

Update on the project "Integrated Risk Management in Single Window Systems"

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Objectives of the project


- Developing a White Paper guideline to describe the best practices of coordinated risk management among multiple government agencies through a Single Window
 - A practical example of applying the principles of WP.6 GRM Recommendation V (and preceding recommendations)
 - To the principles of the UN/CEFACT developed Recommendation 33 (and subsequent SW recommendations).
- Planned to be developed in close collaboration with the experts of the UN/CEFACT Single Window domain

Project Launch Meeting

- 6 March 2023
- Georgia, Singapore

WP.6 Recommendation V and ITC/UNECE Guide

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE



**Recommendations
on Regulatory Cooperation
and Standardization Policies**

V Addressing Product Non-Compliance Risks in International Trade

The Working Party on Regulatory Cooperation and Standardization Policies,

Taking into account the wide range of risks present within an international trade system,

Noting that efficient and proportionate management of customs risks as well as risks of product non-compliance with technical regulations and standards associated with incoming shipments is a prerequisite to optimizing border compliance time and costs for importers and for avoiding unnecessary trade disruptions,

Stressing the importance of import compliance as a key component of market surveillance and enforcement framework, and its higher efficiency compared to post-market control in providing safety of consumers, society and environment, as well as for achieving fair market competition,

Noting that import compliance inspections performed by regulators responsible for compliance with technical regulations and standards have a strong impact and often hamper trade facilitation,

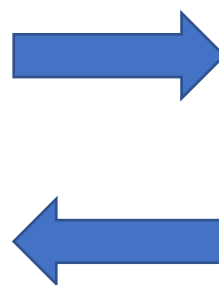
Highlighting that management of product non-compliance risk is of particular importance for setting priorities in market surveillance and import compliance with the purpose of removing dangerous and non-compliant products from the market, as described in Recommendation 5,

Reminding that market surveillance is a necessary component of any regulatory system and that building risk-based regulatory systems that would be proportionate to risks that are relevant to the Sustainable Development Goals (SDGs) and targets is essential for sustainable development, as described in Recommendation 1,

With the objective of further assisting regulatory authorities in achieving the objectives of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA), Technical Barriers to Trade (TBT) and sanitary and phytosanitary measures (SPS) Agreements, as well as in implementing the integration principles described in the World Customs Organization's Risk Management Compendium,

Noting that the efficiency of risk management application at the border depends on

- individual risk management capacity of each regulatory agency involved in border control in management of non-compliance risks, ensuring correct evaluation of consequences and of the probability of non-compliance associated with each incoming shipment;
- integration of risk management systems of border control agencies, essential for ensuring involvement of all regulatory agencies in risk management in a cost-effective way,



Managing Risk for Safe,
Efficient Trade

GUIDE FOR BORDER REGULATORS



The cover features a stylized illustration of four border regulators (a customs officer, a businessman, a warehouse worker, and a scientist) interacting with large puzzle pieces that form a globe. The puzzle pieces are blue, red, and grey. The background is a dark blue space with a network of white lines and dots, suggesting a global or digital theme. A bar chart with an upward arrow and a dollar sign is also visible.

International
Trade
Centre

In collaboration with

 **UNECE**

Optimizing border compliance time and costs while maintaining regulatory requirements

Integrated risk management strategy

- All non-compliance risks within one system
- Overall border compliance time and costs as metrics

