### Volume 9. Issue 9 February 2018

# **Cross-Border e-Commerce**



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Cross-border e-Commerce generally refers to international trade denoted by electronic transactions, usually occurring online. The international Customs community has always been keen on the development of cross-border e-commerce and has sought to examine ways of facilitating online commerce while simultaneously employing control mechanisms to protect the borders. The international trading community, through the World Trade Organization (WTO), also prioritises the significance of cross-border e-commerce as an economic driver. During the 2013 WTO Ministerial Conference, which led to the adoption of the Trade Facilitation Agreement (TFA), the importance of e-commerce was noted in the WTO's future work programme. The WTO Ministerial Decision – WT/MN(13)/W/3 – stated that "It shall take forward the issues emerging in the discussions and the evolving application of e-commerce to enhance economic development, with special consideration of the situation in developing countries, particularly in least developed country members and least connected countries. It shall continue to examine opportunities and challenges for access to electronic commerce by micro, small and medium-sized enterprises, including small producers and suppliers." Cross-border e-commerce is particularly important to small and medium sized enterprises (SMEs), as this medium allows for their greater participation in global value chains, creating greater opportunities for accessing global markets. Efficient operations of Customs and trade stakeholders such as logistics and transport services are largely dependent on their ability to function in a fully automated trade environment to manage the needs of cross-border e-commerce. The World Customs Organization (WCO) has recognised that a collaborative approach is required between Customs and the trade to ensure the sustainability of e-commerce.

# **Cross-Border e-Commerce**



### **Cross-Border e-Commerce Global Conference**

In advancing the positives of e-commerce in the crossborder environment, the World Customs Organization (WCO) in collaboration with China Customs, initiated the First Global Cross-Border e-Commerce Conference in Beijing, China. The Conference was launched on February 9, 2018, conveying a message of strong commitment towards an innovative, inclusive, strategic, and collaborative approach towards sustainable cross border e-commerce.

The conference was opened by Dr. Kunio Mikuriya, WCO Secretary General, who welcomed the delegates and commended their commitment in making the Conference a reality. Mikuriya stressed that: "This fast-evolving e-commerce environment and associated challenges require a comprehensive and well-considered policy and operational response from Customs and other border agencies, in partnership with other stakeholders. A coordinated and collaborative approach between and among all stakeholders at the international, regional and national level is vital to achieve a safe, secure and sustainable e-commerce environment, leading to an inclusive global trade system and increased economic growth."

With comprehensive representation from stakeholders along the cross-border e-commerce supply chain, the Conference brought together over 2,000 high level policy and decision makers, as well as other operational experts from customs and other government agencies. Additionally representatives from the private sector, e-commerce operators, international organizations, regional economic communities, academia and other relevant stakeholders, actively participated in the Conference. The opening ceremony of the Conference featured keynote speeches by Alibaba Group Executive Chairman Mr. Jack Ma, Universal Postal Union (UPU) Director General Mr. Bishar A. Hussein, International Civil Aviation Organization (ICAO) Secretary General Dr. Fang Liu, and World Trade Organization (WTO) Deputy Director General Mr. Xiaozhun Yi. Several Ministers, Vice-Ministers, Directors General of Customs, head of various government agencies, heads of international business organizations and CEOs of various e-commerce operators also attended the event.



Partnering with the WCO to launch the First Global Cross-Border e-Commerce Conference, was significant for China, which is acknowledged as an e-commerce success story. As a dominant player in the sector, China is taking a comprehensive approach in supporting the continued growth of cross-border e-commerce. In his inaugural speech, Mr. Wang Yang, Vice-Premier of the People's Republic of China, noted that: "We are here to support vital and progressive cross-border e-commerce. We must strive to do everything to support its continued growth. We need to mutually expand the openness of the market, collaboratively establish commonly followed supervision standards, enhance the cooperation and coordination mechanism among all parties, and improve the capacity building of underdeveloped countries."

