CUTTING THE TRADE COST:

A Workshop to Optimize Trade-related Procedures Through Exchanges of Best Practices in

AKFTA

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ACKNOWLEDGEMENT

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INTRODUCTION

1.1 Introduction

International trade plays a significant role in driving economic growth and increasing employment in all countries. It also brings about a more efficient allocation of resources and enhances the quality of life of most people in the country by improving social welfare. Consequently, all nations worldwide have supported free trade policies by signing bilateral and multilateral trade agreements. In 2022, 164 nations around the world are members of the World Trade Organization (WTO), with trade value accounting for 98% of the value of global trade. In addition, the WTO member states have signed a total of 259 bilateral and regional trade agreements.

The ASEAN Community is the cooperation of 10 Southeast Asian nations with the ultimate goal of economic and social development for the wealth and well-being of the ASEAN member states. In the economic dimension, ASEAN is considered a large market. In 2020, ASEAN had a total population of 661 million, accounting for about 8% of the total world population. ASEAN has been regarded as a region with potential economic growth. From 2011-2020, ASEAN countries had an average growth rate of 4.4% and are likely to recover from the COVID-19 pandemic at a faster rate than other regions. The Asian Development Bank has forecast that ASEAN member countries' economies will expand at the rate of 4.9% and 5.2% in 2022 and 2023, respectively, recovering from an economic contraction of -3.2 and an expansion rate of 2.9% in 2020 and 2021, respectively.

Apart from the ASEAN Trade on Goods Agreement signed by the 10 ASEAN member states under the ASEAN Economic Community (AEC) framework, resulting in tariff reduction and trade facilitation, the ASEAN Community has also signed free trade agreements with 10 dialogue partners to enhance and expand its free trade area.

The ASEAN-Republic of Korea Trade Agreement or AKFTA is important to ASEAN since Republic of Korea is a developed country with the 10th largest economy in the world. Its population has a per capita income of $35,196 in 2021. Not to mention the fact that the country is located not far from the ASEAN region and plays a vital role in direct investment abroad. Consequently, the AKFTA is essential to trade and investment in the ASEAN region. The agreement entered into force on January 1, 2011. South Korea eliminated its tariffs for a total of 10,403 tariff lines, or 90% of the tariff lines in the Normal Track, immediately reducing the tariffs to 0%. Subsequently, the tariffs of a total of 481 tariff lines, or 4.27% of the tariff lines in the Sensitive List, were reduced to 0-5% on January 1, 2016, and the tariffs of 377 tariff lines, or 3.36% of the tariff lines in the Highly Sensitive List were reduced to 20-50%. As for the AKFTA Rules of Origin, the goods that are given preferential tariff treatment under the AKFTA must meet the origin criteria as agreed by the Parties. These include goods that are wholly obtained or produced entirely in the territory of the exporting Party, such as plants, animals, minerals, and waste and scrap derived from the production of these products. Following are the calculation rule of regional value content required to be not less than 40% of the free-on-board (FOB) value (RVC 40%) and the rule of accumulation in which originating goods imported from the same Party can be combined for calculation. Apart from that, the rule of Product Specific Rules (PSRs) specifies that materials should have undergone a change in tariff classification.

Figure 1.1 : Import and Export Values between the ASEAN Member States and Republic of Korea in 2021

Unit: Thousand US Dollars
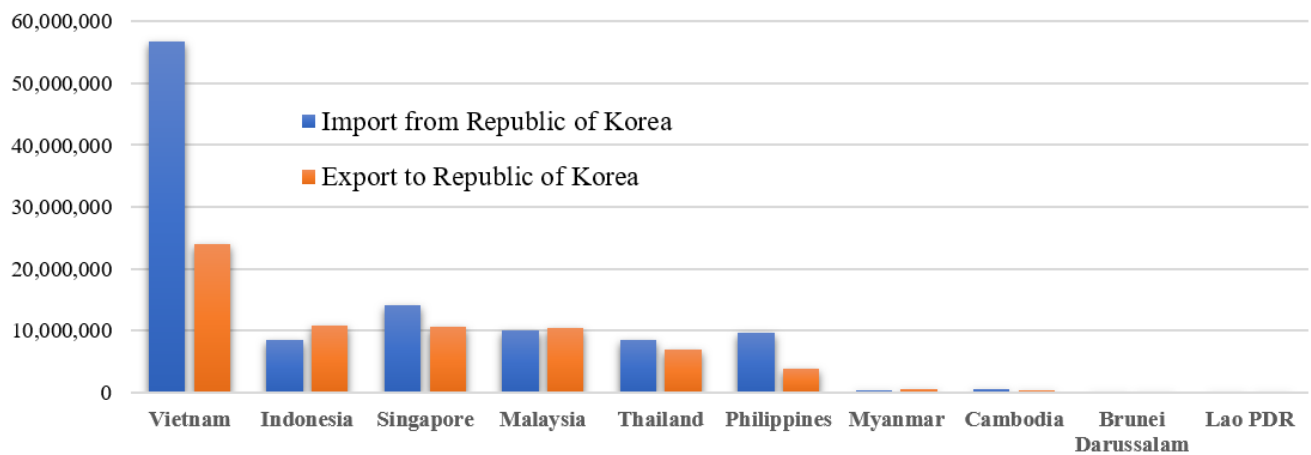
Source: Korea Customs Service (https://unipass.customs.go.kr/ets/index_eng.do)

When considering the value of international trade between ASEAN member states and South Korea in 2021, it is found that Vietnam was South Korea's largest trading partner, while Singapore and Malaysia were the second and the third, respectively. In the case of Thailand, in 2021, trade between Thailand and South Korea grew the most in 30 years, with South Korea being Thailand's ninth largest trading partner. Thailand exported $5,883 million to South Korea and imported $9,919 million. Thailand's major export products are refined oil, computers, equipment and components, rubber products, wood and wood products, while major imports include iron, steel products, chemicals, circuit boards, machines, and machine components. According to Thai trade statistics, since the AKFTA entered into force in 2010 until 2021, Thailand's total trade value was $15.802 million, which was an increase of 92%. In 2022, 71% of goods exported from Thailand to South Korea are given preferential treatment under the AKFTA, indicating that Thai entrepreneurs realize the benefits of the AKFTA agreement, and there is the potential for utilization enhancement.

Free trade agreements require the countries under the agreement to reduce and keep tariffs at a low rate and eliminate tariffs in some lines of products. Apart from these requirements, other procedures and processes under the agreement need to be carried out, including Customs Clearance with the Certificate of Origin (Export and Import), the issue of the Certificate of Origin, and related certificates and licenses from legal authorities. These procedures require paperwork, time, and fees and can increase trade costs. In addition, each country has different logistics systems with different costs, leading to different international trade costs. Therefore, every country's important agenda should be reducing trade costs by developing trade facilities.

In today's world, modern digital technology has played an essential role in enhancing the operational efficiency of both government agencies and the private sector, creating new innovations to improve operational processes as well as developing international trade-related services. South Korea is one of the countries that has outstandingly applied innovations to enhance its services that are related to international trade. This is evidenced in the use of its FTA-PASS system, which has been awarded at the international level by international organizations and used as a model for the FTA system in many countries. It will be, therefore, useful to study and learn from South Korea's FTA-PASS system.

The "Cutting the Trade Cost: A Workshop to Optimize Trade-related Procedures Through Exchanges of Best Practices in AKFTA" project aims to study and analyze the guidelines to enhance export and import documentation procedures through exchanges of best practices under the ASEAN-Korea Free Trade Agreement (AKFTA). The project is conducted by studying and reviewing the present-day procedures for the country's baseline review under the AKFTA and exchanging ideas and sharing guidelines to propose a guideline to enhance the capacity to issue the Certificate of Origin. Its ultimate objective is to reduce the steps, time, The study has three objectives as follows: -

1 To study and analyze the guidelines to enhance the issuance process for the Certificate of Origin (CO) through the exchange of best practices under the AKFTA by applying digital innovations.

2 To enhance entrepreneurs' competitiveness by reducing the transaction costs associated with trade and customs clearance documents.

3 To use recommendations and guidelines from the study to develop a guideline to enhance services and provide trade facilitation for entrepreneurs.

In order to achieve these three objectives, the project has been carried out based on the ASEAN Trade Facilitation Framework by reviewing documents and interviewing agencies involved in import and export services. In addition, the use of digital technology to facilitate the issuance of the Certificates of Origin in certain developed countries and other developing countries has been studied to reveal the diverse ways digital technology is applied in different contexts. A questionnaire was used to acquire information about the issuance process and procedures for the CO, required documents, fees, process duration, related laws and regulations, the link between customs clearance procedures and the issuance of the CO, the application of digital technology in providing services, problems faced by service providers, and suggestions for improving service efficiency from the perspective of government officials who offer CO issuance service. Moreover, the project organized focus groups to provide an opportunity for government officials from ASEAN countries and South Korea to brainstorm ideas and offer suggestions on the enhancement of the issuance service for the CO under the AKFTA in terms of the application of digital technology, service quality improvement, and the improvement of international agreements that will lead to the overall development of trade facilities.

This report is divided into four parts. Part I presents the overall of trade facilitation under the ASEAN Economic Community. Part II presents the application of digital technology in trade facilitation, focusing on the issuance process and procedure for the Certificate of Origin. Part III presents the issuance process and procedure for the Certificate of Origin under the AKFTA. Lastly, Part IV is the conclusion and policy recommendations.

1.2   ASEAN Trade Facilitation Environment

1.2.1   Conceptual Framework and Process

International organizations have given a relatively broad definition of trade facilitation. Most definitions of the term cover the processes and procedures of international trade, the flow and connection between data and documents, and supply payments throughout the supply chain. The primary benefit of trade facilitation is that it reduces direct and indirect trade costs. A study by the Asian Development Bank (ADB) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) revealed that direct and indirect costs accounted for 80% of total transaction costs. As a result, the development of trade facilities will benefit both the public and private sectors. The public sector will benefit from the enhanced efficiency of operational control, resource optimization, a stimulus to Direct Investment Abroad, a push for economic growth, and the encouragement for SMEs to play more roles in international trade. These benefits will strengthen the country's grassroots economy, improve income distribution, and reduce inequality. The private sector will benefit from cost reduction and shortened operating time, enabling entrepreneurs to estimate the duration of service and enhance the competitive advantage of the goods exported for sale in international markets.

ASEAN has developed trade facilities on the basis of strengthening relationships and trust under the ASEAN Free Trade Area (AFTA), focusing on the Common Effective Preferential Tariff (CEPT), which is an agreement that is relatively close to trade facilitation. Subsequently, ASEAN established the ASEAN Trade Repository as a data center for trade flows. The framework for ASEAN trade facilitation can be summarized in Figure 1.2

Figure 1.2 : ASEAN Trade Facilitation Framework

1 To set up a framework for trade liberalization

AFTA ▶ ATIGA

2 To improve transparency of trade: ASEAN Trade Repository (ATR)

3 To expedite standardization among ASEAN countries

6 Harmonization & Mutual recognition

5 ASEAN Single Window (ASW)

4 National Single Window (NSW)
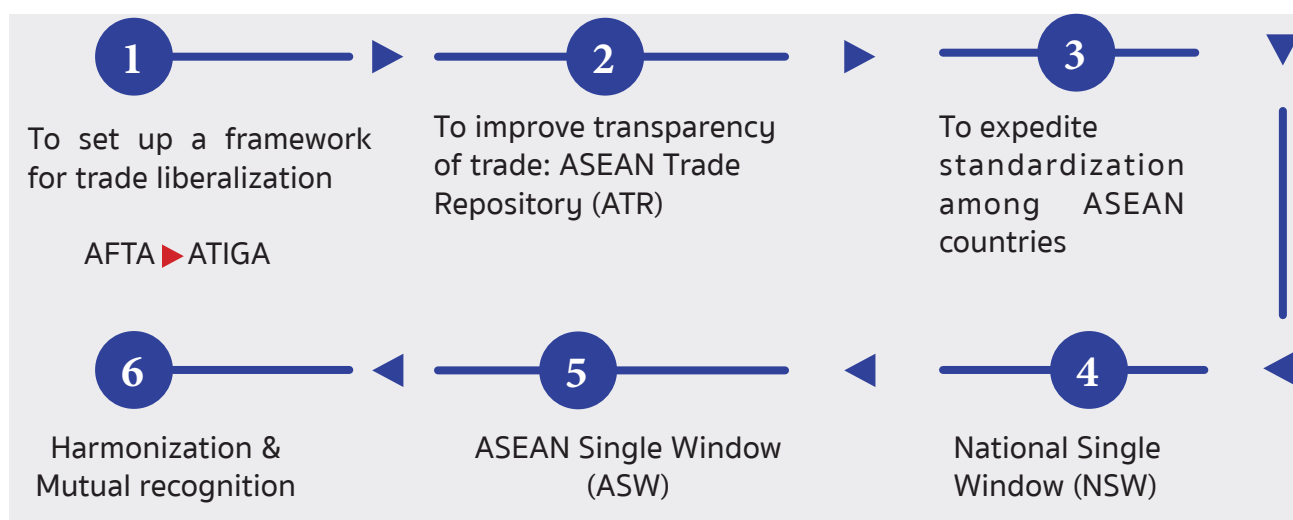
Source: Nguyen, Nguyen and Hoang, (2016)

ASEAN trade facilitation is addressed in the ASEAN Economic Community Blueprint as part of the free flow of goods strategic measures with respect to the realization of the goal of establishing ASEAN as a single market and production base. It is stated that trade facilitation should be simplified, harmonized, and standardized in terms of trade, customs, procedures, processes, and the flow of relevant information to reduce transaction costs within ASEAN countries, which will lead to the flow of goods and enhanced export capacity.

1.2.2 Customs Integration

In addition to trade facilitation, the ASEAN Economic Community Blueprint or AEC Blueprint addresses the strategic measures of customs integration and ASEAN Single Window (ASW), which operates under the strategic plan of Customs Development 2010-2015. Customs Integration focuses on (1) integrating customs structure, (2) modernizing the procedures of tariff classification, customs assessment, and origin assessment, and establishing ASEAN e-Customs, (3) facilitating customs procedures, (4) developing human resources, (5) fostering partnerships with relevant international organizations, (6) narrowing the customs development gap, and (7) adopting risk management and control techniques on the basis of audited - based control for trade facilitation.

The ASEAN Single Window (ASW) objective is to simplify and harmonize trade-related procedures. Information and communication technology are integrated into trade facilitation procedures to support the development of the ASW by integrating the National Single Windows (NSW) of ASEAN member states to provide a one-stop service. For example, exporters, importers, shipping agents, and transport operators can make a single data submission since they no longer have to submit the same data several times. Moreover, data can be exchanged among relevant agencies in both the public and private sectors at a single point without taking much time, resulting in the reduction of costs, time, and the number of documents.

1.2.3 Rules of Origin under ASEAN Economic Community

The ASEAN Agreement on the Common Effective Preferential Tariff (CEPT) grants voluntary preferential tariff treatment and enables the exchange of goods for other goods. Most preferential tariff treatments include import tariff reduction and binding of import duties at the rates charged. Later, it is developed to cover all trade issues to be at the same level as other agreements that ASEAN has made with other trading partners and finally has become the ASEAN Trade in Goods Agreement or ATIGA. The agreement entered into force on May 17, 2010. Under the agreement, the criteria, Rules of Origin, and operational certification procedures arespecified, which can be summarized as follows.

1.2.3.1 Establishment of the Sub-committee on Rules of Origin

The Sub-committee on Rules of Origin has the function of monitoring the Rules of Origin implementation and operation to ensure efficiency and uniformity and reviewing the provisions regarding the Rules of Origin and operational certification procedures to make them responsive to the dynamic changes and facilitate trade and international investment.

1.2.3.2 Operational Certification Procedure: OCP

The ASEAN Trade in Goods Agreement (ATIGA) sets out key criteria for issuing a Certificate of Origin as follows:

○ The issuing authority designated to issue a Certificate of Origin is authorized to request supporting documents or carry out proper examinations of the origin of products in accordance with the laws or regulations of member states.