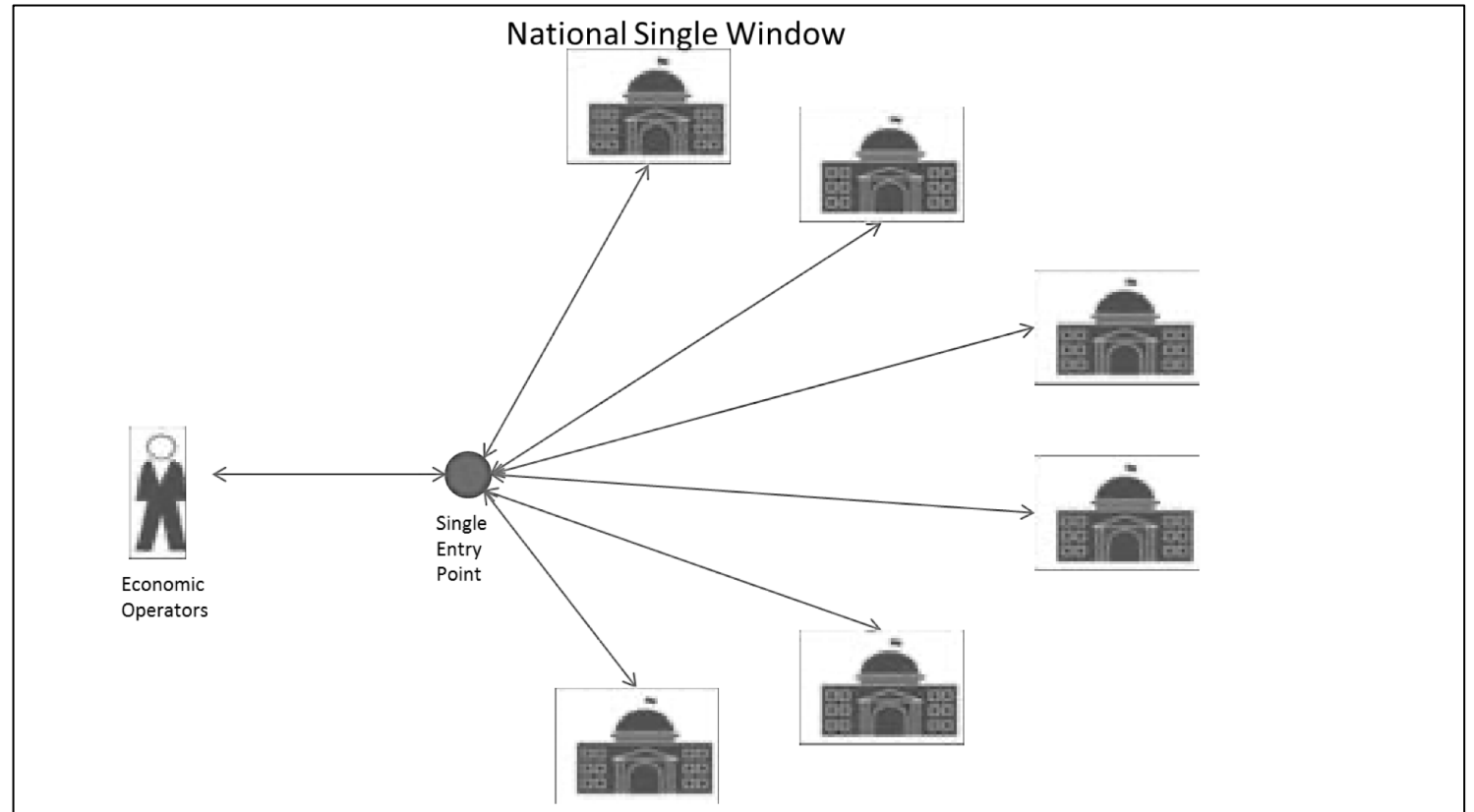
Harmonized – cross agency – criteria for evaluating different non-compliance risks

- Common denominator for very different risks
- Based on regulatory objectives linked to SDGs

Strengthening the role of import compliance in market surveillance

- Building individual risk management capacity of each border control agency:
 - Approches of Recommendation S
 - Annex I: a reference model for targeting non-compliance at the border
- Integrating risk management systems of product regulators and the Customs:
 - Methodology
 - Data
 - IT resources
 - Risk management expertise
 - Applying compliance rules at the border
 - Annex II: a reference model of an integrated system
- Both Annexes reference the UNECE/ITC Guide

UN/CEFACT Recommendation 33: Establishing a Single Window



Single Window and risk management

Companies involved in international trade must prepare and submit large volumes of information and documents to governmental authorities to comply with import, export and transit-related regulatory requirements.



Single Window federating all relevant government administrations whereby all trade related information and/or documents need only be submitted once at a single entry point.

- Greater harmonization and sharing of the relevant data across governmental systems, bringing meaningful gains to all parties involved in cross-border trade.
- Expedite and simplify information flows between the private sector and the public sector
- For Governments it can bring better risk management, improved levels of security and increased revenue yields with enhanced trader compliance.

Single Window definition and key elements

- 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.
- Key elements:
 - Parties involved in trade and transport (both from the public and private sector)
 - Standardized information and documents (use of internationally recognized standards for Single Window implementation is key for coordination between stakeholders and between countries)
 - Single entry point (an entry point means the facility where all data concerning a transaction should be submitted electronically; an economic operator should only need to submit their data to one such entry point for their transaction)
 - Fulfilling regulatory requirements (which implies that a Single Window fulfils a government function and as such, it has received a relevant mandate from the Government to perform these actions); and
 - Single submission of individual data elements (individual data elements which have been submitted should not need to be submitted again; this does not mean that all individual data elements⁵ must be sent at the same time in a single submission, data can be sent progressively)