### **Cross-Border e-Commerce**

The Conference was a 2 day event, comprised of a range of plenary and breakout sessions that focussed on embracing, seizing and leveraging opportunities presented by cross-border e-commerce. Participants explored collaborative and innovative solutions that would enable governments and the private sector to collectively address current and emerging challenges of the sector. Offering guidance on the growing phenomena, by highlighting China's success in the sector, Mr. Yu Guangzhou, Minister of China Customs, underscored that: "By improving regulation and services with innovative thinking and methods, we will offer a more transparent, stable and predictable trade environment for e-commerce and provide the public with safe, convenient and efficient access to global goods, in order to help people around the world realize their aspirations for a better life."



Mrs. Velma Ricketts Walker, CEO/Commissioner of the Jamaica Customs Agency (JCA) was among the heads of customs delegation, that was represented at the First Global Cross-Border e-Commerce Conference. The Conference primarily focused on the procedures and mechanisms that are in place across the various Customs administrations worldwide, that propels the facilitation of e-commerce which leads to greater efficiency in cross-border e-commerce. Importantly, Mrs. Ricketts-Walker was asked to play a major role in this ground-breaking conference by moderating the Round Table discussions for Session 7 entitled



Session 7 at the First Global e-Commerce Conference

"New Challenges - New Solutions". The growth of e-Commerce presents new challenges for customs Session 7 provided an administrations worldwide. opportunity for specific Customs administrations to share their experiences and discuss practical solutions undertaken to combat the new challenges that cross border e-commerce presents. This plenary session provided contributions from both Customs and the private sector, with expertise in the areas of general Customs administration, engineering, information technology and management and international affairs. Panellists from the represented Customs administrations comprised of Uruguay, China, New Zealand and Korea, while the private sector panellists came from the International Chamber of Commerce and Ebay.

The most common challenges highlighted relates to trade facilitation and security; fair and efficient collection of duties and taxes; and protection of the society from the criminal exploitation of e-commerce. In mitigating the challenges presented, the WCO has developed several initiatives that seeks to balance trade facilitation with securing the borders. A resolution on the guiding principles for cross-border e-commerce was developed in close collaboration with all stakeholders, which identifies and addresses 8 critical aspects. These aspects were: Advance Electronic Data and Risk Management; Facilitation and Simplification, Safety and Security; Revenue Collection; Measurement and Analysis; Partnerships, Public Awareness; Outreach and Capacity Building, and Legislative Frameworks.

# **Cross-Border e-Commerce**



### Survey on Cross-Border e-Commerce

As part of the WCO's work in mitigating challenges presented by cross-border e-commerce, a short survey was undertaken to compile Member's current practices, as well as ongoing and future initiatives on cross-border e-commerce, focusing on low-value transactions. А Study Report has been developed based on the findings of the survey, which examines current practices, initiatives,

issues, challenges and potential solutions presented under the respective survey sections. In order to illustrate specific Member practices, the WCO examines a series of case studies throughout the document, which may serve as a practical guide to other Members. Balancing trade facilitation with appropriate control measures in addressing cross-border e-commerce issues remains a top priority for Customs. The Study Report is therefore expected to serve as a useful reference point for assisting both WCO Members and e-commerce stakeholders in addressing some of the challenges faced. The survey findings are divided into the following sections:

Facilitation Risk Management Data Exchange / Cooperation with E-Commerce Operators Control and Enforcement Revenue Collection



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The International and Industry Liaison Unit is committed to raising the level of awareness on topics relating to the Caribbean Community, as well as issues concerning the wider topic of international trade, to both our internal and external stakeholders. Our monthly newsletter seeks to highlight global trade topics and their importance to Customs Administrations worldwide and specifically how they affect the Jamaica Customs Agency. As we realize our vision of becoming a modern Customs administration delivering excellent service, we recognize the importance of knowledge transfer in delivering our objectives and use this forum as our way of contributing to the vision of the JCA. The International Liaison Unit is located at the Myers Wharf head office and our officers are available to respond to your queries and clarify any points of concern.

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