○ The producer or exporter of the good or its legally authorized representative can apply for the issuance of a Certificate of Origin in accordance with the laws or regulations of member states to receive pre-exportation verification of the origin of the good. The result of the examination shall be accepted as the supporting evidence in determining the origin of the verified good to be exported. The pre-exportation verification should be reviewed occasionally or as it deems appropriate.

○ A Certificate of Origin (Form D) should be used. A Certificate of Origin is valid for a period of 12 months from the date of issuance. The importer shall submit Form D to the customs authority of the importer's member state within that period.

○ The e-Form D is deemed as equivalent to the Certificate of Origin printed on paper and is applicable.

1.2.3.3 Self-Certification

In 2008, ASEAN had the policy to use the self-certification system to facilitate trade, reduce business costs, optimize the public sector, enhance competitiveness, and improve the utilization of the ASEAN Free Trade Agreement. Those who are illegible to apply for self-certification include the certified exporter and the certified producer. Self-Certification under the ATIGA is the registration of a "Certified Exporter" who is allowed to self-certify the origin of products on the invoice or other documents as required (in case the invoice cannot be used) to apply for preferential tariff treatment under the ATIGA instead of using the Certificate of Origin (Form D) that is currently in use. A Certified Exporter must have knowledge of the rules of origin of his exporting product and can verify the origin of the product before or after the exportation of product for a period of 3 years.

Those who want to be a Certified Exporter must pass an examination and register with the Department of Foreign Trade. The validation period is 2 years after the registration. The exporter will receive the Certified Exporter number to be displayed on the self-certified documents. Exporters who have been registered as a Certified Exporter can certify the origin of the product by themselves with the following documents[1] :

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[1]Department of Foreign Trade, Ministry of Commerce, (2013).

○ Invoice or
○ Billing Statement or
○ Delivery Order or
○ Packing List

All of the above shows that ASEAN has fostered cooperation in tariff reduction along with the continuous development of trade facilities on the basis of disclosure of data, the development of international standards on international trade, and customs linkage under the ASEAN Single Window system which links National Single Windows together. However, the challenge of ASEAN is how to enhance the standards of each member state to achieve harmonization and mutual recognition, along with developing digital infrastructure that will be integrated into trade facilitation in a way that befits the context of each country.

Best Practices From The International Study Cases

CHAPTER II

BEST PRACTICES FROM THE INTERNATIONAL STUDY CASES

2.1 Overview of Best Practices from International Cases

Digital Innovation has played an important role in Trade Facilitation matters in recent years, especially for global supply chains and the international trade ecosystem. According to UNCTAD (2020), digital innovation substantially increases services satisfaction, removes unnecessary trade documentation procedures, as well as speeds up the goods transported across the border. The purpose of this chapter, is to illustrate the motivations behind digital innovation implementation, deployment benefits for trade documentation procedures, the current situation, and details of the digital technology with examples from interesting cases respectively.

2.1.1 Pain Points

The literature review is primarily based on international organization reports related to trade facilitation issue e.g., International Chamber of Commerce: (ICC), World Customs Organization (WCO), United Nations Conference on Trade and Development (UNCTAD), Organization for Economic Cooperation and Development (OECD). Interestingly, these organizations share a common view on the pain point issues of the traditional international trade ecosystem, which depend on the communications between the actors, as follows:

(1) Operational Issues
The international trade ecosystem is traditionally made of a number of stakeholders, data, and paper-works which are mainly related to customs procedures. For instance, there are at least 30 organizations, 100 officials and 200 data exchanges for the accomplishment of the transport of avocado from Mombasa, Kenya to the port of Rotterdam in the Netherlands (USAID, 2018)[1] . Additionally, the Boston Consulting Group report (2017)[2] provides a picture, which explicitly manifests the relationship between stakeholders, data, and related documents, as illustrated in Figure 2.1

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[1]USAID, (2018), *BLOCKCHAIN FOR TRADE: SELECT CASE STUDIES AND LESSONS LEARNED.*
[2]The Boston Consulting Group, (2017), *Digital Commercial Supply Chains and Trade,* s.l.: s.n.

(2) Security Issues

Under the traditional trade ecosystem, the majority of procedures is based on paper-based processes. Sometimes, officials cannot authenticate documents declared by the exporters which may lead to illegal activities, such as smuggling, faked (counterfeit) goods, human trafficking, etc.

(3) Disruption Issues

Due to the fast-evolving globalization, stakeholders cannot ignore to standstill. Catching the pace of technological advancement is compulsory for entrepreneurs to adjust themselves and follow its progress. This would influence the international trade system to adopt the technology in order to survive in the future.

Overall, all international organizations have consensus on the traditional trade procedures' pain point. These issues also trigger the authorities in each country to aware how important that digital technology could limit the exposure from these matters.

Figure 2.1 : The Relationship between Stakeholders, Trade Documentations and Data related to Trade
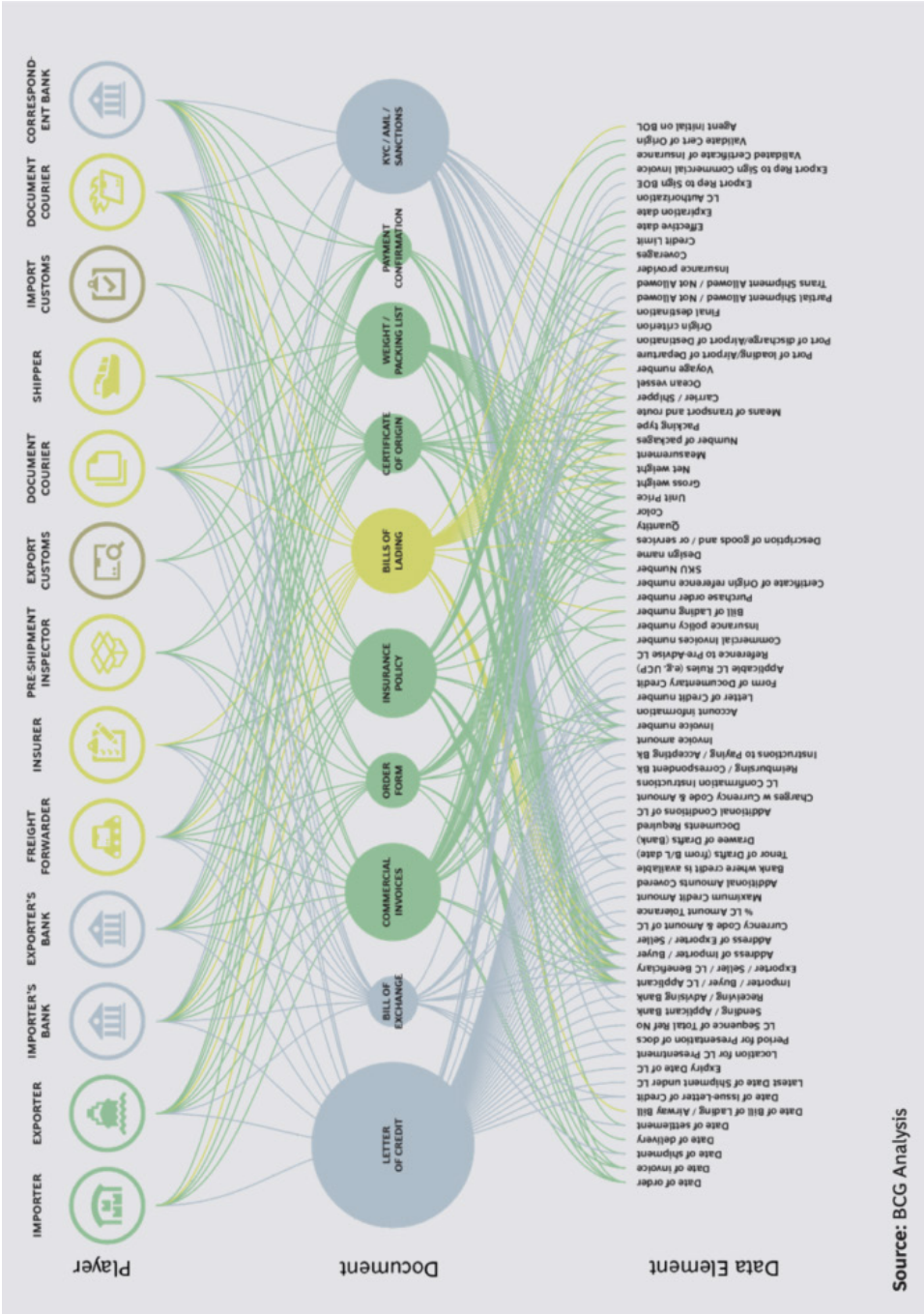
Source: Boston Consulting Group, (2017)

2.1.2 Benefits from the Implementation of Digital Innovation for Trade Facilitation

As mentioned previously about the traditional international trade ecosystem's pain points, Competent Authorities, associated with the customs procedures and chambers of commerce, realise the risks and start deploying digital innovation as a part of the trade facilitation, especially in trade documentation procedures. In addition, Mckinsey & CO (2020) asserts that the coronavirus disease of 2019 (COVID-19) has stimulated and encouraged competent authorities in many countries to adopt digital technology earlier than expected, by at least 3 years before implementation dates. This digital implementation is one of a kind measures that would be enforced to control the widespread of COVID-19 in each country following the social distancing rules.

Moreover, we also found profound benefits in adopting new digital technology for trade documentation from the international literature reviews, including a paperless trade system and a Data Exchange System, as follows:

(1) Substantially decrease the number of papers and unnecessary procedures

(2) Technically install the risk management system to control the flow of transactions, goods and funds in all procedures, which essentially limit the occurrence of security concerns as mentioned previously. Algorithm systems, and big data analytics systems including artificial intelligent technology, are examples of the widely used risk management system for trade facilitation these days.

(3) Markedly enhance the competitiveness of domestically small and medium enterprises from the cost-saving advantages.

(4) Remarkably strengthen the sustainability of the global trade ecosystem by reducing the use of paper and related unnecessary costs which directly the economy as a whole.

2.1.3 Barriers of Digital Innovation Implementation for Trade Facilitation

The implementation of digital innovation in trade facilitation will outweigh the outcome of traditional practices. According to APEC (2022)[3] , there are still issues that significantly obstruct the execution of digital innovation for trade documentation procedures. They can be summarized as follows:

(1) The interoperability issues between customs agencies and other agencies related the domestic and international trade system.

(2) The lack of standardization, conformity, and consistency in data and documents related to the trade system.

(3) The loss of fees revenue in the regulating agencies from abandoning traditional paper-based paper.

(4) The lack of political pressure to replace traditional paper-based processes with digital infrastructure.

(5) The lack of close collaboration between all stakeholders in the global supply chain.

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[3] APEC Sub-committee on Customs Procedures, (2022), *Analysis and Pathway for Paperless Trade Report*, s.l.: s.n.

2.2 Current Situation of Digital Innovation Implementation for Trade Documentation Procedures

2.2.1 Transformation to Paperless-based

Referring to the IMF[4] report published in 2022, higher trade volume, as well as human resource limitations have influenced the earlier arrival of information and communication technology automation, which is able to replace the human task effectively. The report also reveals that the developed countries' group initiated integrating this kind of infrastructure since the 20th century.

Basically, most countries have integrated digital technology into trade documentation procedures, especially paperless trade systems. According to the study by Duval and Mengjing (2017)[5], they found that 90 out of 138 regional trade agreements have applied the paperless trade system to the customs procedures since 2005 by their government authorities. Later during 2016-2018, the number of regional trade agreements, that deployed the paperless system, increased to almost double compared to the numbers during 2005-2008 as exhibited in Figure 2.2

Figure 2.2 : The Number of Regional Trade Agreement Applying the Paperless Trade System for Trade Facilitation between 2005-2016
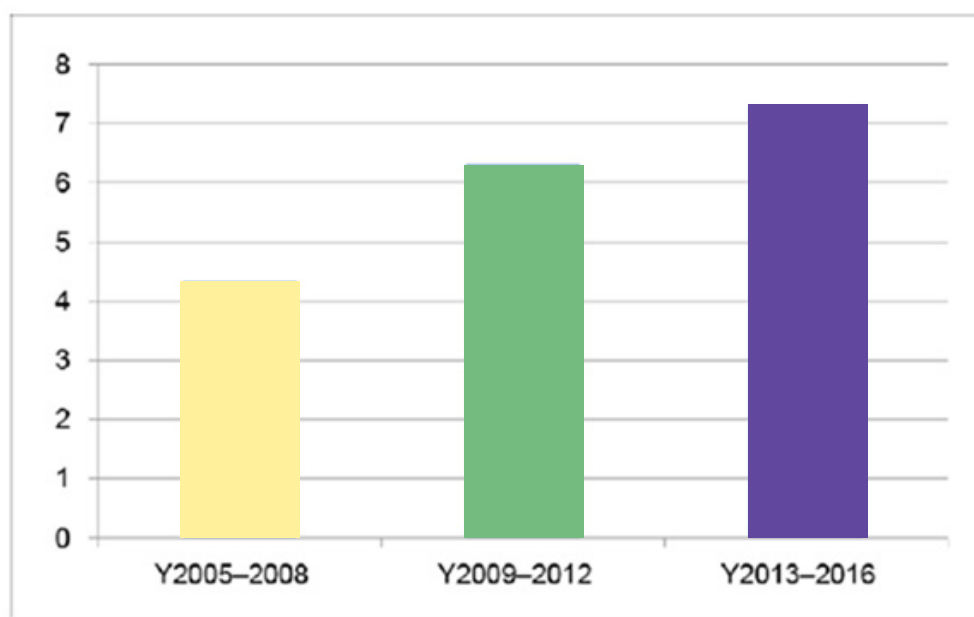
Source: Duval and Mengjing, (2017)

2.2.2 Current Situation of Digital Innovation implementation for Certificate of Origin Issuance Procedures

A Certificate of Origin (CO) is one of the key trade documents, which is required to be declared to Customs agencies for both import and export, to certify the goods according to the rules of origin. From the survey of the number of CO issuers in different countries globally conducted by WCO in 2020, it interestingly to note that 59.8% of COs were issued by approved exporters and fully exporters based, 32.5% were issued by competent authorities such chambers of commerce and government authorities, and 7.7% issued by importers respectively as shown in Figure 2.3

Figure 2.3 : The Survey of CO Issuer Globally

Source: WCO, (2020), modified ITD

CO issuance procedures are viewed as the beginning point of goods export and essentially being one of the most important (document?) in the international trade ecosystem. From the globalization impact, the competent authorities initially consider implementing the digital solution and currently many countries integrate it into the CO issuance procedures already. Ultimately, the digital solution application would aim to upgrade service satisfaction, remove unnecessary procedures, and reduce the time in CO application process which could help the entrepreneurs to export their goods across the border faster.

