EU4Digital

# EU4Digital Facility

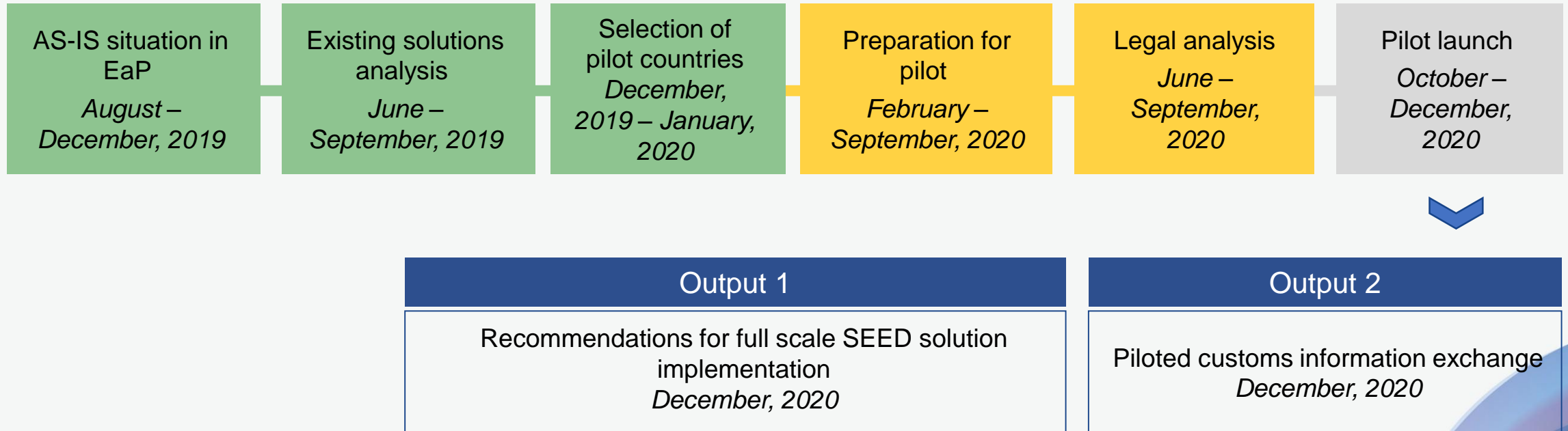# EU4Digital: eTrade Network, 8th Online Workshop

# Day 2: eCustoms

Online conference | 9-10th June 2020

Funded under the EU4Digital
Initiative of the European Union

# Timeline of eCustoms activity

## 3.4 eCustoms

| AS-IS situation in EaP *August – December, 2019* | Existing solutions analysis *June – September, 2019* | Selection of pilot countries *December, 2019 – January, 2020* | Preparation for pilot *February – September, 2020* | Legal analysis *June – September, 2020* | Pilot launch *October – December, 2020* |

| Output 1 | Output 2 |
|---|---|
| Recommendations for full scale SEED solution implementation *December, 2020* | Piloted customs information exchange *December, 2020* |

EU4Digital

# Current progress

## CONFIRMED PILOT COUNTRIES

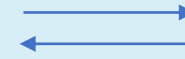The following country pairs were confirmed by European Commission for the eCustoms piloting activity:

Belarus → ← Lithuania | Armenia → ← Georgia

**Current progress**

The pilot project was already launched on 27 February and discussions are ongoing with formed pilot working group.

Multiple joint and technical working meetings with BY and LT representatives were held and the following was discussed:
1. SEED functionalities to be applied;
2. Data sets to be exchanged;
3. XML message structure;
4. Memorandum of Understanding.

