonize documents and processes across multiple agencies and develop new protocols for setting up and managing a SW system. There may not be existing procedures for sharing information across agencies at the national level. Lack of ICT capacity will hamper efficient operationalization of the SW system, making it difficult to inter-connect border agencies and streamline exchange of data.

Key factors for success

A comprehensive mapping of existing documentation, procedures, operational functions and infrastructure capacity from all relevant national agencies will ensure the development of a SW system that caters for all stakeholders' needs. Building capacity of government agencies to implement the measure through technical assistance, including ICT capacity, will also contribute to the successful operationalization of the system. A thorough public campaign is required to raise awareness of the benefits in the business community including how they can contribute to the development of the scheme (documents required, processes involved, related agency requirements).

Box 4: International best practices for single window systems

Colombia, Ghana and Thailand provide three examples of best practice in the establishment of efficient SW facilities.

In **Colombia**, the establishment of a SW was motivated by excessive document duplication and lack of coordination among agencies involved in foreign trade formalities. The resulting high transaction costs increased cost structures of businesses, negatively affecting the prices of goods.

Colombia issued a government decree in 2004 to operate a Single Foreign Trade Window (VUCE), which enabled trade-related administrations to exchange relevant information and allowed users to obtain prior authorizations, permits and licenses to carry out import and export operations. It guarantees technological and legal probity of trade procedures by integrating electronic signatures and online payments. VUCE consists of three modules:

- Electronic processing of import registration and licenses;
- Electronic processing of prior authorizations for export;
- Electronic processing for prior registration through a Single Foreign Trade Form.

VUCE is arranged in a series of web services connected to the National Tax and Custom Directorate with the Single Tax Registry (*Registro Único Tributario*) database and the Single Business Registry (*Registro Único Empresarial*), managed by the Chambers of Commerce, which allows consultation and validation of applicants' basic tax and trade information¹².

Workshops and conferences were held to inform the business sector on availability and functions of the facility. Government officers were trained to use the system. Since the establishment of the single window in Colombia, an average of 1,400 transactions have taken place daily.¹³

The SW facility (GCNet) in **Ghana** was set up following stakeholders' concerns regarding slow and cumbersome clearance procedures plus the government's intention to make Ghana a trade and investment hub in West Africa. To manage the development of the facility, a public-private joint venture was established in November 2000.

Designed to facilitate secure customs clearance of goods and reduce transactions costs and delays faced by trade operators, GCNet follows all relevant international standards and consists of two complementary systems:

1. TradeNet – an electronic data interchange platform for transmission of electronic messages between trade operators and customs; and other regulatory bodies;
2. Ghana Customs Management Systems (GCMS) – an automated system for processing all customs operations, which is hosted at customs headquarters and maintained by customs officers.

Once data is submitted to TradeNet electronically, the platform interfaces with GCMS and all stakeholders by exchanging electronic files. GCMS enables customs to perform all necessary customs-related processing. Importers/exporters have experienced faster clearance times, more transparent and predictable processes and less cumbersome bureaucracy. Customs authorities have greatly benefitted from improved staff working conditions and increases in customs revenues. There was a substantial increase in government revenues in the first year of implementation with import revenue growth of almost 50% and an average growth of 23% in subsequent years.

¹² The entire system is supported on WORK_FLOW architecture, leveraged by security provided by VPN (SSL) and digital certificates (electronic signatures with PKI standards, certified with standard X.509).

The robust inter-agency collaboration for the implementation of the National Single Window (THAINSW) in **Thailand** is an example of international best practice. In accordance with the agreement to establish and implement an Association of Southeast Asian Nations (ASEAN) Single Window, THAINSW is a national flagship project launched in 2008 to introduce trade facilitation reforms in Thailand, with a vision to become an efficient logistics hub of Indochina.

THAINSW allows full electronic submission of documentation from government agencies and traders through a value-added service provider channel, as well as fully automated customs clearance and release at 660 customs stations within the country's territory. A national router, providing a streamlined and regulated environment for routing of data among agencies and business, and an international gateway acting as a single point of access to the ASEAN Single Window and other single window systems outside the region, hold the architecture of THAINSW. An online repository of THAINSW documents and information systems of participating agencies and business complement the facility.

Successful inter-agency collaboration for SW implementation owes much to the roles of the National Economic and Social Development Board, Royal Thai Customs and Ministry of Information and Communication Technology. The Thai case demonstrates that formalization of inter-agency collaboration using a top-down approach is essential to ensure effective collaboration in a large scale e-government project involving many stakeholders from government agencies across ministries and the private sector.

Since its operationalization, THAINSW has saved Thailand logistics costs of about \$1.5 billion per year. It has also considerably improved customs clearance processes through reduced documentation and time needed to release goods.

Sources: UNECE Trade Facilitation Implementation Guide. <http://tfig.unece.org/contents/case-studies.htm>; UNECE case stories: Ghana. <http://tfig.unece.org/cases/Ghana.pdf>; UNECE case stories: Thailand. <http://tfig.unece.org/cases/Thailand.pdf>.