2.2.3 CO Application Fees

It could not deny that CO issuance fees does matter also for the trade cost. Regarding the survey of CO fees researched by the WCO in 2020, it reports that the 50 competent authorities which respond to the survey and including customs agencies and chambers of commerce over the world, charge the CO issuance fees between 0 – 50 USD in both paper-based and electronic form as shown in Figure 2.4

Figure 2.4 : The Survey of CO Issuance Fees Charged by the Competent Authorities in 2020
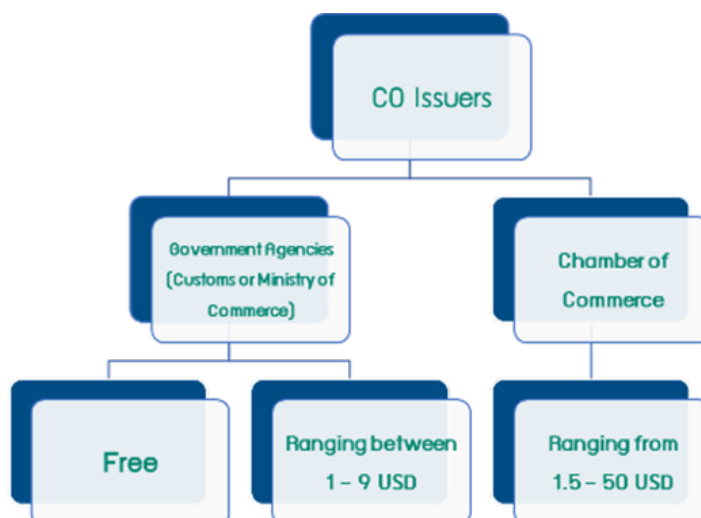
Source: WCO, (2020)

2.3 The Development of Digital Innovation Implementation for Trade Documentation Procedures

Regarding the development of the digital solution for trade facilitation procedures, many countries explicitly suffer from the use of the traditional paper-based system as stated in the previous topic. The effort of study, trial and application of digital innovation are available in order to replace the old school practices which basically depend on paper works. From the study, there are 2 main types of digital technology deploying currently, which are (1) Electronic trade document system or paperless trade system and (2) Electronic data interchange system developed further from the previous one.

2.3.1 Types of Trade Documentation Procedures Implementing the Digital Technology

2.3.1.1 Electronic Trade Documentation Procedures or Paperless Trade Procedures

Paperless Trade means the application of digital innovation to control the flow of information, enabling the use of this type, and enhancing the exchange of trade data and documents electronically (UNECE, 2018)[6]. It could be noted that there are several types of data exchange and storage in the digital format such as visual snapshot, PDF scanned File or Internet Web Portal Key-in. Moreover, most governments and stakeholders related to the trade system also experience very technical challenges in electronic trade facilitation.

Due to these barriers, the United Nations agencies have made a significant contribution to releasing and developing the standard associated with trade documentation with an electronic system these few years. This effort aims to create the connection and collaboration between key stakeholders in the trade ecosystem. Likewise, competent authorities in charge of CO issuance[7] have applied digital technology as one of the trade facilitation processes. According to the survey collected by WCO in 2020, it reveals that 70% of competent authorities (customs authorities, government agencies, and chambers of commerce) who responded to the survey have fully implemented the electronic CO issuance procedures. This number is massively higher than the 2018 survey accounting for 60%. That is, it could be

[6]UNECE, (2017), *Trade Facilita tion and Paperless Trade Implementation.*
[7]World Customs Organization, (2020), *COMPARATIVE STUDY ON CERTIFICATION OF ORIGIN.*

comprehended that digital technology is reliable and could help the competent authorities to offer a better service reflected by the higher number.

Whilst the research conducted by WCF in 2020 also discover that there are many countries and regional cooperation that successfully replace the digital infrastructure with the electronic CO issuance procedures; for example, Asia-Pacific Economic Cooperation, Common Market for Eastern and Southern Africa, Australia, New Zealand, and Kenya. This paper would present the successful case from Common Market for Eastern and Southern Africa (COMESA) and Kenya as follows;

(1) Common Market for Eastern and Southern Africa (COMESA)[8]

In 2014, 15 member countries, comprising Burundi, Congo, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seashells, Sudan, Tunisia, Zambia and Zimbabwe, at the mistrial meeting of COMESA have a consensus to replace the traditionally paper-based CO issuance procedures with the electronic infrastructure. Later, in 2019, 15 member countries started conducting a pilot project on the implementation of digital infrastructures into the CO issuance procedures under the COMESA Digital Free Trade Area Initiative.

Referring the UNCTAD (2019)[9], stated that the prototype details of COMESA's e-CO issuance procedures are designed and developed on the regional CO procedure standards and in the line with the COMESA treaty, customs procedures and COMESA's rules of origin which could be briefly summarized as follow; (1) End-to-end registration and renewal process (2) Entire covering the e-CO request and approval procedures (3) Check and verification of e-CO and (4) Registration and sharing data between competent authorities and their authorized signatories.

(2) Republic of Kenya[10]

Regarding the voices of Kenya National Chamber of Commerce and Industry (KNCCI)'s stakeholders, the troublesome of traditional CO requesting procedures basically causes an unnecessary delay and operating costs. In the previous time, exporters are required to prepare several documents and data related to the trade in paper format and submit them directly to the KNCCI as evidence for the CO issuance procedures that cause a burden for entrepreneurs and consider to be one of the primary barriers for the international trade system.

As mentioned above, Trade Mark East Africa (TMEA)[11] plays an integral role in offering support to KNCCI with an automation system. This system could enhance the entrepreneurs who wish to request the e-CO, build the readiness for trade-related data, develop the registration and renewal system, and install the online payment system. Moreover, exporters can request e-CO via an online service that would verify the identity automatically and also conveniently make a payment through the online system. Currently, the KNCCI provides the very much services-related e-CO issuance procedures and enhances the trade facilitation for exporters as follows;

(1) Installing e-CO automation issuance for export.
(2) Decreasing the operating time associated with the KNCCI trade documentation procedures from 48 hours in 2014 to 2 hours presently.

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[8]https://www.comesa.int/over-10-member-states-ready-to-pilot-the-comesa-electronic-certificate-of-origin/#:~:text=Certificates%20of%20Origin%20are%20issued,from%20an%20FTA%20member%20State.
[9]https://unctad.org/system/files/official-document/edar2019_en_ch4.pdf
[10]https://www.trademarkea.com/stories/expediting-the-processing-of-certificates-of-origin-through-implementation-of-an-automated-system-at-kenya-national-chamber-of-commerce-and-industry/
[11]https://www.industrialization.go.ke/index.php/media-center/blog/416-kncci-has-automated-the-issuance-of-certificate-of-origin-for-exporters

(3) Reducing the cost related to the trade documentation procedures which exporters were charged 88 USD to 10 USD currently.

(4) Applying the automation system with the CO registration, entrepreneur relationship management, and related reporting.

(5) Linking the KNCCI system with the Equity bank via mobile p ayment.

(6) Training 200 staff to support the use of the system.

2.3.2 Electronic Data Interchange System (EDI system)

Electronic Data Interchange System (EDI system) is a digital infrastructure used for transferring and managing the kind of structured data from one computer to another via an electronic system. This system is widely used by the customs and other government agencies involved in the international trade system, as well as statistics agencies recently applied this sort of technology to their use (UNECLAC, 1999)[12].

Customs and government agencies related to the global trade system found the massive benefits and connection of EDI system in trade facilitation which could strengthen the trade ecosystem. At present, there are 2 major EDI technologies applied in the trade documentation procedures which are (1) National Single Window System and (2) Blockchain Technology and the details about those technologies and their e-CO procedure implementation are as follows;

2.3.2.1 National Single Window

National Single Window System (NSW system) is a kind of technology infrastructure which is applied to customs and trade facilitation procedures. Its function would determine the stakeholders including exporters, or importers to submit the standard trade-related data via a single entry point as requested by the officials; for example, CO Sanitary and Phytosanitary Certificate, national permits, or quality certificate. To be more specific, the single-entry point is one of its famously key features which could reduce the unnecessary activities efficiently and effectively in the customs procedures. Furthermore, international organisations; such as WTO, APEC, etc, enthusiastically motivate the country members or regional trade agreements to at least conduct a pilot study of the NSW system since 2000. Following the study of UNESCAP (2017), it unsurprisingly discovers that preferential e-CO acceptance is highly likely to increase due to the higher numbers of the regional trade agreement. While dialogue partners tend to invest in the NSW system aiming ultimately for trade facilitation and reducing the barriers in trade documentation procedures.

Besides, ESCAP (2017)[13] summarises the key features of NSW system which are as follows;

(1) Single entry point

(2) Single data Submission via single form

(3) Paperless Environment

(4) Standardized Documents and Data

(5) Sharing of Information

(6) Centralised Risk Management

(7) Coordination of Agencies and Stakeholders

(8) Data Analytical Capability and

(9) Electronic Payment

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[12]https://repositorio.cepal.org/bitstream/handle/11362/36289/FAL_Bulletin156_en.pdf
[13]UNESCAP, (2017), *Single Window for Trade Facilitation: Regional Best Practices and Future Development.*

It could not deny that CO is literally one of the most widely accepted in the NSW system. Referring to the WCO (2018) survey, it discovers that e-CO is most available in the NSW system as seen from the upward trend of some regional trade agreements over the world. This surge also influences the competent authorities to adopt the NSW system which has proved its success for trade procedures in many countries, especially for Preferential CO issuance via its electronic features and automation. The study also shows the countries that successfully applied the NSW system for trade facilitation; for instance, country members of the Association of Southeast Asian Nations, country members of central Asia regional economic cooperation, the People's Republic of China, and the Republic of Korea. For the NSW system, this paper would show the successful case study from the People's Republic of China that the central government set the NSW development policy clearly as one of the national priorities, as well as implement a full-scale system seriously. The details are as follows;

The story began in 2017 when the Chinese government agencies altogether announced the customs procedure revolution[14] aiming to upgrade the trade facilitation procedures for outbound goods under the standard single window system's initiative.

The state council's Inter-ministerial joint conference on port administration plays an integral part in driving this customs reform together with other 25 government agencies. Undoubtedly, the CO issuance procedures were also set as one of the targets under this NSW reform agenda.

Whilst there was a forming collaboration between the committee so called cross-border regulatory agencies (CBRAs). Collaborating also with the private sector, CBRAs could successfully provide one-stop services for the entrepreneurs covering 90% of the key procedures and taking them into a part of the NSW system in 2018. In addition, the NSW system is available to install the big data analysis program, which is a fascinating feature to limit the risk from cross-border trade systems, via a one-stop platform, especially for trade services as appeared in Figure 2.5

Figure 2.5 : The People's Republic of China's NSW Components

Source: WCO, (2020)

[14]https://www.incegd.com/en/news-insights/commodities-trade-chinas-new-single-window-platform

Not only CO issuance procedures, but the NSW system also provides other services related to the trade documentation procedures; namely, cargo declaration, manifest, transport vehicles, trade licenses, enterprise qualifications, data inquiry and statistics, export tax rebate, exhibits, processing trade and bonded business, and cross-border e-commerce.

With the CBRA's endeavour[15] to push the NSW system forward, the application of digital infrastructure for customs procedures with paperless and automation processes decreases the operating time from 16 to 2 hours currently. According to the World Bank's Doing Business 2019, it become a great achievement for Chinese cross-border trade was ranked 65th while it was 95th in the previous year.

All in all, excluding the transformation of customs procedure reform into NSW system implementation, the general administration of customs (GACC) also offers very new self-printing services[16] for exporters who receive the CO certificate approve and wish to print out the certificate themselves. The approved applicant could access this service through the NSW system or GACC's website since May 20th, 2019. The GACC also add that all information provided by the applicants via the NSW system would be intensively verified by the intelligence examination[17] technology.

2.3.2.2 Blockchain Technology

Blockchain Technology is nowadays popular and widely used in cryptocurrency. In the international trade system, blockchain is also expected to make a big change for innovative trade facilitation which supposedly enhances the collaboration and sharing the trade-related data between stakeholders securely. Based on the blockchain technology function, all records of modification or processing of information could be verified easily by checking the log information of all parties. Apart from an unmodifiable character, blockchain is constructed based on the Distributed Ledger Technology (DLT), which basically allows the parties including government agencies and trading partners to share and access the data in distributed ledger encrypted by cryptography. Blockchain technology would enhance the efficiency of the NSW system in these decades and support the trade facilitation role for customs and trade-related government agencies. Owing to the massive data and documents, distributed ledger technology secured by cryptography would allow all stakeholders to access and share their information with their degree of permission. The ADM report published in 2018, it summarises the prominent characteristics that would implement in the trade system as follows;

> (1) A Decentralized, Distributed and Transparent Architecture of Trust
> (2) High Security, Immutability, and Transparency compliant with the World Wide Web Consortium (3W3)
> (3) Automation

According to the study by Deloitte (2021)[18], it states that blockchain technology would catalyse the full-scale digital technology implementation for trade facilitation specifically. The trust between stakeholders plays an important role in the use of blockchain technology which regards the CO issuance procedures having many data and documentation involved. It could be certain that the blockchain technology application would strengthen the customs procedures effectively and efficiently, especially in the NSW system. On top of that, it would radically the international trade landscape (ADB, 2018), as exhibited in Figure 2.6

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[15]https://www.pst.ag/single-post/2019/05/06/china-customs-announces-online-feature-for-self-printing-certificates-of-origin
[16]Ibid.
[17]https://mag.wcoomd.org/magazine/wco-news-96/recent-changes-in-china-rules-of-origin/
[18]Deloitte, (2021), *Digitalising trade with blockchain: The Cerificate of Origin,* s.l.: s.n.

Figure 2.6 : Compares the Tradition and Modern International Trade System's Landscape Implemented Blockchain Technology
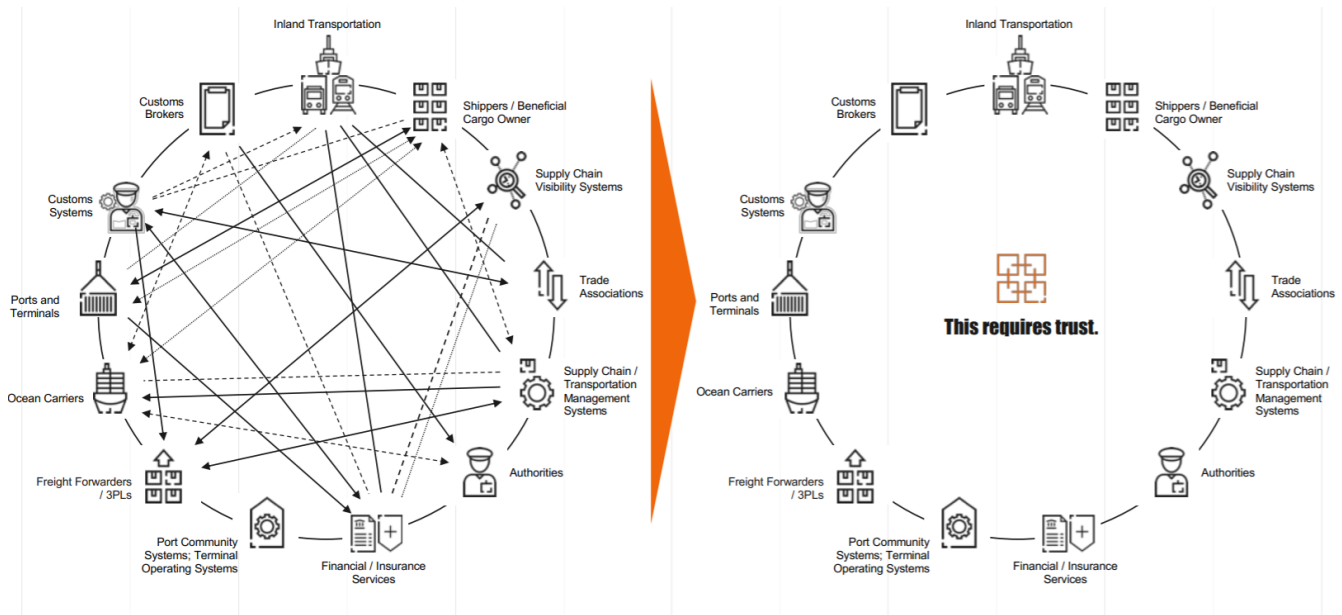
Source: IBM, (2017)