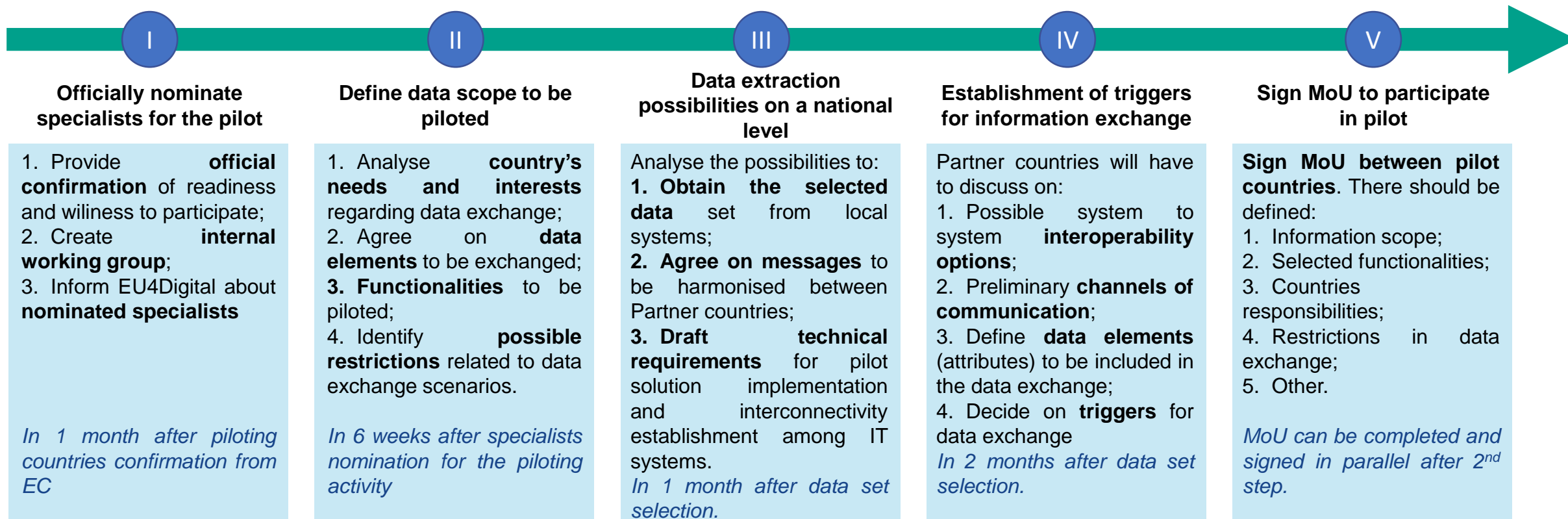**Current progress**

The pilot was not yet launched.

After initial discussion with the representatives from AM and GE the following was agreed:
1. Currently proceed with EU-EaP pilot and after its completion to consider possibilities to replicate it in other EaP countries.
2. Visit AM and GE border to understand the current developments and infrastructure as well as how SEED could be integrated.
3. If countries confirm, proceed with the EaP-EaP pilot.

**Highlight:** strengthened bilateral (Lithuania – Belarus) customs to customs cooperation on national and operational level makes good preconditions to test a technical solution for customs information exchange

# Action plan for pilot countries

## Action steps to be taken prior to the piloting activity:

| I | II | III | IV | V |
|---|---|---|---|---|
| **Officially nominate specialists for the pilot** | **Define data scope to be piloted** | **Data extraction possibilities on a national level** | **Establishment of triggers for information exchange** | **Sign MoU to participate in pilot** |
| 1. Provide **official confirmation** of readiness and wiliness to participate;<br>2. Create **internal working group**;<br>3. Inform EU4Digital about **nominated specialists**<br><br>*In 1 month after piloting countries confirmation from EC* | 1. Analyse **country's needs and interests** regarding data exchange;<br>2. Agree on **data elements** to be exchanged;<br>3. **Functionalities** to be piloted;<br>4. Identify **possible restrictions** related to data exchange scenarios.<br><br>*In 6 weeks after specialists nomination for the piloting activity* | Analyse the possibilities to:<br>1. **Obtain the selected data** set from local systems;<br>2. **Agree on messages** to be harmonised between Partner countries;<br>3. **Draft technical requirements** for pilot solution implementation and interconnectivity establishment among IT systems.<br>*In 1 month after data set selection.* | Partner countries will have to discuss on:<br>1. Possible system to system **interoperability options**;<br>2. Preliminary **channels of communication**;<br>3. Define **data elements** (attributes) to be included in the data exchange;<br>4. Decide on **triggers** for data exchange<br>*In 2 months after data set selection.* | **Sign MoU between pilot countries**. There should be defined:<br>1. Information scope;<br>2. Selected functionalities;<br>3. Countries responsibilities;<br>4. Restrictions in data exchange;<br>5. Other.<br><br>*MoU can be completed and signed in parallel after 2nd step.* |

