

Malaysia

Background

What motivated the establishment of your Single Window (SW)?

To transform the nation's trade facilitation services by offering a complete and comprehensive single-point platform to address the entire spectrum of trade facilitation needs.

What year was it established?

The services were first rolled out in an electronic community-based model in 1994. The services evolved into a single window environment in 2002 and were officially endorsed by the Government as the National Single Window (NSW) in September 2009.

What is the current status of the facility (study, pilot phase, running)?

The core NSW services:

| Ref | Service | Status |
|-----|---|--------|
| 1. | Electronic Customs Declarations | LIVE |
| 2. | Electronic Customs Duty Payment | LIVE |
| 3. | Electronic Permits | LIVE |
| 4. | Electronic Manifests | LIVE |
| 5. | Electronic Preferential Certificates of Origin (ePCO) | LIVE |
| 6. | Electronic Preferential Certificates of Origin - Cross-border service between Approval Agency and Importing Country's Customs and vice versa) | PILOT |

- Other – Dagang Net Technologies (DNT) have acquired business process management software and will continue roll-out B2B services to integrate “upstream” and “downstream” trade and logistics value chains.

Establishment

How did the SW interface with already established systems (if any existed)?

Currently, NSW services have been integrated to maximise data reusability. DNT's ultimate vision is to create an “extended enterprise” platform where the NSW services can integrate to other B2B services, either upstream or downstream of the trade and logistics value chains in order to create a seamless environment.

For those stakeholders who have their own systems, integration to the NSW services are through various mechanisms:

- electronic message exchange in predefined message standard format through dedicated lines or public network. Systems integrated are as follows:

- ✓ Customs System
- ✓ OGAs Permit/License Back-end Systems
- ✓ Banks
- ✓ Port Authority's back-end system,
- ✓ Port Operator's Back-end system
- ✓ Transport community such as Forwarding Agents and Shipping Lines/agents
- ✓ Trades - Exporter/Importers
- ✓ Receiving country's Preferential CO Issuing Agencies and Customs Authority
- electronic message exchange in customized message format. Systems integrated are as follows:
 - ✓ Transport community such as Shipping agent/lines and forwarding Agents
 - ✓ Exporter/importers
- Remote login to view status
 - ✓ Customs System – to provide Customs service to customers by accessing to Customs System for checking of Declaration transmission status

Did any other SW model serve as inspiration or model?

Based on DNT's experience, there is no unique model in the implementation of SW as the challenges (e.g. various forms, government legacy systems, government policies, etc) differ from one country to another.

What process was followed in setting it up? Was there a pilot project?

DNT adopted a phase implementation approach. The process adopted:

- Requirement Study
 - ✓ Gap analysis
 - ✓ Streamlining of Business Process such as paperless implementation and etc
- Standardization and harmonization of information parameters for entities involved with the adoption of international standards and best practices
- Product development & integration test
- Pilot run
- LIVE

What kind of training for the staff was required in the establishment and how was it organized?

Generally, the prerequisite training provided to the staff:

1. Industry domain knowledge
2. Standards
3. Products

Trainings are done in-house and attending courses/workshops (local and international).

How long did it take the facility to become operational?

| Ref | Service | Period |
|------------|---|---|
| 1. | Electronic Customs Declarations | Operationalised in 1994 |
| 2. | Electronic Customs Duty Payment | Operationalised in 1995 |
| 3. | Electronic Permits | Average 6 months (based on 19 OGAs implemented) |
| 4. | Electronic Manifests | 1 year |
| 5. | Electronic Preferential Certificates of Origin (ePCO) | 1 year |

What services does the SW provide? What documents /information/process are covered?