Figure 2.7 : The Landscapes of International Trade Ecosystem including Stakeholders and Trade Documentations
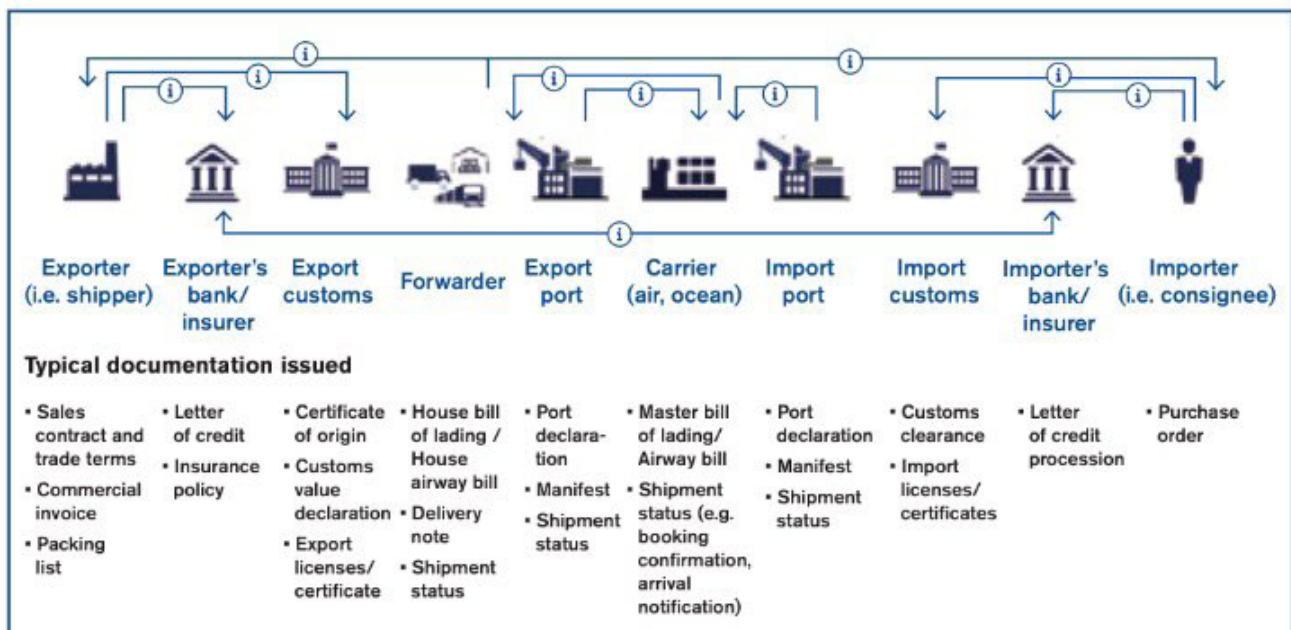
Source: Accenture

Figure 2.7 indicates the possibility of blockchain implementation for trade document procedures apparently. Moreover, as mentioned previously, blockchain technology could extend the NSW system capabilities seamlessly including CO issuance procedures.

From the essDOC (2018), it found that there are 2 major blockchain services providers for the e-CO issuance procedure: namely eCertify and Tradecert. In 2018, essCert introduced also a very new e-CO issuance procedure via blockchain technology. Apart from other service providers, essCert encourages chambers of commerce to connect their databases with its blockchain platform and deploys the internet of things technology to verify the origin of goods data. From the details published on essCert website, essCert has current clients including more than 400 chambers of commerce and government agencies related to the CO issuance procedures in 21 countries as shown in Figure 2.8

Figure 2.8 : essCert's Client including Chambers of Commerce and Government Agencies related to the CO Issuance Procedures

Source: https://www.esscert.com/chambers-and-government
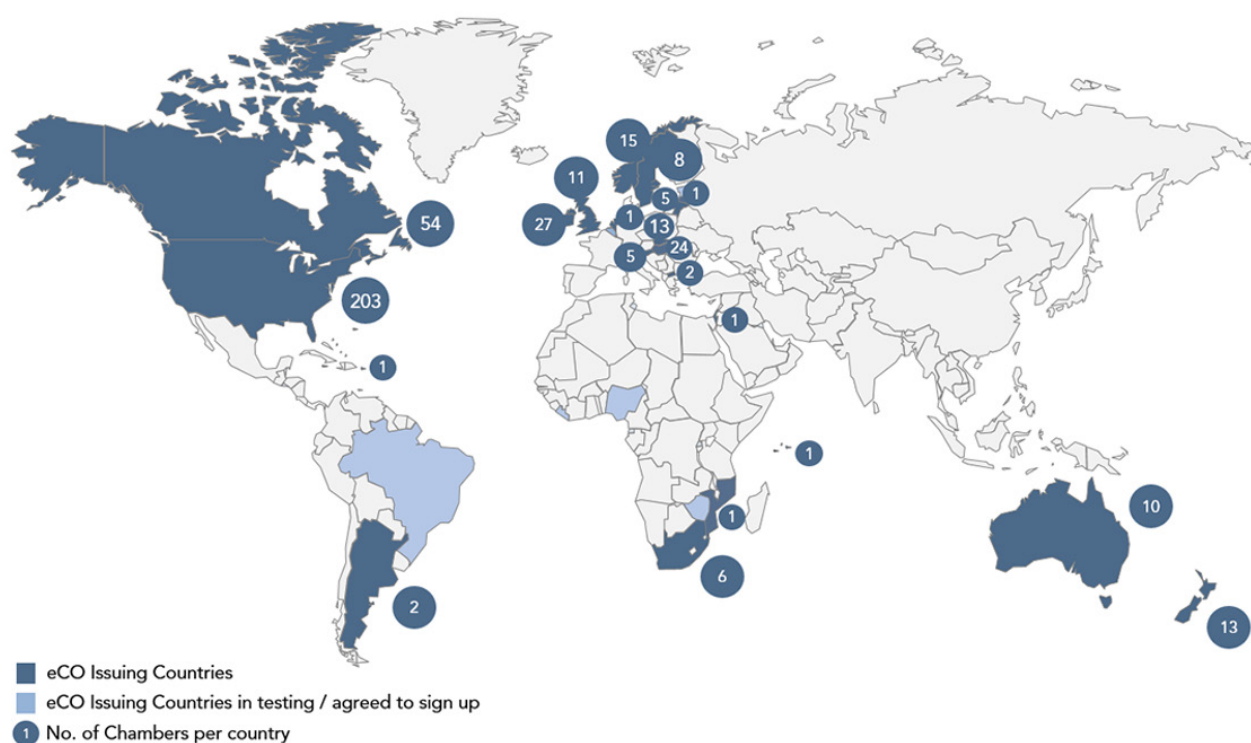
However, the CO verification via blockchain by the competent authorities is the case. Because the verification of origin does not certify the origin of goods, it actually verifies the details of the goods submitted by the exporter. Additionally, there is a controversy on the necessity of statements appearing in the e-CO these days. In addition, Mbogo (2018) summarises that the limitation of blockchain technology for CO issuance procedures is still available, especially in the authentication of CO. As competent authorities approve and issue the CO to the applicant, there is no guarantee that the extent appeared in the CO form is genuine as long as the stamps are available. As a consequence, this issue would no longer be the case if blockchain technology is widely adopted in the CO issuance process and destination customs agencies accept this kind of CO form practically.

2.4   Solving the Problem with Digital Solution

According to the IMF (2022), it illustrates that customs procedure-related agencies, which are primarily responsible for trade data management, experience a more complicated international trade ecosystem. At the same time, other stakeholders are also seeking a digital solution to adapt to the changing environment. Lastly, it could be summarized its attributes as follows;

(1) Volume: the transformation from containerization to parcelization causes a more volume of goods due to the growth of e-commerce

(2) Variety: data submitted to the system cannot be predicted in the proper format; for instance, unstructured, semi-structured, and different file formats.

(3) Velocity: the transformation to parcelization potentially creates a huge data into the customs procedures

These changes potentially create a threat to the government agencies related to the customs procedures and trade documentation process. However, the digital infrastructure implementation is a key to preventing or limiting the risk occurring from those changes to a substantial degree. Currently, there are many types of risk management systems which are popular among the customs procedures and widely adopted in the trade facilitation process; namely, artificial intelligence technology, and machine learning with algorithms. As presented previously, most successful case studies also consider the usefulness of the risk management system and adopt it widely including CO issuance procedures.

2.5 Law and Regulation's Restrictions

Many countries have sufficient resources to invest in digital infrastructure for trade facilitation purposes which could reduce unnecessary processes and time effectively. They potentially found the barriers from the out-of-date law and regulations that cannot respond to globalization in time; for example, the case study of the Republic of Korea and Chinese Taipei takes 5 years to discuss and adjust law and regulation to accept the e-CO from the Republic of Korea's exporters (Giegling, 2022)[19]. In this regard, there are some recommended practices provided by the international organisations which are harmonised with the global standards as follows; (1) UNCITRAL Model Law on Electronic Commerce (2) UNCITRAL Model Law on Electronic Signatures and (3) The United Nations Convention on the Use of Electronic Communication in International Contracts and the Model Law on Electronic Transferable Records (2017), etc.

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[19]Giegling, J., (2022), *In Blockchain We Trust? Certificates of Origin as a Case for Distributed Ledger Technologies.* Journal of Law, Market & Innovation, 1(1), pp.66-97.

2.6 Summary

In conclusion, international papers reveal that digital innovation not only plays an integral role in trade facilitation purposes but also creates massive benefits for the international trade ecosystem. However, international organisations commonly view operating issues, security issues and disruptive issues are the primary barriers to adopting these very technologies. Presently, government and competent agencies related to the customs procedures in many countries attempt to transform their traditional paper-based process into an electronic base including CO issuance procedures. The study found that electronic documentation procedures and electronic document interchange systems are the major infrastructures, including the NSW system and blockchain technology. Last but not least, digital technology could offer better services, decrease unnecessary administrative procedures, reduce the processing time, and speed up the goods across the border with the readiness of law and regulation.

CHAPTER III

Rules of Origin Procedure Under AKFTA

CHAPTER Ⅲ

Rules of Origin Procedure Under AKFTA

Goods subject to preferential tariff treatment pursuant to the Free Trade Agreement must originate from the parties, using the Rules of Origin as a basis for considering the origin of the goods and having a Certificate of Origin as a certification document. In accordance with the ASEAN-Korea Free Trade Agreement (AKFTA), the Rules of Origin for determining the origin of the goods in order to receive preferential tariff treatment are determined in Annex 3 of the Agreement on Trade in Goods under the Framework Agreement on Comprehensive Economic Cooperation among the Governments of the Member Countries of the Association of Southeast Asian Nations and the Republic of Korea. In addition, Operational Certification Procedures for the Rules of Origin are specified in Appendix 1 at the end of Annex 3.

3.1 Processes and Procedures regarding the Pre-exportation Examination of the Origin of Goods and the Issuance of Certificate of Origin

Each country has different processes for the issuance of Certificate of Origin depending on its internal laws and regulations. According to the questionnaire "A Study and Analysis of the Guidelines to Enhance the Export and Import Documentation Processes through an Exchange of Best Practices under the ASEAN-Korea Free Trade Agreement (AKFTA)," in-depth interviews with the government agencies including Thailand's issuing authority and customs, the focus group meeting with representatives of relevant government agencies of ASEAN member states and the Republic of Korea on June 22, 2022, and the summary of data from secondary sources, the processes and procedures for the issuance of Certificate of Origin can be summarized as follows: -

Brunei Darussalam

▌Issuing authority:

Certificate of Origin Office, Trade Division, Ministry of Finance and Economy

▌Related laws and regulations:

N/A

▌Procedure related to the issuance of Certificate of Origin:

Step 1 Registration of exporter-importer: The exporter must register with the Royal Customs and Excise Department (RCED) by registering online (https://login.bdnsw.gov.bn/bdnsw/publicjsf/registration/CompanyHeaderCreate.jsf), or completing an online form and sending it to info@customs.gov.bn, or submitting the paper form at the Customer Services Counter of RCED Headquarters, Jalan Menteri Besar in order to request for the Username and Password to access the Brunei Darussalam National Single Window (BDNSW) without registration fees.

Step 2 Application for the Certificate of Origin: The exporter must log in to the BDNSW system, complete the Certificate of Origin application form, attach the manufacturing cost statement (MCS) that has been issued no more than one year, and specify details according to the conditions of the CO Form AK. The exporter must make preparations in terms of the factory, machinery, personnel, documents, and relevant certificates in case an inspection is required.

Step 3 Issuance of Certificate of Origin: After the Certificate of Origin application has been approved, the exporter will receive the letter of company registration with a reference number of the approved Certificate of Origin. The Certificate of Origin will be fully effective upon being signed and stamped on paper or in electronic form by the officer from the Certificate of Origin Office, Trade Division, Ministry of Finance and Economy.

▌Customs Clearance:

Customs Clearance (Import), Brunei Darussalam accepts the Certificate of Origin in paper form.

1 Registration

■ **Registration with the Royal Customs and Excise Department (RCED)** in order to get User ID and Password to access the BDNSW at

(1) BDNSW (Online) an applicant can submit a one – time registration through the Brunei Darussalam National Single Window (BDNSW)

(2) Alternatively, an applicant may also submit a completed Registration Form and Declaration Form via email at info@customs.gov.bn

(3) An applicant who wants to submit their application by themselves (offline) may submit the Forms directly to the Customer Services Counter of RCED Headquarters

■ **Documents:**
(1) A copy of Business Certificate of Registration or Certificate of Incorporation
(2) A copy of Business Owner's Smart Identity Card
(3) A copy of each Company Partnership's Smart Identity Card (for Company)

■ **Expense:** None

2 Applying Certificate of Origin

■ **Procedures of Application for Certificate of Origin**
(1) Submit a completed application form (online) via http://www.bdnsw.g ov.bn/
(2) Submit a completed form and supporting documents (offline)

■ **Documents:**
(1) Manufacturing Cost Statement (MCS)
(2) Other supporting document

■ **Expense:** N/A

*Note: An inspection to the exporter's or manufacturer's factory will be arranged to see that it has the machinery and manpower to manufacture the product and keeps proper books and records of its operations

3 Issuance of CO

■ **Upon successful application,** the exporter or manufacturer will receive a letter of Company Registration with a reference number

■ **Approved CO** should be completed, dated, signed and stamped by the competent governmental authority

*Note: The competent governmental authority's or its designee's signature may be autographed or electronically printed

Cambodia

▌Issuing authority:
Ministry of Commerce (MoC)

▌Related laws and regulations:
Prakas on Procedure for Application for and Issuance of All Forms of Certificate of Origin via Automation System, No. 3198 MoC

▌Procedure related to the issuance of Certificate of Origin:
Before proceeding with the application for a Certificate of Origin, the exporter must complete company registration, tax registration, and the Generalized System of Preferences registration. In the case that the exported goods are clothing and travel items, the exporter must be a member of the Garment Manufacturers Association in Cambodia (GMAC).

Step 1 Registration: The exporter must register with the CO Automation System, which is a separate system from the Cambodia National Single Window (CNSW), via https://co.moc.gov.kh/ with an application fee of 400,000.00 Riel.

Step 2 Issuance of Certificate of Origin: The exporter submits the request and documents through the registered CO Automation System for the authorities to inspect. After the Certificate of Origin is approved, the exporter must print out the Certificate of Origin and submit it to the MoC for endorsement. The processing time for the issuance of Certificate of Origin is 16 working hours. The fee for obtaining a Form AK can be paid online or through bank counters. After payment, the bank slip must be uploaded to the system. The details of the fees are as follows:

- Fee of 216,000 Riel for garment products over 2,000 PCS or footwear over 200 PRS
- Fee of 86,000 Riel for garment products under 2,000 PCS or footwear under 200 PRS
- Rice, agricultural products, and handicrafts are free of charge

Step 3 Submission of original documents: The exporter must submit the original documents to the MoC to be verified and filed within 30 days after issuing the Certificate of Origin.

Step 4 Inspection and documents verification: The exporter must enter the data of the domestic and imported raw materials used in the production into the automation system and submit the original documents within 30 days from the date of the Certificate of Origin. The exporter must also submit the report on raw material standards and Certificate of Origin within 30 days after each export. The officer will inspect production lines and export products to ensure compliance with the Rules of Origin within 30 days of receiving the Certificate of Origin. Agricultural and processed agricultural products are inspected twice a year, and inventory checking of raw materials in the factory is carried out twice a year.

