

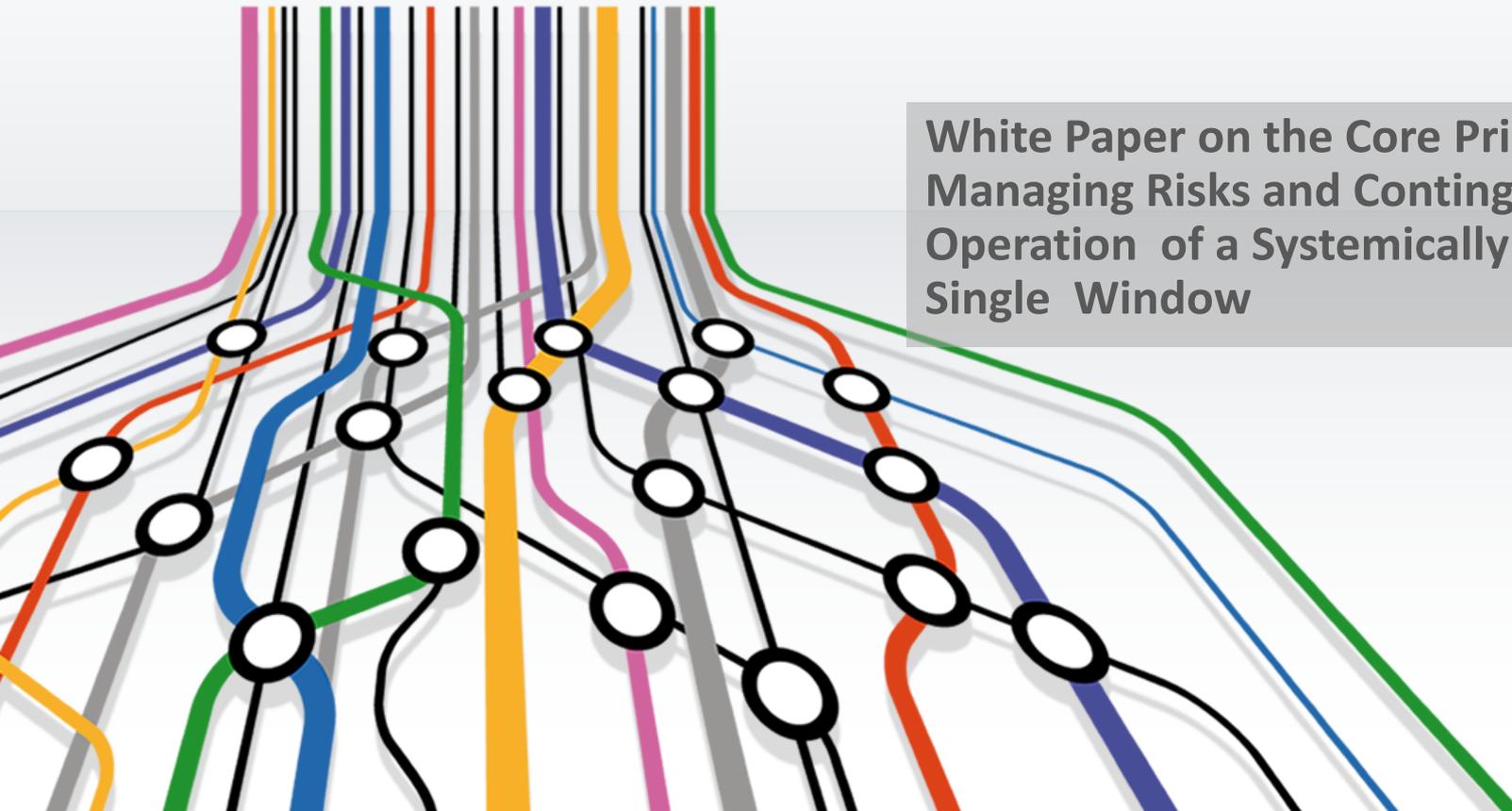


UNECE

Core Principles for the operation of Single Window

“Single Window is an environment and a change management project, not an IT Project”

White Paper on the Core Principles for Managing Risks and Contingencies in the Operation of a Systemically Important Single Window



Core Principles for Managing Risks and Contingencies in the Operation of a Systemically Important Single Window

- “A Single Window is defined as a facility providing trade facilitation that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfil all import, export, and transit-related regulatory requirements. Individual data elements should only be submitted once electronically.”
- If a National Single Window has been developed in line with UNECE Recommendations 33, 34 and 35 and it should cease, or partially cease, to function, this would result in considerable losses in international trade, these losses being of “systemic importance” to an economy. In other words, the failure of the Single Window facility could potentially trigger an economic crisis.

