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Cross-border logistics & regulators: Call for Participation

This call for participation is aimed at MOs and companies interested in participating in a pilot project with objective to demonstrate benefits for both trade and Customs administrations from the use of GS1 standards for cross-border operations.

Why this pilot: developments in the Customs area

Strategic drivers and new trans-national and national challenges lead to increasing demands on the responsibilities of states in the 21st Century. Governments require agencies of the state, including Customs, to be service-oriented and meet the expectations of societies and businesses.

The World Customs Organisation (WCO) and its national Customs administrations have developed the vision "Customs in the 21st Century". Key aims have been to ensure compliance with state policies and laws applicable to cross-border movement of goods, to combat smuggling and to secure borders from illegitimate (terrorist) actions as well as unwanted transfer of diseases (infected flora and fauna), whilst ensuring the facilitation of legitimate trade. Responsibilities in relation to the international movement of goods thus have broadened, and will continue to broaden, from the traditional role of collecting duties and taxes on international trade in support of government finances, to include sophisticated border control and other activities that serve a far wider set of government objectives. The available instruments, guidelines and recommendations developed by Customs are currently under review within the overall philosophical direction embodied within the new vision.

This broadening of focus and tightening of controls has big impacts on cross-border trade. For legitimate trade the need for better control by Customs and by trading partners in principle go hand-in-hand. To cope with increasing competitiveness the use of ICT is increasingly relevant. With this common goal in mind, in 2007 the WCO and GS1 have agreed a Memorandum of Understanding (MoU). GS1 has developed a strategy paper regarding joint initiatives with Customs. New regulatory requirements will have an impact on how best to progress with joint activities between GS1 and WCO, to ensure they meet core objectives of both organizations.

Within this overall context this Call to Participation aims to identify tangible interest from GS1 MOs and companies to further develop and execute joint tangible and visible activities between trade and Customs.

What: which activities are foreseen?

Activities could include any of the following subject areas:

- Improved product identification
- Coordinated Border Management/Single Window
- Authorized Economic Operators
- Improved Track and Trace including further use of the Unique Consignment Reference (UCR)

The objectives of any pilot initiatives will depend on the selected area, but all will strive to demonstrate improved supply chain security and trade facilitation. They should also aim to demonstrate the potential for data exchange reduction and simplification of customs processes for trade.

Benefits for trade will include:

- Improved traceability
- Establishing a link to customs (and potentially other agency) systems that will enable further simplification of border regulatory procedures
- Possibility to leverage the commercial identification scheme into the customs environment
- More precise product description allowing for expedited clearance

How: project scope

We aim at participants from circa 2 or 3 countries, of which two are in different continents. Shipments preferably include container transport over sea or parcels by air, extension of connections to road and/or rail will be beneficial, but not mandatory.

Ideally 2 or 3 suppliers, 1 or 2 buyers with their respective logistics service providers would be involved, as well as the Customs authorities and the GS1 MOs in those countries. The number of shipments should be limited to about 100, to be able to focus on quality of processes and not get distracted by volume.

Project duration: the project should not last longer than one year (including preparations and evaluation and drafting of recommendations for broader roll-out. Ideally it should last somewhere between approximately 6 to 12 months.

Background Information

GS1 has been active in the Customs sector, with the World Customs Organization (WCO) and Customs authorities for quite some time. We have already completed a number of joint initiatives:

- November 2007, GS1 and WCO signed a Memorandum of Understanding in recognition of the wide range of business interests shared by the two organizations and to provide a framework for further cooperation
- Successfully tested the use of the GS1 SSCC¹ key for the Customs purposes as UCR². It was the first joint Customs and trade initiative that addressed issues of supply chain security and trade facilitation.
- Two GS1 Application Identifiers have been upgraded to the level of GS1 ID Keys: GSIN³ and GINC⁴
- On behalf of the WCO, and to ensure compliance of GSIN with ISO standards, GS1 launched a work request in the appropriate ISO committee, and now GSIN is compliant with ISO 15459.
- EPC RFID Pilot project, Phase III, demonstrated global product and asset visibility utilizing GS1 EPCglobal standards and EPCIS, and Customs administrations of Japan and the Netherlands were involved as observers of the project.
- GS1 MOs from a number of countries have already started discussions and activities with their national Customs administrations, in international Forums, or with the WCO.

¹ SSCC = Serial Shipping Container Code, used as unique identification of any logistics unit – too detailed for Customs

² UCR = Unique Consignment Reference, a Customs required number intended to be used for import and export purposes. The UCR is a reference number for Customs use and may be required to be reported to Customs at any point during a Customs procedure. WCO recommends that UCR is compliant with ISO 15459 standards, so user defined numbers which comply with these requirements are also accepted.

³ GSIN = Global Shipment Identification Number, used to identify a logical grouping of logistic units for the purpose of a transport shipment. GSIN identifies goods travelling under one despatch advice and/or Bill of Lading as part of a specific seller/buyer relationship: from the consignor (seller) to the consignee (buyer). It fulfils the requirements of the UCR

⁴ GINC = Global Identification Number for Consignment; similar function as GSIN, but different details (consolidation at the transportation level, by freight forwarder)

Further information / next step

GS1 is looking for the participation from MOs and companies involved in cross border trade in a pilot project to further explore the optimization of customs processes.

If you are interested to participate in this activity or for more information please contact Yuliya Shevchenko at yuliya.shevchenko@gs1.org.