▌Customs Clearance:
Cambodia Customs Clearance (Import) accepts the Certificate of Origin in paper form.
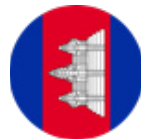
1 — Registration with the CO Automation System

Registration with the CO Automation System via https://co.moc.gov.kh/

Documents:
(1) Company name and address
(2) Certificate of business registration and company extract
(3) Certificate of Generalized System of Preferences registration
(4) List of exported items
(5) Cost Breakdown or reference documents as required by the rules of origin
(6) Authorization letter for registering or signing the application form and the CO
(7) Identify card or passport and photo of the authorize and authorized person
(8) Other documents as required by the law

Expense: First time registration Service Fee 400,000.00 KHR

2 — Issuance of CO

Application for CO via https://co.moc.gov.kh/

Documents:
(1) Invoice
(2) Packing List
(3) Bill of Landing
(4) Joint Inspection Report made by Camcontrol and Customs and Excise
(5) Cost Breakdown or reference documents as required by the rules of origin
(6) Report of the technical officers of the Ministry of Commerce on inspection of export goods with multi-cam color, green color (dark green color and army green color); Land-Air goods or report of initial goods examination
(7) Other documents as required by the import country in compliance with the rules of origin

After receiving approval, exporter has to print the approved CO and submit to MoC offices for endorsement at MoC or MoC representatives in Special Economic Zone

Expense: 86,000.00-216,000.00 KHR or Free (online/offline payment)
16 working hours

3 — Submitting original documents

Exporter shall **send the original documents as required to the Export-Import Department, MoC, for verification and to be filed within 30 days** after the MoC has issued the CO

Documents:
(1) CO (copy)
(2) Invoice
(3) Packing List
(4) Bill of Lading
- For garment goods, textile and footwear products and other products:
(5) Joint inspection report of the General Department of Customs and Excise and (Camcontrol)
- For handicraft, agricultural, fishery products and other products:
(6) Certificate of Quantity or inspection report of Camcontrol or customs declaration of the General Department of Customs and Excise (CD) or official documents certifying that the goods are exported from Cambodia
(7) Relevant documents of the company that can prove the origin of the goods such as local Sale-Purchase Agreement etc.
(8) Export license (copy) for goods that are legally required to have an export license

Expense: None

4 — Inspection and documents verification

Exporter enters the data of raw materials into the automation system and sending original documents to the the Export-Import Department, MoC, **within 30 days (from the date of CO)** to verify the proportion of imported-local raw materials and the quantities

Documents:
For imported raw materials:
(1) Invoice with customs stamp
(2) Packing list with customs stamp
(3) Bill of lading with customs stamp
(4) Inspection report of Camcontrol
(5) Customs permit and customs declaration
(6) Certificate of origin of the raw materials
For locally produced raw materials:
(1) Letter requesting the implementation of the Sale-Purchase Agreement of the raw materials
(2) Sale-Purchase Agreement of the raw materials
(3) Report of the technical officers of MoC on inspection of
(4) production line of the supplying factory
(5) Invoice and packing list

Exporter sends a report on the standard of the use of raw materials and the CO that use those raw materials **within 30 days after each export**

The inspection of the production line and export products to ensure compliance with the rules of origin shall be carried out not exceeding 30 days after receiving CO
Expense: N/A

Indonesia

▌Issuing authority:

Kementerian Perdagangan Republik Indonesia

▌Related laws and regulations:

Regulation of the Minister of Trade of the Republic of Indonesia regarding Provision in Issuing Certificate of Origin for Indonesia's Export Merchandize

▌Procedure related to the issuance of Certificate of Origin:

Step 1 Registration: The exporter must register with the e-SKA (Surat Keterangan Asal - SKA) system, or Indonesian Electronic Certificate of Origin, which is a platform that provides pre-exportation origin examination and the issuance of Certificate of Origin (https://e-ska.kemendag.go.id). The exporter must complete personal and juristic person information and attach relevant documents and certificates related to the business or a power of attorney (POA) to request the Username and the Password to enter the system.

Step 2 Issuance of Certificate of Origin: Indonesia conducts a pre-exportation examination of the origin of the goods in the same process as the issuance of Certificate of Origin. The exporter must log in to the e-SKA system and fill in the request for the Certificate of Origin by selecting the FTA under which the exporter wants to benefit from the preferential tariff treatment when exporting to the destination country. The exporter then fills in the details about the exporter, exported product, and transport route, and attaches files with product details, cost structure, table data referensi, and other related documents into the system. After that, the system will send the application to the issuing authority (Instansi Penerbit Surat Keterangan Asal: IPSKA) for approval in the system. The processing fee is 25,000 Rupiahs per time.

Step 3 Obtaining a Certificate of Origin: Once the Certificate of Origin requesting form has been approved, IPSKA will send the signed and stamped Certificate of Origin in PDF format for the exporter to print out by themselves. The electronic copy can be submitted to the Indonesia National Single Window (INSW) for further process.

▌Customs Clearance:

Indonesia Customs Clearance (Import) accepts the Certificate of Origin in both paper and electronic forms.

Registration

1
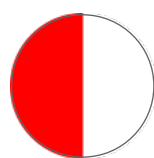
Registration with e-SKA system, Indonesia Certificate of Origin Website, via https://e-ska.kemendag.go.id/cms.php

Documents:
(1) Notification registered email
(2) Tax identification number (NPWP) (Original & Copy)
(3) Company certificate (TDP) (Original & Copy)
(4) Power of Attorney

Expense: None

Issuance of CO

2
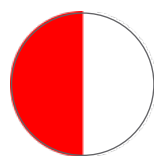
Application for Cost Analysis & Issuance of CO via
(1) **e-SKA (online)** fill in the form a good list and Cost Structure i.e. HS Number, Origin Criterion, FOB value and upload table data reference.
(2) **Regional Office (offline)**

Documents:
(1) Export Declaration
(2) Bill of Lading or Air Waybill
(3) Invoice
(4) Packing list
(5) Cost structure
(6) Other supporting document i.e table data reference

Expense: 25,000 Rupiah

1 days

Collecting AKFTA Preferential CO

3
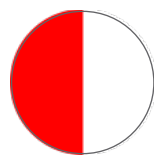
Approved Form (Affixed Signature and Stamp)

Approved CO available in PDF Format File can print out from e-SKA

Exporter can send CO to Indonesia National Single Window via e-SKA

Lao PDR

▍Issuing authority:

The Department of Import-Export (DIMEX), Ministry of Industry and Commerce (MOIC), and Special Economic Zones

▍Related laws and regulations:

- Ministry of Industry and Commerce No. 0369/MOIC.DIMEX, dated 26 February 2016, Decision on the issuance of Electronic Certificate of Origin
- Ministry of Industry and Commerce No. 0118/MOIC.DIMEX, dated 31 January 2020, Instruction on Certification of Origin of Goods under Preferential Scheme
- Ministry of Industry and Commerce No. 0588/MOIC.DIMEX, dated 12 July 2021, Guideline on Certificate of Origin under the Preferential Scheme

▍Procedure related to the issuance of Certificate of Origin:

Step 1 Pre-exportation examination: The exporter must apply for a Confirmation of Product Eligibility (CPE) to certify that the product is originated or manufactured in Lao PDR and complies with the rules of origin. After the authorities have checked the documents, they will inspect the factory to examine the production process or the warehouse. The factory inspection takes a minimum of 3 working days. After that, the CPE, with one-year validity, will be issued within 3 working days.

Step 2 Registration: Applications for Certificate of Origin in Lao PDR can be made online and offline. For the online application, the exporter must register with the eCO system via www.ecolao.gov.la and submit the required documents without any fees. The eCo system is separate from the Lao National Single Window (LNSW).

Step 3 Issuance of Certificate of Origin: The exporter can make an offline or online application for the Certificate of Origin. For the online application, the completed Certificate of Origin form must be printed out, then signed and stamped before being submitted to the issuing authority. The applicant has to collect the approved Certificate of Origin at the office of the issuing authority. The processing time for an online application is 1 working day after the issuing authority has received the signed and stamped documents, while the processing time for an offline application is 2 working days. The fees are subject to the Presidential Ordinance on Fees and Service Charges.

▍Other issuing authorities:

The National Chamber of Commerce and Industry of Lao PDR and the provincial-level agencies are authorized to issue six Certificate of Origin forms, including AANZ, AJ, AK, E, SPT, and CO-Korea.

▍Customs Clearance:

N/A

Pre-exportation examination

■ **Application for Confirmation of Product Eligibility (CPE)** at the CO Office nationwide

■ **Documents:**
(1) The request letter form provided by DIMEX
(2) Import Invoice
(3) Certified letter on detailed, production process, cost and price and the production chart based on form provided by DIMEX
(4) Documents of obtaining or import of raw materials inputs, as reference.
(5) Notification letter on company annual export capacity
(6) Enterprise signature form as provided by DIMEX
(7) A copy of enterprise certificate and/or business license
(8) Annually tax certificate

■ **Expense:** Presidential Ordinance

■ Officers checking documents and **inspecting the factory** to see the actual production or its warehouse (at leat 3 working days)
■ **Issuing the CPE (within 3 working days)**
■ **Valid** for 1 year

1

Registration to eCOLao

■ **Registration with eCO system (www.ecolao.gov.la),** if exporter wants to apply for CO electronically

■ **Documents:**
(1) Annually tax certificate
(2) Business license
(3) Notification letter on sample of signature and seal
(4) Notification letter on company annual export capacity

■ **Expense:** None

2

Issuance of CO

■ **Application for CO** at DIMEX and Special Economic Zones (offline) or www.ecolao.gov.la (online)

■ **Documents:**
(1) The request letter form provided by DIMEX
(2) A copy of CPE or the certificate documents related to such obtained goods
(3) Completely filled CO form
(4) Export Invoice and Packing list
(5) Documents related to the customs declaration in details
(6) The shipping documents
*The copy of documents shall be signed and stamped by the applicant
*Document no. (3) in the case of online application, the applicant has to print the CO form, signed and stamped before sending the original document to issuing authority

■ **Expense:** Presidential Ordinance

■ With complete and correct documents submitted, CO can be issued **within 1 working day** (online, upon receiving the original singed and stamped document) **or within 2 working days** (offline).

3

Malaysia

Issuing authority:

The Ministry of International Trade and Industry (MITI)

Related laws and regulations:

Law of Malaysia Customs Act 1967 (Act 235) Revised 2019

Procedure related to the issuance of Certificate of Origin:

Step 1 Registration: The exporter must register with Dagang Net Technologies Sdn. Bhd. (Dagang Net) who is the operator of Malaysia's National Single Window (NSW) for Trade Facilitation, prior to utilizing the eServices provided by the NSW operator, among others the Electronic Preferential Certificate of Origin (ePCO) system which is a web-based Certificate of Origin application system. The exporter has to complete the personal and juristic person information and attach the business documents/certificates before obtaining a username and password to access the system. The fee imposed by the service provider of the ePCO system is a one-time registration fee of MYR212 for SMEs or MYR530 for corporate companies, and an annual Module Access Fee of MYR210 which is only applicable for certain billing plan.

Step 2 Pre-exportation examination (Cost Analysis): The exporter must log in to ePCO system and fill in the company's details and finished product details which include the product photo, production process, raw materials and costs. The exporter has to attach related document files, schematic, or associated image to the system prior to submitting the application to the Ministry of International Trade and Industry (MITI) for approval through the system.

Step 3 Issuance of Certificate of Origin: Once the Cost Analysis is approved, the exporter may submit the application for Certificate of Origin to MITI via the ePCO system by selecting the relevant FTA, attaching the required documents, and selecting the reference number of the approved Cost Analysis to be referred in the system for MITI's consideration and approval. There is a transaction fee imposed by the system service provider for every approved application which is either MYR 5.30 or MYR 8.50, depending on the type of billing plan. Effective from April 13, 2020, the endorsement of a Certificate of Origin Form AK is done electronically via the ePCO system. Hence, the exporter will no longer need to be physically present at the MITI Service Counter for manual endorsement.

Customs Clearance:
Malaysia Customs Clearance (Import) accepts the Certificate of Origin Form AK in paper form.

Registration

1

Registration with ePCO system via
https://registration.dagangnet.com.my

Documents:
(1) Registration form with Companies Commission
of Malaysia and Business License
(2) Company's Income Statement
(3) Forwarding/ Shipping Agent License by Customs

Expense*:
(1) Registration Fee (One Time)
- MYR 212 for SMEs
- MYR 530 for corporate companies
(2) Module Access Fee (Yearly) MYR 210 (only
applicable for certain billing plan)

*imposed by the ePCO system service provider.

Pre-exportation examination

2

Application for Cost Analysis via ePCO System
https://newepco.dagangnet.com.my/dnex/login/

Documents:
(1) Product photo
(2) Process flow chart
(3) Business license
(4) Raw material invoice
(5) Other supporting document i.e declaration
letter from manufacturer of raw material and COO
for cumulation

Expense: None

Within 5 working days

Valid for 2 years

Once Cost Analysis approved by MITI, company
may apply for application of Certificate of Origin
Form AK (for specific shipment)

Issuance of CO

3

Application for CO via ePCO System
https://newepco.dagangnet.com.my/dnex/login/

Documents:
(1) Invoice/Packing List
(2) Bill of Lading
(3) Customs Export Declaration Form

The approved PCO need to be printed on PCO
form (i.e. form AK) by the applicant and
submitted to MITI for endorsement.

For Form AK, effective 13 April 2020,
endorsement of the PCO is done electronically.

Expense*: Transaction Fee MYR 5.30 or MYR
8.50 (Per approved transaction depending on
billing plan)

Within 3 working days

*imposed by the ePCO system service provider.

Myanmar

Issuing authority:

Ministry of Commerce

Related laws and regulations:

To issue the Certificate of Origin (CO) and Office used Standard Operating Procedures (SOP)

Procedure related to the issuance of Certificate of Origin:

Step 1 Registration: The exporter can register either through offline channels via branch trade offices, border trade posts, or one-stop service centers or through the online platform via Myanmar Trade Net 2.0 (www.myanmartradenet.com), a platform that provides pre-exportation examination and the issuance of Certificate of Origin. The exporter must register in the Myanmar Trade Net 2.0 system and fill in the details about the export licenses (Pa-Tha-Ka) and other related licenses to obtain the Username and the Password to access the system.

Step 2 Pre-exportation examination and Issuance of Certificate of Origin: The exporter must log in to the Certificate of Origin Online Application system via Myanmar Trade Net 2.0 (https://onlineco. myanmartradenet.com), in which the exporter is required to select the FTA under which the products are to be exported to the destination country. Then the exporter has to fill in the exporter's information, the details about exported products, weight calculation, cost of goods (FOB) calculation, and other related documents. The application will be sent to the Ministry of Commerce for approval through the system. Once the Certificate of Origin application form has been approved, the exporter must make a payment using e-Payment via Myanmar Payment Union (MPU), a Myanmar financial services company. The fee for an online Certificate of Origin application is 6,000 Kyat (while the fee for an offline application at the office is 3,300 Kyat).

Step 3 Printing and endorsement of Certificate of Origin: In the case of an online request for a Certificate of Origin, after the Certificate of Origin has been approved in the system, the exporter can print out the Certificate of Origin by themselves and bring the certificate to the Ministry of Commerce to receive authorized signature and stamp.

Customs Clearance:

Myanmar Customs Clearance (Import) accepts the Certificate of Origin in both paper and electronic forms.