Single Window and risk management

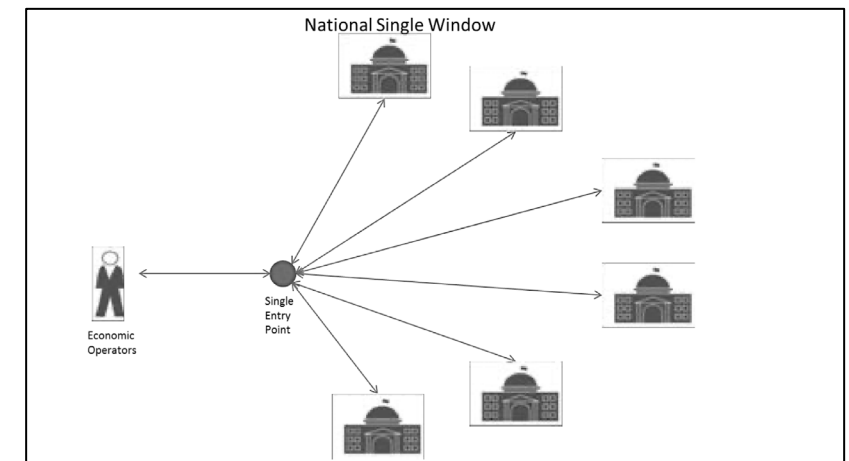
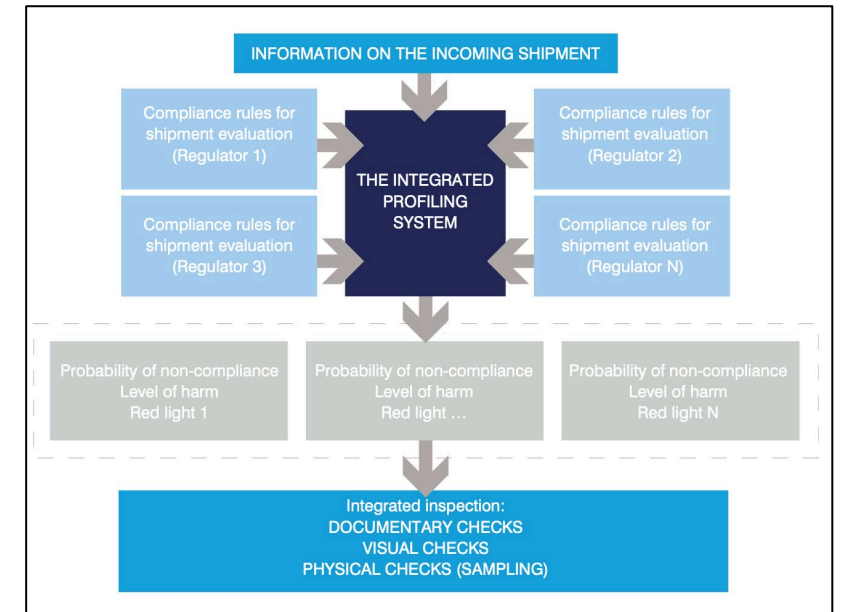
- A Single Window can provide a wide variety of services and facilities depending on its design and coverage. These can include services in the sphere of:
 - customs and tax services;
 - tariff and non-tariff regulatory compliance (including duty/fee calculations and their e-payment or remittance control);
 - technical regulatory compliance;
 - application of sanitary, veterinary and sanitary-phytosanitary quarantine measures;
 - safety/security;
 - management of quota levels;
 - intellectual property rights;
 - submission of supporting documentation, among others.
- Risk management techniques for control and enforcement purposes can also be enhanced through a Single Window facility that collects the data in a systematic way. The coordination resulting in part from the Single Window can reduce the proportion of physical inspections to a small percentage of total consignments—thus providing efficiency, economy and time savings to traders and government authorities. This can be further enhanced if a centralized risk management system is put in place.

Proposed project plan

- Developing a questionnaire on applying the principles of WP.6 Rec V in a Single Window
- Identifying relevant stakeholders:
 - "Trade facilitation bodies, customs, product regulators"
 - In a number of countries
- Bureau approval
- Conducting interviews
- Processing data and identifying challenges/best practice
- Drafting a guidance document

Directions of the main questions

1. Which/how many product regulators have processes for the evaluation of non-compliance risk before shipment arrival based on SW data?
2. To which extent data gathered through the Single Window is used by product regulators to evaluate the non-compliance risk of incoming shipments?
3. How is SW data processed for evaluation of risk by product regulators in terms of:
 - Probability of non-compliance of products in an incoming shipment
 - Consequences of non-compliance
4. Whether data gathered through the Single Window is sufficient for product regulators to evaluate the non-compliance risk of an incoming shipment?
5. Which data is missing (should be gathered separately by product regulators) and should be added to improve the evaluation of non-compliance risk?



Directions of the main questions

6. How Single Window is integrated with a risk assessment system of the Customs?
7. Are different non-compliance risks associated with an incoming shipment assessed in one Single system (or regulators have their own risk assessment systems?) Is it the system of the Customs?
8. If risks are assessed within a system of the Customs, how are shipment evaluation criteria from product regulators input into the system?
9. In case product regulators perform risk assessment separately, how are results communicated to the Customs?
10. Which metrics are used to evaluate the border control system? What, in your view, should be done so that Single Window could be updated to include a Single Risk Management Window?