**Participation in primary legislation review**

Selected piloting countries shall be willing to participate in the primary legislation review. The main outcome of the activity is to provide necessary preparatory steps and recommendations from legal perspective for pilot project implementation.
*The activity is executed in parallel to other preparatory steps since the legal base adjustments is not required to successfully pilot the solution (MoU between participating countries is sufficient).*

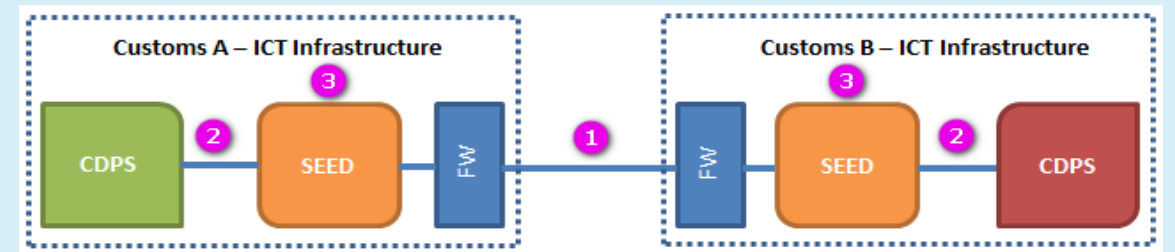# eCustoms pilot concept