Registration

1

▪ **Registration through**
(1) offline channels via branch trade offices, border trade posts, or one-stop service centers; or
(2) online platform via Myanmar TradeNet 2.0 (https://sso.myanmartradenet.com/Account/Register) by
   - Create Membership
   - Apply for the Importer/Exporter Registration Card (Pa-Tha-Ka) or other relevant cards
   - Apply for the import/export or re-export licenses

▪ **Documents:** N/A

▪ **Expense:** None

Issuance of CO

2

▪ **Appliction for Cost Analysis & Issuance of CO** can be done online at https://onlineco.myanmartradenet.com **or offline** at Branch Trade Offices / Border Trade Posts / One-stop service center

▪ For the online application, exporter needs to fill CO application form, attach the necessary documents and makes online payment for online CO fees

▪ **Documents:**
(1) Export Declaration/Document generated by MACCS System
(2) Transport Documents/BL
(3) Invoice
(4) Packing List
(5) Undertaking Letters
(6) Product Photo
(7) other:
   - Cost Statement for(one unit)
   - HS Code (at 6 digit level) and Description of Input Materials and Finished Products
   - Production Process
   - Import Declaration for Input Materials/Document generated by MACCS System

▪ **Expense:**
(1) For Manual CO Form
   - A Form Fee 300 Kyats
   - Service Fee 3,000 Kyats
(2) For e-CO
   - Online Fees of Use 3,000 Kyats
   - Service Fee 3,000 Kyats

▪ **24 hours**

Printing and endorsement of CO

3

▪ For online application, after the CO approval **exporters can print the original CO Form**

▪ After printing, exporter has to **bring the certificate to MOC and put authorized signature and stamp.**

Philippines

▌Issuing authority:

The Bureau of Customs (BOC), Department of Finance

▌Related laws and regulations:

N/A

▌Procedure related to the issuance of Certificate of Origin:

Step 1 Registration: Those who aim to carry out export operations must be accredited or registered with the Client Profile Registration System (CPRS), since only an accredited exporter is eligible to process the transactions related to export customs clearance with the BOC.

Step 2 Pre-exportation examination: Before applying for a Certificate of Origin, the exporter must go through the pre-export evaluation process to determine whether the goods qualify for the issuance of a preferential Certificate of Origin. For applicants living in Metro Manila who have applied for the pre-export evaluation, the requested applications will be processed through the Export Coordination Division (ECD). For applicants residing in other provinces, their applications will be processed by the Local Export Division of relevant ports. After receiving the application, the authority will usually complete the evaluation process within 10 working days. But in the case that a factory visit is arranged and the accounting books and records of the factory are to be examined, it can be extended for 10 working days. Once passing the evaluation, the exporter will be issued the Product Evaluation Report (PER) with 3-year validity.

Step 3 Issuance of Certificate of Origin: After receiving a PER, the exporter can only make an offline request for the Certificate of Origin, with the fee of 150 Peso. The processing time is 15 minutes.

▌Customs Clearance:

The Philippines Customs Clearance (Import) accepts the Certificate of Origin in paper form.

1 Accreditation/Registration

- **Persons** (natural or juridical) **who intend to engage in exportation are required to be accredited/registered**

- Client Profile Registration System (CPRS) is the registration required by the Bureau of Customs (BOC) for all exporters

- CPRS must be renewed annually

- **Expense:** Php 1,000

- **Approximately 15 working days**

- Please refer to Customs Memorandum Order 19-2019 and 26-2019 for more information

2 Pre-exportation examination

- **Application for pre-export evaluation** thru
  (1) the Bureau of Customs Customer Care Portal System
  (2) ECD's official email address at ecd@customs.gov.ph
  (3) offline application thru the BOC Customer Care Center

- **Documents:**
  (1) Letter Request addressed to the Chief, Export Coordination Division, specifying the description of the goods, HS Code, CO Form being requested and Country of destination.
  (2) Company profile
  (3) Cost of production analysis per product (format guide attached, use dollar as currency)
  (4) Manufacturing flowchart
  (5) List of raw materials
  (6) Plant visit, if deemed necessary

- ECD/Export Division may conduct **plant visits and examination of office books of account and records**

- **Expense:** N/A

- **Up to 20 working days**

- **Valid** for 3 years

- In case of approved application, ECD/Export Division shall **generate and issue a Product Evaluation Report (PER)** containing the list of qualified products and bases for such findings. The exporter shall be furnished a copy of the PER

3 Printing and endorsement of CO

- **Application for CO form AK** by purchase the CO accountable form at the Bureau of Customs Customer Care Center.

- This process carries out **offline** since the COs are processed and signed manually.

- **Documents:**
  (1) Authorization Letter addressed to the BOC Commissioner requesting to purchase a Certificate of Origin
  (2) Export Declaration
  (3) Bill of Lading
  (4) Commercial Invoice
  (5) Other Supporting Documents Required

- **Expense:** Php 150.00/set including Customs Documentary Stamp

- **15 minutes**

Singapore

Issuing authority:

Singapore Customs

Related laws and regulations:

The Regulation of Imports and Exports Act 1995 and its subsidiary legislation provide for the regulation of the Certificate of Origin and AKFTA Certificate of Origin issued in Singapore.

Procedure related to the issuance of Certificate of Origin:

Step 1 Registration of manufacturing premises or product line: The exporters must register a manufacturing premises or product line with Singapore Customs by emailing the application forms and related documents to customs_roo@customs.gov.sg (free of charge). The applicant will receive a preliminary response within 5 working days. Singapore Customs may visit the factory to inspect the production process for the goods specified in the application to verify whether it meets the requirements. Additionally, the financial and operational records may also be inspected. The registration is valid for 2 years.

Step 2 Pre-exportation examination: After registration, the exporters must send the Manufacturing Cost Statements (MCS) that the goods involved meet the origin criteria under the respective Free Trade Agreements with the necessary documentation by email to customs_mcs@customs.gov.sg (free of charge). It takes up to 7 working days to process the MCS. MCS is valid for 1 year and can be renewed by submitting a Letter of Undertaking (LOU) via e-filing.

Step 3 Issuance of Certificate of Origin: Upon receipt of the Customs Verified manufacturing Cost Statement (VCS) for the goods, to apply for Certificate of Origin through TradeNet, which is Singapore's National Single Window, the applicant must be registered first with the Accounting and Corporate Regulatory Authority (ACRA) and declare details of the VCS in the Certificate of Origin application. Issuance of Certificate of Origin for Singapore originating goods takes 2 working hours upon receipt of all supporting documents, or in case of back-to-back Certificate of Origin, it takes up to 2 working days upon receipt of all supporting documents. The fees, including an export permit application, is about 8.68 Singapore dollars but it does not include the service fees charged by service providers such as freight forwarders and Declaring Agents to submit the export permit and Certificate of Origin applications. Details are as follows:

- Messaging fees of 0.18 Singapore dollars
- Each export permit application: statutory fees of 0.90 Singapore dollars and processing charges of 1.80 Singapore dollars
- Each Certificate of Origin application: statutory fees of 4 Singapore dollars and processing charges of 1.80 Singapore dollars

Step 4 Collecting Certificate of Origin: after the Certificate of Origin has been approved, the exporters can receive it at the CrimsonLogic Service Bureau (CrimsonLogic) or Singapore Aircargo Agents Association (SAAA).

Customs Clearance:

Singapore Customs Clearance (Import) accepts the Certificate of Origin in electronic form. The importers must express their intentions to obtain preferential tariff treatment for importing into Singapore when obtaining an In-Payment import permit via TradeNet. Within 1 week from the import clearance date, the importers scan and convert the Certificate of Origin AK form and other supporting documents like the permit, commercial invoice and bill of lading in PDF or JPEG image format into files and send these files to customs_pref_doc@customs.gov.sg. If the Certificate of Origin AK form is not submitted to Customs within the stipulated period, Customs will proceed with the Customs Duty recovery.

1. Registration of manufacturing premises/product line

Registration with Singapore Customs via email to customs_roo@customs.gov.sg

Document:
(1) Application form (available on customs website)
(2) Full ingredients/composition list of the product
(3) Sales invoice of raw materials used to produce the final product
(4) Manufacturing process flowchart supported with photographs
(5) Relevant licenses if applicable
(6) Material Safety Data Sheet for chemical products
(7) Photographs of machinery used
(8) Product brochure/catalogue

Singapore Customs may arrange **factory visit**

Expense: None

5 working days

Valid for 2 years

2. Pre-exportation examination

Submission of Manufacturing Cost Statement via email to customs_mcs@customs.gov.sg

Document:
(1) Completion of Manufacturing Cost Statement template (available on customs website)
(2) Commercial invoices (where necessary)
(3) Preferential CO for originating raw materials
(4) Declaration Letter from manufacturer for raw materials procured locally

Expense: None

7 working days

Valid for 1 year (renewable by submitting a letter of undertaking (LOU) via e-filing)

3. Issuance of CO

Application for CO via TradeNet

Document:
The exporter may submit their permit declaration via TradeNet, and append relevant supporting documents such as a valid original Certificate of Origin, for back-to-back Certificate of Origin applications

Expense: CO application together with a customs export permit application costs about S$ 8.68 which exclude service fees charged by service providers:
(1) S$ 0.18 messaging fees
(2) S$ 2.7 export permit application
(3) S$ 5.8 CO application

Within 2 working hours (upon receipt of all supporting documents) for SG originating goods CO application **or within 2 working days** (upon receipt of all supporting documents) for back-to-back CO application

4. Collecting AKFTA Preferential CO

Collecting CO at the printing bureaus:
(1) CrimsonLogic Service Bureau (CrimsonLogic)
(2) Singapore Aircargo Agents Association (SAAA)

The exporter may authorize a person to collect the CO on their behalf, and the authorized person is required to produce the Letter of Authorization issued by the exporter for verification during the collection

Within 2 working hours from approval of the CO

*Note: Access to SAAA is restricted to personnel carrying an Airport Pass with the relevant access right. Please also note that SAAA imposes an administrative charge for each CO collected at its office

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Thailand

Issuing authority:

Department of Foreign Trade, Ministry of Commerce

Related laws and regulations:

Notification of the Ministry of Commerce on Issuance of Certificate of Origin in accordance with the International Trade Agreement or International Trade Practices B.E. 2548 (2005)

Procedure related to the issuance of Certificate of Origin:

Step 1 Registration of exporter-importer: The exporter must register in the e-Service system of the Department of Foreign Trade (https://reg-users.dft.go.th) to request for the Username and for the issuance of an exporter-importer ID card at the Department of Foreign Trade, Ministry of Commerce (or Provincial Foreign Trade Offices), with the fee of 200 Baht per card with a validity of 2 years.

Step 2 Registration for cost analysis: The exporter must proceed with the registration through https://rovers.dft.go.th/Registration/Register_ByExporter.aspx, complete the personal information and juristic person information to the registration form, and then submit supporting documents by emailing to rovers2597@gmail.com in order to request for the Username and the Password.

Step 3 Pre-exportation examination: The exporter must log in to https://rovers.dft.go.th, fill in the exporter's personal information and the details about the product list, production process, raw materials, and the cost of the product, and attach the files of raw materials list, materials, and parts used to produce one unit of the product in forms of Excel format, flow charts or related images, and submit the application to the system. Then the exporter has to fill in the production confirmation form and the Import Administration and Origin Certification Division will issue the pre-exportation origin verification results, which will be valid for 2 years.

Step 4 Issuance of Certificate of Origin: Once the application form for pre-exportation origin verification results has been approved, the exporter must log in to the Certificate of Origin issuance system (https://edi.dft.go.th) by completing the application form, selecting the place to receive the approved Certificate of Origin, selecting the FTA to export the goods, filling the certificate number of pre-exportation origin verification results with the attached relevant documents, and signing the electronic signature. Once the officer has approved the Certificate of Origin, the exporter must go to the selected office to receive the approved Certificate of Origin and pay the Certificate of Origin printing fee of 30 Baht.

Customs Clearance:

Thailand Customs Clearance (Import) accepts the Certificate of Origin in paper form.

1. Registration of exporter-importer

- **Registration to obtain Exporter-Importer ID card,** exporter has to fill in the form to get an Exporter-Importer ID card at Registration Database (https://reg-users.dft.go.th/)

- **Documents:**
  (1) Company Registration Certificate
  (2) Certificate of VAT registration
  (3) Factory License
  (4) POWER OF ATTORNEY

- Next, **submit the form at DFT office** to get Username and Password to access the CO application system (https://edi.dft.go.th/)

- **Expense:** 200 baht/card

- **Valid** for 2 years

- For the purpose of CO application, **exporter needs to installing and setting to use Digital Signature**

2. Registration for cost analysis

- **Registration with cost analysis system,** exporter needs to fill in the Cost Analysis system registration form via https://rovers.dft.go.th/Registration/Register_ByExporter.aspx

- Exporter has to submit the document via email to rovers2597@gmail.com

- **Documents:**
  (1) Printed application form
  (2) Printed confirmation letter to access the system
  (3) Company Registration Certificate
  (4) certificate of VAT registration
  (5) Factory License
  (6) POWER OF ATTORNEY

- For the purpose of cost analysis application, **exporter needs to installing and setting to use Digital Signature**

3. Pre-exportation examination

- **Application for Cost Analysis** by filling in the form via https://rovers.dft.go.th

- **Documents:**
  (1) Company Registration Certificate
  (2) Factory License
  (3) Invoice / Packing List
  (4) Details of raw materials
  (5) Production chart
  (6) POWER OF ATTORNEY

- **Expense:** None

- Queueing around 3-5 working days

- Pre-exportation examination **30 minutes**

- **Valid** for 2 years

4. Issuance of CO

- **Application for CO online** via https://edi.dft.go.th/

- **Documents:**
  (1) Invoice
  (2) Packing list
  (3) Bill of Lading
  (4) Pre-exportation origin verification results
  (5) Other document (if necessary)

- **Get the Approved CO (Paper-based)** at the Department of Foreign Trade manages origin, Ministry of Commerce

- **Expense:** 30 Baht per one set of CO

- Queueing and approving process is up to **1 working day**

- Collecting the CO is around **10 minutes**

Vietnam

Issuing authority:

Ministry of Industry and Trade

Related laws and regulations:

Decree no.31/2018/ND-CP regulating the Law on Foreign Trade Management in terms of origin of goods

Procedure related to the issuance of Certificate of Origin:

Step 1 Registration of the Trader Profile: The exporter must complete online registration of the trader profile with the issuing authority at eCoSys (www.ecosys.gov.vn) or offline registration at the office without registration fees.

Step 2 Application for Certificate of Origin: In issuing a Certificate of Origin in Vietnam, the pre-exportation examination of the origin of goods is carried out in the same process as the issuance of Certificate of Origin. Thus, the documents used for applying for a Certificate of Origin include the documents required to determine the origin of the product. The documents relating to the origin identification are valid for 2 years, so the exporters do not have to reattach those documents when requesting the Certificate of Origin for the same products within that period.

Step 3 Issuance and Collecting of Certificate of Origin: In some cases, the officer may visit the factory or request the applicant to submit additional documents. The processing time for the approval of the Certificate of Origin is 6 working hours for the online application and 8 working hours for the offline application. The paper Certificate of Origin can be issued to the exporter within 2 working hours. However, the exporter must visit the office in order to receive the certificate.