Core Principles for Managing Risks and Contingencies in the Operation of a Systemically Important Single Window

Purpose:

- To develop a recommendation and guidelines for designing and implementing an approach to Core Principles for Managing Risks and Contingencies in the Operation of a Systemically Important Single Window.
- Where systems have the characteristic that a failure of these could potentially endanger the operation of the whole economy of country
- To provide a basis for designing strategies, identifying strengths and weakness and enhancing policies related to strengthening the resilience of SW and associated systems.

Core Principles - Scope

The legal environment relevant to this principle.

- general legal infrastructure in the relevant jurisdictions (such as the law relating to trade, ports operations, security, safety, banking, customs,..)
- specific statutes, case law, contracts (for example, single window rules) or other relevant material;

The determinant of risk and where the risks are borne should be the rules and procedures of the system.

- should define clearly the rights and obligations of all the parties involved and all such parties should be provided with up to date explanatory material.
- Specifically, the relationship between the system rules and the other components of the legal environment.

The stakeholders environment

- system operator, and other involved parties - in some cases including customers
- Identify different risks in the system and where they are borne.

Systemically important Single Window definition:

- Are single windows which have the characteristic that a failure of one of these systems key stakeholders or a disruption in the system itself, could potentially result in the inability of other system stakeholders or of institutions in other parts of the economy to meet their obligations as they become due (Systemic Risk). Such a failure could threaten the stability of the system or of the economy. This effect is often justified by the nature of the transactions they process or by the value and the importance of these transactions for the economy.

A Single Window can be qualified as a systemically importance if:

- It is the unique Single Window for the foreign trade operations;
- It's the single system who manages one or more operations positioned on the critical path of one or more important process of foreign trade in a country;
- It can paralyze a service provided by a vital system for the country when impacted;
- The country will be unable to supply necessary goods important for economic and social peace when out of service;
- The national economy will be facing crisis because it manages important transactions characterized by large amounts or strategic operations.

Single Windows may be subject to many risks

- **Compliance risk:** Single Windows manages procedures governed by changing national and international regulations. Compliance risk occurs when an actor can't be in compliance due to his inability to apply a new regulation. Indeed, this inability is created by technical, conceptual, organizational constraints ... etc.
- **Operational risk:** the risk that operational factors such as technical or infrastructure failures or operational errors will cause or increase the risk of dysfunction.
- **Force majeure risk : (Can be considered as operational risk)** the risk of an event beyond the control of everyone, which prevents a one or many stakeholders from complying with any of its obligations , including act of God (earthquakes, drought, tidal waves and floods..), war, hostilities, invasion, act of foreign enemies, mobilisation, requisition, revolution, insurrection, contamination by radio-activity , radio-active toxic explosive.
- **Risk of dysfunction:** the risk that one or several actors within the system may become unable to offer part or all of the service that normally should be provided in its exchanges with the Single Window
- **Systemic risk:** in the context a Single Window system, one of the above risks results in very significant reduction in foreign trade operations in the Single Window.
- **Interfacing risk:** the risk that the established Single Window will not be able to interact with the technological aspects of the user community or it will not be able to be correctly understood by the user community because of different semantic understandings. The SISW should have the ability to exchange data with unambiguous, it is a requirement to enable data federation between the Single Window and the connected actors.

Core Principles

1. A well-defined legal basis

- The jurisdiction under which the rules and procedures of the system are to be interpreted should be specified.
- Where the system includes cross-border elements such as foreign exchange of documents, identify significant legal risks from other relevant jurisdictions

2. Integrating good understanding of the impact of the System on stakeholders into System Design

- Stakeholders, the system operator and other involved parties, including clients, need to clearly understand the various risks in the system and where they are borne.
- Should consider monitoring, who is authorized and their level of entry.