## The main SEED components

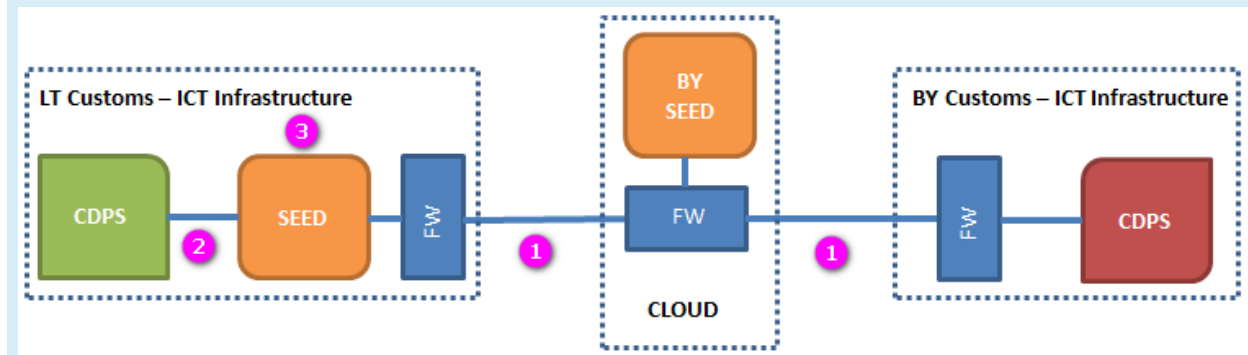The diagram presents components of the SEED node that will be used for the Pilot action.
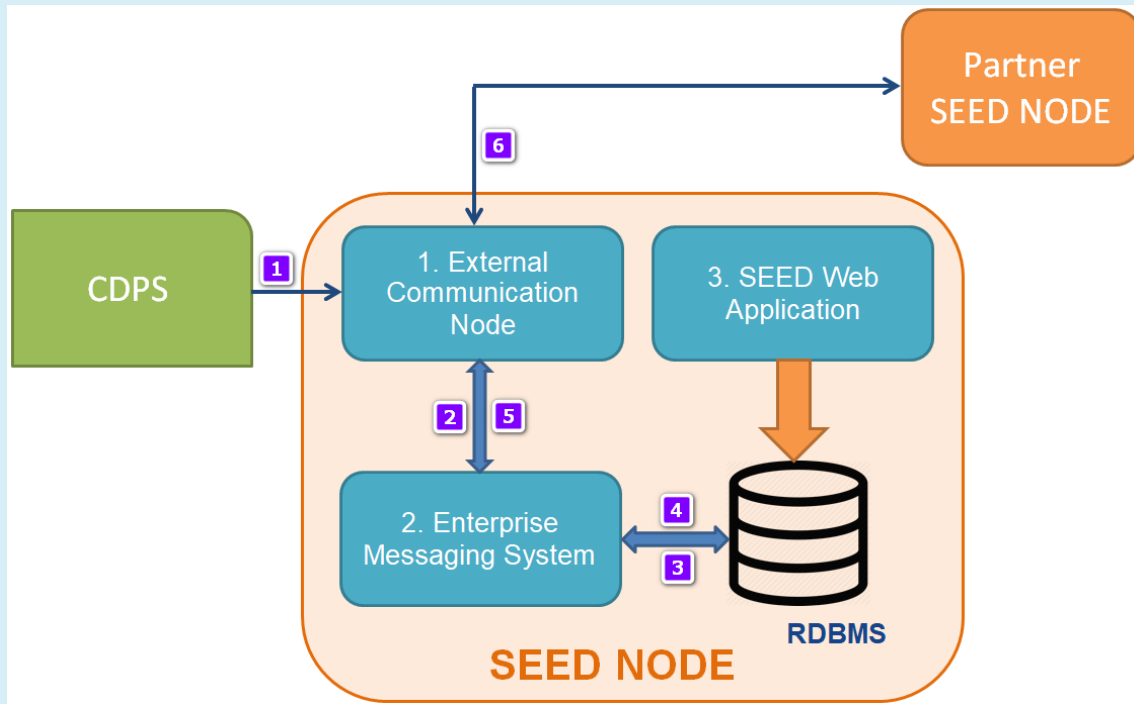


## Implementation scenarios of SEED node

Placement of the SEED servers

### Scenario I



### Scenario II

# eCustoms pilot packages

After working meetings with selected pilot countries, the potential packages of functionalities to be piloted were discussed and the following scope was agreed to be piloted:

- **Package 1:** Empty Trucks;

- **Package 2:** Exchange of exit data from transit/export declarations (limited data set);