Customs Clearance: N/A

1 — Registration of the trader profile

- **Registration of the trader profile with issuing authority** via eCoSys (www.ecosys.gov.vn) or head office of the issuing authority designated by Ministry

- **Documents:**
  (1) Specimen signature of the trader's legal representatives to be registered or authorized person who sign the application for issuance of CO or signs the CO, and specimen seal of trader
  (2) A copy of business registration certificate (stamped as a true copy of the original)
  (3) A list of manufacturing producing the goods applying for issuance of CO (if any)

- **Expense:** None

2 — Application for CO

- **Application for CO** through eCoSys (online) or headquarter of the local issuing authority (offline)

- **Documents:**
  (1) CO application form
  (2) A specimen of completely filled CO
  (3) Export customs declaration (copy)
  (4) Commercial Invoice (copy)
  (5) B/L or equivalent transport document (copy)
  (6) A detailed list of exported goods qualifying preferential rules of origin
  (7) A declaration of origin provided by manufacturer or supplier of originating material or locally produced originating good, if such a material is used in subsequent stage to produce another good
  (8) Goods manufacturing process (Production chart) (copy)
  *The copies of documents have to be stamped as a true copy of the original by trader

- Document no. (6)-(8) remain **valid** within 2 years from the date of submission

- **Expense:** None

- **20-30 minutes**

3 — Issuance of CO and collecting CO

- In exceptional circumstances, the issuing authority shall **undertake an inspection visit** to the manufacturing facility of trader **or require the applicant to submit copies of following** documents (stamped as a true copy of the original by trader)
  (1) Customs declaration of imported materials (if imported material are used in production process)
  (2) A sale contract or VAT invoice of locally purchased materials (if locally purchased materials are used in the production process)
  (3) Export license (if any)
  (4) Other documents as deemed necessary

- **Expense:** None

- Local issuing authority **considers the application and approves the CO (within 6 working hours** for online application, or **8 working hours** for offline application)

- **Issuing a paper CO** and give it back to the exporter **(within 2 working hours)**

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Republic of Korea

▌Issuing authority:

Korea Custom Service (KCS)

▌Related laws and regulations:

Customs Act (Republic of Korea) and the Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements

▌Procedure related to the issuance of Certificate of Origin:

Step 1 Registration: Before applying for a Certificate of Origin, the exporter must register with the UNI-PASS system (https://unipass.customs.go.kr) and fill in personal and juristic person information to register for the e-Certificate system and electronic signing system.

Step 2 Issuance of Certificate of Origin: The issuance of a Certificate of Origin of the Republic of Korea has been carried out in the same process as the pre-exportation examination. The exporter must log in to the UNI-PASS system and complete the certificate of origin application by selecting the FTA under which the product is to be exported to the destination country. And then, the exporter's information and the details of exported products must be filled in, and the product's details and other related documents must be attached to the system. After that, the system will send the application to the customs authorities for inspection. If necessary, additional documents may be requested from the exporter without processing fees. (In the case that the process is carried out by the Korea Chamber of Commerce and Industry (KCCI), the exporter must pay a fee of 7,000 Won.)

Step 3 Printing the approved Certificate of Origin: After the Certificate of Origin application form has been approved, the KCS will approve the Certificate of Origin in the UNI-PASS system. The Certificate of Origin will have a QR code, a watermark, and a 2D bar code for verification. The exporter can print out the approved certificates for themselves.

▌Other issuing authority:

The Korea Chamber of Commerce & Industry (KCCI)

▌Customs Clearance:

The Republic of Korea Customs Clearance (Import) accepts the Certificate of Origin in both paper and electronic forms.

Registration

Registration with the UNI-PASS system of Korea Customs Service, register e-certificate and signature for CO via http://unipass.customs.go.kr

Documents: N/A

Expense: None

*Note: Korea Chamber of Commerce and Industry (KCCI) is authorized issuing authority, exporter who chooses to apply for CO with KCCI can register at Trade Certification Service Center of Korea Chamber of Commerce and Industry via http://cert.korcham.net

1

Issuance of CO

Application for CO, exporter fill in the CO application form via the UNI-PASS and going through verification process

Documents:
(1) Application form of CO
(2) A copy of export declaration certificate
(3) Commercial invoice or contract
(4) Origin verification questionnaire
(5) Documentary evidence to origin verification questionnaire

* In case exporter is not the producer of the goods, origin verification questionnaire and documentary evidence may be submitted directly by the producer to the issuing authority

Expense:
- KCS: Free
- KCCI 7,000 KRW

Within 3 days from the application date or within 10 days when on-site examination is conducted

In general, CO is issued on the same day of application

2

Printing the approved CO form

After approval by the Customs, **applicants can issue CO through UNI-PASS**

Issued CO can be checked at KCS webpage

Applicants are able to print the electronically issued COs for themselves, where electronic seal and signature are applied.

3

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In order to issue a Certificate of Origin, the manufacturer and/or exporter must apply for a pre-exportation examination of the origin of goods with the issuing authority, which is a process to ensure that the goods they want to export originate in accordance with the Agreement. Unless the goods are easily identifiable, the goods may not have to go through the pre-export inspection. As part of the issuance of Certificate of Origin, the manufacturer and/or exporter must submit the necessary documents to obtain a Certificate of Origin.

The processes and procedures for the application for pre-exportation examination and the issuance of Certificate of Origin of each AKFTA country can be categorized into two groups.

1. The pre-exportation examination and the issuance of Certificate of Origin are two separate processes in which the manufacturer and/or exporter must submit two separate requests. These two requests can be submitted through the same or different channels. Examples of the countries belonging to this group are Thailand, the Philippines, and Singapore.

2. The pre-exportation examination and the issuance of Certificate of Origin are part of the same process in which the issuing authority will process the issuance after receiving a request for a Certificate of Origin from the manufacturer and/or exporter. Examples of the countries belonging to this group are Myanmar and Vietnam.

The parties of the AKFTA Agreement have adopted the National Single Window (NSW), a platform that links data of government agencies and entrepreneurs in one platform. However, when considering the channels used for applying for pre-exportation examination and Certificate of Origin, it is found that some countries use NSW channels while in other countries, the manufacturer and/or exporter must submit the requests through other channels.

Table 3.1 : The Use of the National Single Window as a Channel to Submit a Pre-Exportation Examination and Certificate of Origin

	Pre-Exportation Examination		Submission of the Request for Certificate of Origin	
	NSW	*others*	*NSW*	*others*
Brunei *	■		■	
Cambodia		■		■
Indonesia *	■		■	
Lao PDR		■		■
Malaysia	■		■	
Myanmar *	■		■	
Philippines		■		■
Singapore		■	■	
Thailand		■	■	■
Vietnam *		■	■	■
Republic of Korea*	■		■	

Source: Researchers, (2022)

Remark: * Countries that conduct pre-exportation examination and issue a Certificate of Origin in the same process.

The procedures, channels, documents, costs, and processing times vary from country to country. When the process of issuing the Certificate of Origin is complicated, or multiple registrations are required, the manufacturers and/or exporters will need a larger number of documents to proceed with the issuance of Certificate of Origin. At the same time, the fees and processing time are considered one of the trade costs. As a result, one of the goals to drive international trade must be aiming at enhancing the related processes to reduce procedures, costs, and complexities to ensure trade efficiency and benefits for entrepreneurs.

3.2 Customs Clearance

A Certificate of Origin is a required document, which must be submitted to the customs of the importing country in order to obtain preferential customs treatment. According to the results from the questionnaire, the answers from relevant authorities on the issue of the Certificate of Origin types that are accepted by the importing country's customs authorities under the agreement of AKFTA can be summarized in the following table.

Table 3.2: The Type of Certificate of Origin under AKFTA accepted by each Country's Customs

Country	Type of Certificate of Origin accepted by the customs
Brunei	Paper-based Certificate of Origin
Cambodia	Paper-based Certificate of Origin
Indonesia	Paper-based Certificate of Origin Electronic Certificate of Origin
Lao PDR	N/A
Malaysia	Paper-based Certificate of Origin
Myanmar	Paper-based Certificate of Origin Electronic Certificate of Origin
Philippines	Paper-based Certificate of Origin
Singapore	Electronic Certificate of Origin
Thailand	Paper-based Certificate of Origin
Vietnam	N/A
Republic of Korea	Paper-based Certificate of Origin Electronic Certificate of Origin

Source: Answers from the questionnaire "A Study and Analysis of the Guidelines to Enhance the Export and Import Documentation Processes through an Exchange of Best Practices under the ASEAN-Korea Free Trade Agreement (AKFTA)"

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However, since the Certificate of Origin - Form AK is a paper-based Certificate of Origin, the Certificate of Origin mainly accepted by each country's customs authorities is, therefore, a paper Certificate of Origin. At the same time, the electronic Certificate of Origin does not refer to an e-CO that is issued electronically by the issuing authority but probably refers to the scanned copy of the paper Certificate of Origin, which the importers have submitted to the customs system, such as in Singapore.

3.3   The Use of Digital Innovation in Related Processes

Currently, the parties are trying to make use of digital innovation to enhance processes related to Certificate of Origin, as well as to facilitate entrepreneurs, and to improve the efficiency of relevant authorities' operations.

The questionnaire has raised questions about the innovation or digital technologies used in the process of pre-exportation examination of the origin of goods, the issuance of Certificate of Origin, and customs clearance with Certificate of Origin, including the following issues.

- ❍ Risk Management System

- ❍ Big data

- ❍ Algorithm

- ❍ National Single Window

- ❍ Single Form

- ❍ Blockchain

- ❍ Other guidelines in which Verifiable Credentials (VC) are used in accordance with the World Wide Web Consortium (W3C) standards.

- ❍ Self-printing

- ❍ E-Payment

- ❍ Automated system to verify commercial (e.g. e-Invoice or e-B/L etc.) for application from government agencies.

The answers from the questionnaire regarding the use of digital innovation in the processes of pre-exportation examination and the issuance of Certificate of Origin are shown in Table 3.3 and the application of digital innovation in the process related to customs clearance is shown in Table 3.4

Table 3.3 : The Use of Digital Innovation in the Process of Pre-exportation Examination and the Issuance of Certificate of Origin

	Risk Management System	Big data	Algorithm	National Single Window	Single Form	Blockchain	VCs based on the W3C standards	Self-printing	E-Payment	Automated system to verify commercial e-documents	Others
Brunei					N/A						
Cambodia	■		■	■	■		■	■	■		
Indonesia	■				■			■	■		
Lao PDR											
Malaysia	■			■				■	■		
Myanmar								■	■		
Philippines											
Singapore	■		■	■					■		
Thailand	■			■							
Vietnam	■			■							■
Republic of Korea					■			■			

Source: Answers from the questionnaire "A Study and Analysis of the Guidelines to Enhance the Export and Import Documentation Processes through an Exchange of Best Practices under the ASEAN-Korea Free Trade Agreement (AKFTA)"; Interview with the Department of Foreign Trade (24 March 2022); Focus Group (22 June 2022)

CHAPTER III

Table 3.4 : The Implementation of Digital Innovation in Related Processes of Customs Clearance

	Risk Management System	Big data	Algorithm	National Single Window	Single Form	Blockchain	VCs based on the W3C standards	Self-printing	E-Payment	Automated system to verify commercial e-documents	Others
Brunei	X			X							
Cambodia								X			
Indonesia	X			X							
Lao PDR						N/A					
Malaysia											
Myanmar	X			X							
Philippines											
Singapore	X		X	X					X		
Thailand						N/A					
Vietnam											
Republic of Korea	X				X						

Source: Answers from the questionnaire "A Study and Analysis of the Guidelines to Enhance the Export and Import Documentation Processes through an Exchange of Best Practices under the ASEAN-Korea Free Trade Agreement (AKFTA)"

3.4 Issues and Challenges in the Process of Pre-Exportation Examination of the Origin of Goods, the Issuance of Certificate of Origin, and Customs Clearance with the Certificate of Origin under the AKFTA

According to the experiences of the officials who involve in the process from all 11 countries under the AKFTA, it is found that the process of pre-exportation examination of the origin of goods, the issuance of Certificate of Origin and Customs Clearance which requires the Certificate of Origin has several problems, obstacles, and challenges in the following areas.

Importer-exporter's lack of knowledge and understanding

One of the most common problems is that the importer-exporter lacks knowledge and understanding of pre-exportation examination, the issuance of Certificate of Origin, and the Rules of Origin under the AKFTA Agreement. To elaborate, the importer-exporter or the agent tends to lack a proper understanding of the Rules of Origin, the origin of the products, and raw materials. This lack of knowledge has often led to mistakes, inaccuracies, and incompleteness of product details and supporting documents. As a result, the requests for pre-exportation examination and the application for Certificate of Origin are not approved and the process of pre-exportation examination and the issuance of Certificate of Origin is delayed, causing inconvenience and higher trade costs.

The duration of the pre-exportation examination and the issuance of Certificate of Origin

The process of pre-exportation examination and the issuance of Certificate of Origin involves a lot of details and volumes of documents to be considered. At the same time, the number of officers is limited. As a result, the process of pre-exportation examination and the issuance of Certificate of Origin tends to be delayed. For instance, if one product to be exported contains 100 raw materials from different sources, the officer has to check the cost structure, details of all raw material sources, and the Certificates of Origin of all the raw materials imported into production. Therefore, if the AKFTA can successfully develop a comprehensive system with the help of innovation and digital technology, it will reduce the processing time and limit the discretion of the authorities.

Lack of coordination between responsible agencies within each country

Each country has a different organizational structure for issuing the Certificate of Origin. This means that in some countries, the issuing authority is not a customs authority. Moreover, some information about the entrepreneur, the importer-exporter, or production sites, and especially the operation in relation to the import-export license of certain types of goods may be under the supervision of other agencies. According to the results of the questionnaire, in some countries, there is a lack of systematic coordination and the exchange of information under one platform among different agencies, or the lack of the technology and innovation for different agencies to operate and work together, resulting in the inefficiency of the trade facilitation and cost reduction. As a result, the importer-exporter has to contact and submit the requests to many agencies under a multi-platform service system in which entrepreneurs have to register with many systems for the same business. Therefore, the importer-exporter must have more than one username and password.

Unavailability and instability of service technology

Even though the services of pre-exportation examination and the issuance of Certificate of Origin have been changed to be carried out via an online system, there are still some challenges in terms of the unavailability and instability of technology. This is due to the fact that all of the 11 member states under the AKFTA have different potential, readiness, infrastructure, and budgets for technology and innovations, not to mention different levels of digital literacy of government officials, the importer-exporter, or entrepreneurs. As a result, the use of technology and innovation in the process of pre-exportation examination and the issuance of Certificate of Origin has not yet achieved its objectives of facilitating trade and reducing trade costs for entrepreneurs. This is evidenced by the fact that the procedures of many countries cannot be carried out online from the beginning to the end of the process. Some steps must be carried out online, while some must be carried out offline. This has led to the importer-exporter undertaking some online processes and still has to be physically present at the government agencies.

Moving Forward on AKFTA : Cutting the Trade Cost

CHAPTER IV

MOVING FORWARD ON AKFTA : CUTTING THE TRADE COST

4.1 Analysis and Discussion

ASEAN can reduce its regional trade cost by enhancing trade facilitation through ASEAN regional agreements and the WTO framework. The fundamental principles of trade facilitation include transparency, simplification, modernization, harmonization, and technical assistance. ASEAN implemented trade facilitation by reducing tariff rates between each member state through the ASEAN Free Trade Agreement (AFTA) and ASEAN Trade in Goods Agreement (ATIGA) respectively. Transparency of trade activities was enabled through the establishment of the ASEAN Trade Repository (ATR), by developing custom system a National Single Window, integrating all national custom procedures through ASEAN Single Window (ASW), and developing the Harmonization and Mutual Recognition of issuance of Certificate of Origins. ASEAN also established a Sub-Committee on Rules of Origin, implemented regulations for issuance of Certificate of Origin, and applied self-certification system for Certificate of Origin.

Although ASEAN has progressed with successful regional cooperation, each ASEAN member state still has different capacity in cutting its trade cost. The key factors for reducing trade costs include investments in human resources and IT infrastructure, development in laws and regulations, which can both directly and indirectly relate to trade facilitation, and the development in trade procedures which involve different groups of stakeholders and organizations both in the public and private sector. These differences in capacity for reducing trade cost result in different level of achievement related to trade facilitation. The findings by the International Institute for Trade and Development (ITD) shows that Singapore and Malaysia are only two ASEAN member states which facilitate trade related activities at a high level. Thailand, Philippines, Indonesia, and Brunei Darussalam are three ASEAN member countries which facilitate trade activities at an intermediate level, whereas Myanmar, Cambodia, Lao PDR and Vietnam are those that urgently need to focus in their trade facilitation efforts.