Services

NSW allows the user to file an application and reuse the information for submission to other authorities. Documents involved are:

- Customs Declarations and Responses
- Duty Payment Instructions & Debit/Credit Notes
- Import and Export Permits applications and OGA Approvals to Customs (including permit utilization report from Customs to OGAs)
- Vessel Conveyance Information including the ETA/ATA of vessel arrival/departure (CUSREP)
- Manifest/Cargo Report (CUSCAR)
- Preferential Certificates Of Origin (ePCO) Applications, including the Cost Analysis Applications
- Approved ePCO to other ASEAN Member countries

How many transactions per day are handled? What percentage of total transactions?

Approximately more than 2 million transactions a month

How many clients does the SW have at the present time?

5,000 users

How does it work? What is the operational model for the SW (describe the business process model)?

Operational model

All trade-related regulatory declarations have to go through the NSW. There 2 different type of charges

1. Usage (based on the message size (kilobyte) transmitted)
2. Document-based (successful processed by approving authorities)

Who are the main clients?

| Service | Public Users | Private Users |
|--|---|---|
| Electronic Customs Declarations / | - Customs | - Forwarding Agents (Customs Brokers) - Importers and Exporters |
| Electronic Customs Duty Payment | - Customs | - Forwarding Agents (Customs Brokers) - Importers and Exporters - Banks |
| Electronic Permits | - OGA - Customs | - Importers and Exporters - Forwarding Agents (Customs Brokers) |
| Electronic Manifests | - Customs - Free Zone Authority | - Shipping Agents - Freight Forwarders - Port/Terminal Operators |
| Electronic Preferential Certificates of Origin | - Ministry of International Trade & Industry (MITI) – as approving authority | - Exporters - Forwarding Agents (Customs Brokers) |

Which public and private agencies are involved in the facility?

Please refer to the above.

What is the business model? How is it financed (government, private sector, Private-Public partnership)?

Business model

All operating and maintenance costs of the NSW are borne by DNT. DNT recovers its investment through charging the users based on the following business model:

1. Usage (based on the message size (kilobyte) transmitted)
2. Document-based (successfully processed by approving authorities)

What were the costs of

DNT's infrastructure undergone a major revamp in 2004 at about

establishment of the facility? RM15m. To further improve the delivery and service levels of the NSW, DNT is expected to invest another RM30 over the next five years.

What was the difference between estimated costs and real costs? Cost management is crucial and DNT ensures that all projects are well managed in order to minimise difference between the budget and actual costs.

What are the ongoing operational costs (annual)? Hardware, system and application software license, application development and integration, message standards development and maintenance, marketing and promotion; and trainings.

What are the user fees (if any) and annual revenue? Model of payment (fixed price per year, price per transaction, combination, other model)?

| Ref | Service | Charging Mechanism |
|-----|--|---------------------|
| 1. | Electronic Customs Declarations | Usage (based on KB) |
| 2. | Electronic Customs Duty Payment | Usage (based on KB) |
| 3. | Electronic Permits | Document-based |
| 4. | Electronic Manifests | Usage (based on KB) |
| 5. | Electronic Preferential Certificates of Origin | Document-based |

How will the SW be sustained over the coming years? From the transaction fees collected from users

Do the revenues generated cover operational costs or do they make a profit? The revenues should cover the costs of recovery, the operational costs and technology refresh.

Are the revenues (if any) reinvested in the SW? Yes.

Technology

What technology is used? Web technology – XML, International standards such as RosettaNet, Business Process Engines, and Message Translator

How are data submitted (electronically – what type of format/language, paper – what forms, combination – what kind of combination)?

- RosettaNet - PIP3B18 (ASN), PIP3A1 (Quotation), PIP3A4 (PO), PIP3B2 (DO), PIP3C3 (Invoice)
- PAA Pre-Declaration message format (XML)
- Regulatory Declarations - UN/EDIFACT
- ASEAN Single Window (ASW) – UN/CCL
- Malaysia-Africa-UK – UN/CCL

Where are data sent and lodged (government or private entity)?

National Single Window

For regulatory declarations, data are sent by the private users and processing responses are sent by the approving authorities (Please refer to above).