Core Principles

3. A clear and effective basis of procedures and rules

- The basis of procedures and rules must be established with the participation of all stakeholders.
- Who must also participate in its evolution and maintenance
- Should have clearly defined procedures specifying the respective responsibilities of the operator of the SW
- Providing appropriate incentives to manage and contain these risks
- A balance between the ability to make changes and the ability to lock information
- Rules should be revised on a regular basis and make use of recommendation 40 on consultations

Core Principles

4. The Single Window and partner systems need to have significant scalability

- To mitigate regulatory risks, the single window and partner systems must have a rapid and efficient evolving capacity
- Stems from the regulatory and economic environment impacting the way in which international trade actors operate.
- Why, because this environment is experiencing permanent changes dictated by national and international political guidelines

5. A Business Continuity Plan is a primary key for managing a Single Window

- Nature, frequency and cost of crises have evolved significantly over the past two decades
- The development of business continuity management is no longer considered a "best practice" but an obligation
- It should mitigate the impact of operational and systemic risk on the overall international trade activity of the country

Core Principles

6. Integration of the security component into the life cycle of a Single Window

- The need to set up a risk management system for its information system to allow better control of the security by implementing protective measures proportionate to the stakes and in harmony with the risks incurred
- Regular process of identification, assessment and treatment of risks.
- All actors must be able to trace any event affecting or likely to affect the availability, integrity, confidentiality or traceability of an entity interacting with the SW
- The security aspect is not exclusive to the information system, but exceeds it in terms of human resources, premises and computer centres
- A security incident that reaches the information system belonging to a partner must be isolated and must not, under any circumstances, infect the Single Window.

Core Principles

6. Integration of the security component into the life cycle of a Single Window (continued)

The responsible entity for the management and supervision of a Single Window shall:

- Adopt a scope for the implementation of safety standards;
- Establishing a "single signature" system that helps public services partners to authenticate and access the different applications on the single desk;
- Implementing a common identity management system;
- Provide strong authentication tools for Single Window access;
- Provide tools for security oversight and integrity of the Single Window.

Core Principles

7. **Responsible, efficient and transparent Single Window governance**

- Single Window governance procedures cover all the relationships between the management of the system, its board of directors and the various stakeholders
- A structure that allows to set global objectives of the system, define how they are realized as well as to allow evaluation of the performances
- SW is likely to exert a direct influence on the international trade community, thus there is a particular need for an effective, accountable and transparent governance regime
- Effective and transparent governance enables the achievement of objectives in line with the expectations of all actors in the foreign trade community
- This ensures that the management of the SW has the appropriate tools and competences to achieve the objectives set

Core Principles

8. Access criteria objective, published and fair

- Single Window systems should have objective and transparent accession criteria for equitable and open access. Indeed, the system should not serve the interests of restricted communities
- These criteria should encourage competition between stakeholders and enable low-cost business operations to be carried out
- This principle of openness will have to be continuously monitored in order to protect the Single Window of the adhesion of an element which may expose the whole system to an eminent risk
- However, the rules governing access restrictions must be objective and based on appropriate risk criteria and accessible by all actors

Core Principles

9. **Ensure a delicate balance between cost, quality, safety and efficiency**

- Ultimate interest of the various actors linked to a Single Window is to carry out the operations with the lowest possible cost while guaranteeing high requirements in terms of optimization, quality and safety
- Compromise is normally required between this desire to minimize costs and other objectives such as the increase the level of security
- The design and operation of the Single Window should allow it to adapt to changes in foreign trade procedures and expectations at the national and international levels
- choices made in terms of technology, business orientation and governance should be flexible enough to evolve in parallel with demand.

You can find the

“White Paper on the Core Principles for Managing Risks and Contingencies in the Operation of a Systemically Important Single Window” at:

https://unece.org/fileadmin/DAM/cefact/cf_plenary/2020_Plenary/11a_ECE_TRADE_C_CEFAC_T_2020_12E_SISW_WP.pdf

<http://www.unece.org/cefact>

<http://tfig.unece.org/>

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