- **Package 3:** Full declaration data set from the transit and export declarations for volunteers.
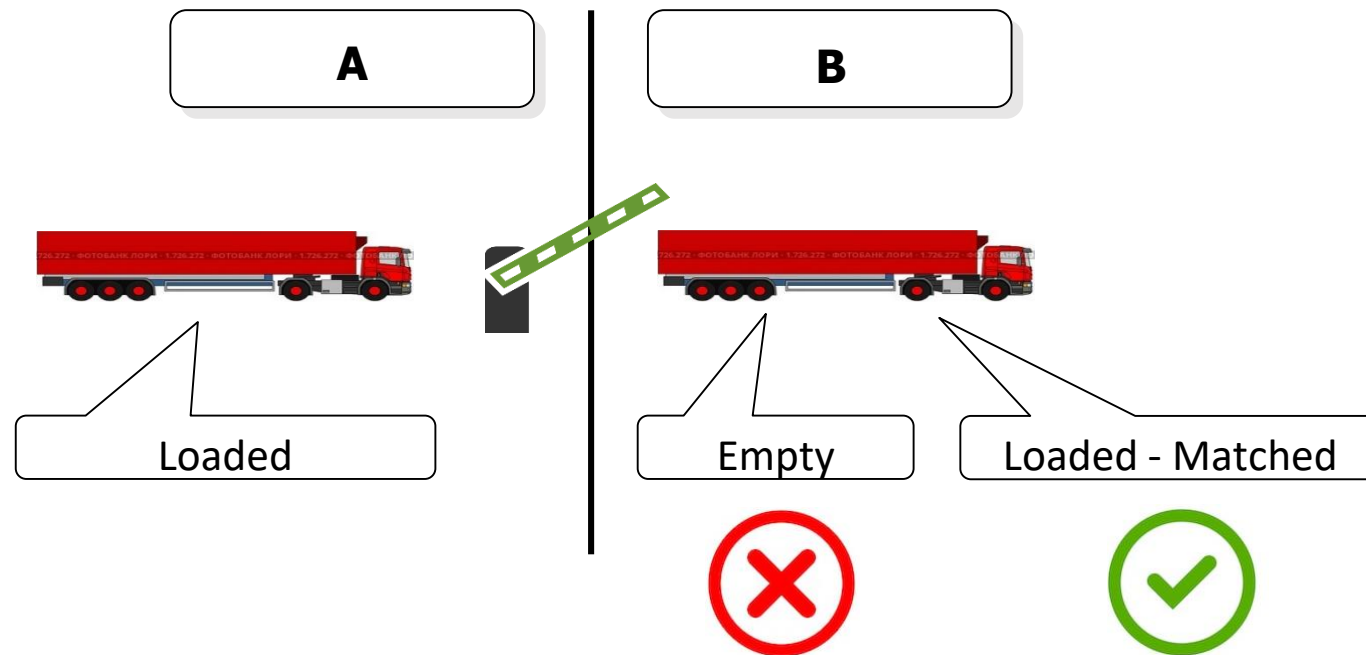
# Package 1: Empty Trucks

**Description:** The main purpose of this module is to enable data exchange about empty freight means of transport (Trucks, Vans, etc, ). This module shall enable quicker evidence of the border crossing of Empty freight means of transport, and consequently their quicker passage through the BCP.

**Highlights:**

- Quicker evidence of the border crossing of Empty freight means of transport / Faster passage through the BCP
- From Law Enforcement point of view, verification that truck declared as empty at exit is also declared as empty at neighbour office
- Discovery of "unusual" scenarios – the same truck has two (or more) consecutive crossings as empty, etc.

**Usage:**

Lithuanian Customs is aiming to use SEED module for Empty Trucks in the following way:
- Empty Truck at exit from LT/EU (exit record): officers are typing data directly to the SEED Web application, instead current e-Journal.
- Entry Truck at entry to LT/EU: data are pulled from received BY message.

Belarus Customs will send XML messages about border crossings of Empty Trucks from national Customs system to the local SEED node, both in exit and entry direction.

# Package 2: Exchange of exit data from transit/export declarations (limited data set)

**Description:** The main purpose of this package is to enable exchange of exit data about loaded freight road means of transport (loaded/full trucks), when consignment is at the Customs Office of Exit

**Highlights:**

- Limited data set excludes comercial data
- Exchange of data when exit of consignment is confirmed at the Customs Office of Exit (from the customs territory of EU and BY)
- Data Matching module (automatic comparison of received exit message with the entry record)
- Focusing of resources on only risky consignments (where significant discrepancy in key data elements is discovered).

**Usage:**

Received data should be previewed in the SEED Web application (module "Your EXITS"), when consignment is at BCP of Exit.

The usage of **Data matching** module shall be considered as well.

The module requires generation of ENTRY messages (message to be generated and sent at opening of customs procedure at entrance to the Customs territory). In case both EXIT and ENTRY messages are provided to the SEED node, Data matching module will perform the following automatic actions:

- **Pairing:** finding of declarations that belong to a truck concerned
- **Matching:** comparison of key data elements (e.g. gross mass)

# **Package 3:** Full declaration data set from the transit and export declarations for volunteers

**Description:** The main purpose of this package is to enable exchange of data about shipments of volunteer Economic Operators, who provide prior written consent to share full (major part) of export declaration dataset.