ASEAN Single Window (ASW) – G2G Exchange

Malaysian Authorities

- Ministry of International Trade and Industry
- Royal Malaysian Customs

Documents

- Approved Preferential CO

Authorities

- Ministry of Trade of exporting country
- Customs Authorities of importing country

Who can submit data (importer, exporter, agent, customs broker)?

Please refer to above.

How did you promote the facility?

Promotion and communication

First, we developed the “success story” and followed up by education and awareness.

How were all stakeholders kept informed about the facility’s progress?

Various channels:

- Through public and private sectors involved in NSW implementation Awareness programs
- Newsletters
- Annual Users Survey
- Annual Users Dialogues

What kind of training was provided for users?

NSW Products/Services

Do you provide any helpdesk or customer service?

Yes, 24 hours a day, 7 days a week.

Is use of the facility obligatory or voluntary?

Judicial aspects

Mandatory under the NSW

Do participants need to sign a contract with provider/agency in order to participate?

Yes, Service Subscriber Agreement.

Was specific legislation (or change of old legislation) necessary?

No

How is the privacy of information protected?

Privacy of information is protected under current national legislations, and by the Service Subscriber Agreement.

What is the role of international standards (UN/EDIFACT, UNLK, UNLOCODE, UN/CEFACT Single Window Recommendation, etc) in your SW?

Standards

Messaging standards

- UN/EDIFACT
- UN/CCL
- RosettaNet
- Other XML messages

Communication Protocol

- ebMS
- Https
- X400

What are the benefits to clients and to participating agencies?

Benefits

To the clients:

- Reusability of data
- Data accuracy
- Time saving & cost reduction
- Enhanced efficiency

To the participating agencies:

- Data accuracy
- Encourages the usage of electronic application/submission
- Efficiency (less data entry and service counter)
- Time saving and cost reduction
- In line with the Government direction towards electronic business

What was the impact on Customs revenues?

No impact.

What problems did it solve?

- Human resources constraints
- Standardisation of information
- Digitisation of information provides speedier and more accurate decision making and statistics

Lessons learned

What were the crucial success factors?

- Demonstrate benefits to the users
- Time taken to streamline the trade procedures to maximize the NSW benefits.
- Standardization and harmonization of information parameters among the Government Agencies (including Customs)
- Strong commitment from the Government

What were the greatest obstacles?

- Users and some authorities' willingness to change
- Harmonization of information parameters across value chains
- Change in procedures/processes to cater to the implementation of NSW
- Harmonisation of service levels across the NSW information chain
- Willingness by stakeholders to invest in redundancy systems

What are the main lessons learned?

- Government Agencies' involvement is crucial
- NSW must meet the requirements of the trading community and the Government Agencies (public and private sectors collaboration)
- Electronic environment which support electronic submission should also cater for electronic amendments and cancellations
- There must be full redundancy by all stakeholders in the NSW

Future plans

What are the plans for further development of the SW?

- To continue delivery of integrated services for trade, transport & logistics.

What are the biggest obstacles to further development of the SW?

- Users and some authorities' willingness to change
- Harmonization of information parameters across value chains
- Change in procedures/processes to cater to the implementation of NSW
- Harmonisation of service levels across the NSW information chain
- Electronic environment which support electronic submission should also cater for electronic amendments and cancellations
- There must be full redundancy by all stakeholders in the NSW

Do you intend to make agreements concerning SW

Yes. Currently we are involved in the ASEAN (Association of South

cooperation on the regional level?

East Asian Nations) Single Window Working Groups.

Are you planning to have agreements for exchange of data with SW running in other countries?

Yes. Already signed with Singapore, Chinese Taipei and Indonesia. Working with other Pan Asian eCommerce Alliance (PAA) members, (China, Hong Kong SAR, Republic of Korea, and Thailand) and the Philippines. DNT is exploring working with ASEAN and APEC members.

Source for further information

Website:

www.mytradelink.gov.my (content services are provided at no charge and document access is provided to subscribers only)

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