**Highlights:**

- Exchange of data about shipments of Economic Operations who provide prior written consent to share full (major part) of export declaration dataset
- Holders of the AEO (Authorised Economic Operator) certificate might be included in this package
- Various trade facilitation measures to shipments of these Companies which will result in faster crossing of BCP

**Usage:**

Received data should be previewed in the SEED Web application (module "Your EXITS").

In this scenario, both Customs Administration of Exit and Customs Administration of Entry shall implement operating procedures to allow quicker passing of the shipments of selected group of companies (fast line feature could be considered).
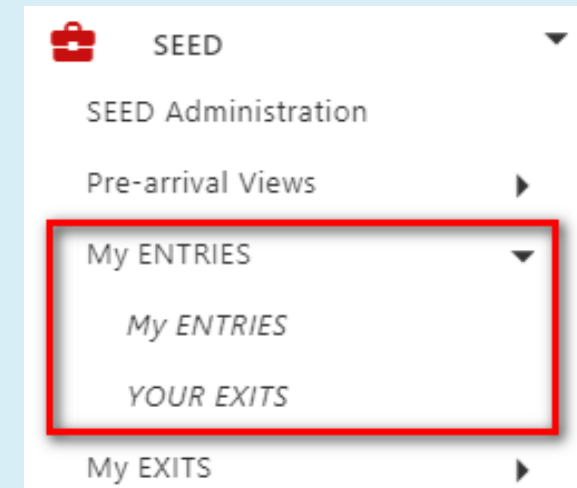
# Introduction of legal analysis

Initial draft of **Memorandum of Understanding** between the Customs Department under the Ministry of Finance of the Republic of Lithuania and the State Customs Committee of the Republic of Belarus was prepared and the alignment with the participating parties was initiated. Below are the main highlights of the MoU:

- **Definitions:** *Pilot Automatic exchange of information – testing of exchange of customs related information via an IT-system in an electronic format in actual time.*
- **Scope of implementation:** *preparation for and piloting of automatic exchange of customs information on loaded and unloaded commercial road transport and data related to the goods crossing the state border following the commencement of the customs procedure; testing the principle of exchange in actual time with the aim to match the data and discover inconsistencies;*
- **Responsibility for data authenticity:** *The Parties shall not be responsible for authenticity of data shown in transportation documents <…>*
- **Means of Automatic Exchange of Customs Information:** *The Parties are willing to perform the piloting of automatic exchange of customs information by adapting and using SEED software*
- **Sets of Exchanged Data**
- **Automatic Matching of Data**
- **Joint Working Group:** *The Parties are willing to allocate specialists who will be committed to closely cooperate with EU4Digital Facility expert team in pilot development and implementation.*
- **Expenses:** *<…> support will be limited to EU4Digital Facility expert working days for the consultation for proper installation and adaptation of the SEED software. No grant or financial support will be issued.*

# Considerations for the future

The follwing steps are foreseen:

1. Customs information exchange piloting between Lithuania and Belarus **via SEED solution**

2. Considerations regarding the **EaP-EaP piloting**. Preliminary site visit to be planned in Armenia and Georgia in Autumn, 2020

3. Preparation of **recommendations** regarding the further developments of SEED solution

4. In the long term the **extension to SEED+** could be considered. In addition to Customs authorities, the SEED+ system would include in the regional electronic data exchange both SPS authorities (phytosanitary and veterinary inspections) and Agencies for Medicines. This would allow certificates and other relevant documents to be exchanged in advance to facilitate and speed up border crossing procedures and clearance formalities.

# Thank You

**EU4Digital website**: https://eufordigital.eu/
**Newsletter**: https://eufordigital.eu/?#newsletter