Digital technology should significantly applied on trade facilitation in the present day as the competition in international trade area is becoming more intense especially after the spread of Corona Virus Disease 2019 (COVID-19). ASEAN currently experiences different challenges when applying innovations on facilitating trade activities. The research result of APEC concluded that the obstacles in applying innovations on documentations are due to coordination between organizations, a lack of synchronized and continued standard, and a lack of close cooperation between stakeholders. Therefore, to further develop trade facilitation, ASEAN should emphasize on stronger cooperation, single standard of trade procedure, and long-term continuous functional operations.

According to ITD's survey results on ASEAN's procedure and process of issuance of Certificate of Origin, answered by related government officials, can be summarized that all 10 ASEAN member states have similar custom procedures and processes. However, one key observation touches upon the National Single Window, which is a platform for verifying Certificate of Origin before export and issuing Certificate of Origin. This National Single Window has been applied only by Brunei Darussalam, Indonesia, Malaysia, Myanmar, and Singapore. While, the rest of ASEAN member countries apply the separated system. In addition, the best practices in foreign countries show that, in order to support documentations through exchange of information digitally or through Electronic Data Exchange System, there is a compulsory requirement of having one big database. The one big database also supports an effective National Single Window and feasibility in applying Blockchain in the future. In case of some ASEAN member countries now still separates custom service system, which include verification of rules of origin and issuance of Certificate of Origin, from the National Single Window. Hence, the ASEAN should actively integrate data from these two separated systems, so that fundamental progress in developing custom procedure and process will be achieved.

4.2 Policy Recommendations

Following the questionnaire survey results of experiences conducted by officials involved in 11 countries under ASEAN-Korea Free Trade Agreements (AKFTA) and the analysis of best practices in foreign countries, the following policy recommendations are proposed to develop procedures of pre-exportation examination, issuance of Certificate of Origin and customs clearance (import) with CO.

(1) Definition rules of origin and its standard in issuing Electronic Certificate of Origin

Even though all ASEAN member states and Republic of Korea have applied digital technology and innovations on issuance of Certificate of Origin, the implementations of e-Certificate of Origin (e-CO) varies as each nation define the scope of e-CO differently. For example, some countries allow importer and exporter to obtain Certificate of Origin online, but still have to do payment and receive physical documents at the office of related authorities. Some countries include the process of obtaining Certificate of Origin online, e-Payment and Self-printing, but request importer and exporter to visit office of related authorities for official signatures and stamps on the documents. Some countries include the process of online form submission, e-Payment and online printing; however, the document is in PDF format file which need to be printed during Customs procedures. Therefore, ASEAN should together agree on a single definition of e-Certificate of Origin (e-CO) and related standard to form a fundamental principle for aligned custom procedures among the countries. The definition and standard should be agreed upon following requests from importer and exporter.

(2) Development of a single stop service in issuing Certificate of Origins through electronics system.

ASEAN member states and Republic of Korea have applied electronics system on pre-export examination and obtaining Certificate of Origin; however, in practice, many countries have not yet fully applied electronic systems on all of procedures, which can be defined as "half-online, half-offline". Some countries request importer and exporter to retrieve their username and password in order to offline the offices of related authorities. Some countries requires three sets of username and password for three different types of services: (1) pre-export examination (2) issuance of Certificate of Origin (3) customs clearance (import)

In order to successfully implement trade facilitation under the ASEAN-Korea Free Trade Agreements (AKFTA) especially those related to the issuance of Certificate of Origin, the ASEAN and Republic of Korea should together support the implementation of e-CO with a single standard and compatible platform and technology. The single standard of e-CO will help ensure the synchronization all of procedures, pre-export examination, issuance of Certificate of Origin, and customs clearance (import) among all eleven countries. Government officials will be able to exchange the data between countries seamlessly.

(3) Encouragement of utilization of self-certification system

Self-certification system has been applied in four ASEAN member states namely Brunei Darussalam, Malaysia, Singapore, and Thailand. The system allows exporter to register for "Certificated Exporter", and do self-Certification of Origin at invoice price for obtaining tariff preferences under ATIGA framework rather than applying it through Form D. This self-certification system help facilitates trade activities and reduce overall trade costs which occur to both exporters and government officials because of the simpler processes. In addition, it should be noted that the self-certification system requires substantial knowledge of rules of origin of the exporter. All government officials in 11 countries under AKFTA framework should therefore share the knowledge to the exporter and importer and strengthen coordination between public and private sector in showing self-certification results of particular good.

(4) Knowledge Development and understanding of stakeholders

One main obstacle in the procedure of providing service related to issuance of Certificate of Origin is that many exporters and importers lack the understanding related to rules of origin, the process and procedure of both pre-export examination and issuance of Certificate of Origin. Hence, capacity buildings in the related topics to rules of origin, procedures, and instructions on preparing the documents should be promoted among exporters and importers. In addition, capacity building related to ways of applying digital technology and innovations on pre-export examination should be conducted among government officials.

(5) Building a network of government officials among ASEAN-Korea Free Trade Agreements (AKFTA) member countries

The ASEAN and Republic of Korea should together build a network of government officials specifically for those who work on vpre-exportation examination of the origin of the goods, issuance of Certificate of Origin and customs clearance to encourage the sharing of know-how and experiences in improving services and reducing trade cost. This network might be supported through Sub-committees on Rules of Origin of ASEAN and publicized through social media platforms.

(6) Encouragement of Trade Negotiations on developing customs clearance (import) by e-CO

In order to further develop customs clearance procedure (import) that relate to issuance Certificate of Origin, trade negotiations under AKFTA framework should touch upon the issues of accepting e-CO that is backed by Blockchain, Verifiable Credential by World Wide Web Consortium (W3C), and seamless linkage between ASEAN Single Window and UNI-PASS. The acceptance in e-CO will follow the WTO-Trade Facilitation Agreement (WTOTFA) Article No. 10.2 which recommends WTO members to accept copy of relevant documents related to import-exportcross border activities in both papers or electronic versions. The WTOTFA Article No. 10.2 aims to strengthen exchange of information between countries on customs clearance procedure to save time and cost. To reach the consensus in agreement, countries that better access to technology should initiate technology transfer project or establish a budget fund to support digital transformation to countries that less access for their motivation to drive and develop effectively.

CHAPTER IV

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APPENDIX

APPENDIX

Questionnaire Survey

As the main objective of the questionnaire survey is to collect related procedures and current exporter's cost for applying for CO customs clearance process with CO in ASEAN Member Countries (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam) and Republic of Korea. Especially, the procedures of pre-exportation examination (or cost analysis), applying for CO and customs clearance (import). This questionnaire survey is collected a data and information from government officials from 11 countries (18 participants) with Google Form during 13 April - 17 June 2022 as follows (Countries list);

Country	Ministry	Department	Division/Office	Number of responses
Brunei Darussalam	Ministry of Finance and Economy	Royal Customs and Excise Department	Policy and Customs Matters Unit	1
Cambodia	Ministry of Economy and Finance	General Department of Customs and Excise of Cambodia	Department of Planning and Techniques	1
	Ministry of Commerce	Department Export-Import	Bureau of Trade Preferences System and Rule of Origin	1
Indonesia	Ministry of Trade	Directorate export and import facilitation	Rules of Origin and Document of origin	1
	Ministry of Finance	Directorate General of Customs and Excise	Directorate of International Affairs	1
Lao PDR	Ministry of Industry and Commerce	Department of Import and Export	Rules of Origin Division	1
Malaysia	Ministry of Finance	Royal Malaysian Customs Department	Customs Department	1
	Ministry of International Trade and Industry	Trade and Industry Support Division	Trade and Industry Cooperation Section	2

Country	Ministry	Department	Division/Office	Number of responses
Myanmar	Ministry of Commerce	Department of Trade	Regional Economic Cooperation Division	1
	Ministry of Planning and Finance	Customs Department	Customs Head Office	1
Philippines	Department of Finance	Bureau of Customs	Export Coordination Division (ECD)	1
Singapore	Ministry of Finance	Singapore Customs	Tariffs and Trade Services	1
Thailand	Ministry of Commerce	Department of Foreign Trade	Import Administration and Origin Certification Division	1
	Ministry of Commerce	Department of Foreign Trade	Bureau of Foreign Trade Services	1
	Ministry of Finance	Thai Customs Department	Customs Tariff Division/Rules of Origin Section	1
Vietnam	Ministry of Industry and Trade	Agency of Foreign Trade	Rules of Origin	1
Republic of Korea	Korea Customs Service	Korea Customs Service	FTA Implementation Division	1
			Total	**18**

Rationale

This questionnaire survey is carried out under the project called a Study and Analysis of the Guidelines to Enhance the Export and Import Documentation Processes through an Exchange of Best Practices under the ASEAN-Korea Free Trade Agreement (AKFTA) by the Department of Foreign Trade, Ministry of Commerce, Thailand, in collaboration with the ASEAN Secretariat. Its primary objective is to collect survey data to study and analyze the guidelines to enhance the export and import documentation processes through an exchange of best practices under the ASEAN-Korea Free Trade Agreement (AKFTA). The project will be conducted by studying and reviewing the present-day procedures for the country's baseline review under the AKFTA, as well as exchanging ideas and sharing practices to propose a guideline to enhance the capacity to issue certificates, ultimately aiming to reduce steps, time, and costs of trading for importer/exporter.

The questionnaire survey is divided into three parts, including (1) the origin verification, (2) the issue of the Certificate of Origin, and (3) the Customs Clearance Process with the Certificate of Origin, under the AKFTA. In each part, the questions are focused on the service request process for importer/exporter, service channels, required documents, costs and fees, length of service, and digital innovation in service. The data revealed will be the basis for the enhanced capacity to issue the Certificate of Origin of the goods from the countries under the AKFTA.

Should you need additional information, please contact:

Mr. Wimon Punkong (wimon@itd.or.th)

Ms. Orranutt Pupphavesa (orranutt@itd.or.th)

Ms. Tanyanun Varapipong (tanyanun@itd.or.th)

or

akfta.roo@gmail.com

*Required

PART I General Information

1. Country*..
   (Dropdown: Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam, Republic of Korea)
2. Ministry*
   ....
3. Department*
   ....
4. Division/Office*
   ....
5. Personal title*
   ☐ Mr.
   ☐ Mrs.
   ☐ Miss
   ☐ Other/Please specify...
6. Full name*
   ....
7. Position*
   ....
8. E-mail*
   ....
9. Phone number*
   ....

PART II Origin verification under the ASEAN-Korea Free Trade Agreement (AKFTA)

Is your organization a competent authority to verify the origin of the goods under the AKFTA? *
   ☐ Yes (Please complete Part II.)
   ☐ No (Please skip to Part III.)

1. What are the laws and regulations, rules, and measures related to the process of origin verification that your organization follows? Please specify and briefly describe*
   (Please attach relevant files, should there be any laws and regulations, rules, or measures related to origin verification mentioned above, in English.)
   ....
   ....
   Please attach relevant files according to No. 1 (if any)

2. Prior to applying for the origin verification, is there anything that the importer/exporter are required to do (such as registering as an importer, exporter, member, etc.)? Please kindly provide details, relevant documents, the length of time, fees (in local currency). *
   ....
   ....

3. Through which channel(s) does your organization proceed with the origin verification process under the AKFTA? *
   ☐ Totally offline.
   ☐ Totally online.
   ☐ Partly offline and online.
   ☐ It can be either totally offline or totally online.

3.1 According to No. 3, please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel. *

(Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)

....

....

Please describe the steps and processes for the origin verification under the AKFTA.

4. Step 1
   a) Please describe*
   ....
   ....
   b) Document(s) required to be submitted by importer/exporter *
   ....
   ....
   c) Expenses/fees (local currency) * ....
   d) Length of time (minute/hour/day) * ....
   e) This step in the process of origin verification under the AKFTA is carried out through which channel(s)? *
      ☐ Totally offline.
      ☐ Totally online.
      ☐ Partly offline and online.
      ☐ It can be either totally offline or totally online.
      - According to e), please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel. *
        (Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)
        ....
        ....

5. Step 2
   a) Please describe
   ....
   ....
   b) Document(s) required to be submitted by importer/exporter
   ....
   ....
   c) Expenses/fees (local currency) ....
   d) Length of time (minute/hour/day) ....
   e) This step in the process of origin verification under the AKFTA is carried out through which channel(s)?
      ☐ Totally offline.
      ☐ Totally online.
      ☐ Partly offline and online.
      ☐ It can be either totally offline or totally online.

APPENDIX

- According to e), please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel.
(Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)
....
....

6. Step 3
   a) Please describe
....
....
   b) Document(s) required to be submitted by importer/exporter
....
....
   c) Expenses/fees (local currency) ....
   d) Length of time (minute/hour/day) ....
   e) This step in the process of origin verification under the AKFTA is carried out through which channel(s)?
      ☐ Totally offline.
      ☐ Totally online.
      ☐ Partly offline and online.
      ☐ It can be either totally offline or totally online.
     - According to e), please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel.
(Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)
....
....

7. Step 4
   a) Please describe
....
....
   b) Document(s) required to be submitted by importer/exporter
....
....
   c) Expenses/fees (local currency) ....
   d) Length of time (minute/hour/day) ....
   e) This step in the process of origin verification under the AKFTA is carried out through which channel(s)?
      ☐ Totally offline.
      ☐ Totally online.
      ☐ Partly offline and online.
      ☐ It can be either totally offline or totally online.
     - According to e), please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel.
(Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)
....
....

8. Step 5
   a) Please describe
      ....
      ....
   b) Document(s) required to be submitted by importer/exporter
      ....
      ....
   c) Expenses/fees (local currency) ....
   d) Length of time (minute/hour/day) ....
   e) This step in the process of origin verification under the AKFTA is carried out through which channel(s)?
      ☐   Totally offline.
      ☐   Totally online.
      ☐   Partly offline and online.
      ☐   It can be either totally offline or totally online.
      - According to e), please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel.
        (Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)
        ....
        ....

9. Step 6
   a) Please describe
      ....
      ....
   b) Document(s) required to be submitted by importer/exporter
      ....
      ....
   c) Expenses/fees (local currency) ....
   d) Length of time (minute/hour/day) ....
   e) This step in the process of origin verification under the AKFTA is carried out through which channel(s)?
      ☐   Totally offline.
      ☐   Totally online.
      ☐   Partly offline and online.
      ☐   It can be either totally offline or totally online.
      - According to e), please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel.
        (Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)
        ....
        ....

10. Step 7
   a) Please describe
      ....
      ....
   b) Document(s) required to be submitted by importer/exporter
      ....
      ....
   c) Expenses/fees (local currency) ....
   d) Length of time (minute/hour/day) ....

e) This step in the process of origin verification under the AKFTA is carried out through which channel(s)?
  - ☐ Totally offline.
  - ☐ Totally online.
  - ☐ Partly offline and online.
  - ☐ It can be either totally offline or totally online.
  - According to e), please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel.
    (Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)
    ....
    ....

11. Other steps (if any)
    ....
    ....

12. What are the issues you have encountered while providing origin verification services (i.e., the lack of data linkage between relevant government organizations, the inaccuracy of cost details provided by the importer/exporter)? Please identify the issues and elaborate*
    ....
    ....

13. In the process of origin verification, does your organization apply any innovation or technology, and which one(s) does it make use of? (You can select more than one answer.) *
    - ☐ No
    - ☐ Risk Management System
    - ☐ Big data
    - ☐ Algorithm
    - ☐ National Single Window
    - ☐ Single Form
    - ☐ Blockchain
    - ☐ Other approaches that involve using Verifiable Credentials (VCs) based on the World Wide Web Consortium (W3C) standards
    - ☐ Self-printing
    - ☐ E-Payment
    - ☐ Automated system to verify commercial electronic documents (i.e., e-Invoice, e-B/L, etc.) used for applying for documents from government organizations
    - ☐ Other/Please specify…..…………………………...

14. From No.13, please describe details and operations related to the innovation chosen above. (If your answer is No, please write "-".) *
    ....
    ....

15. What plans, guidelines or operations does your organization have in order to improve processes and procedures for origin verification under the AKFTA? *
    ....
    ....

16. Please attach relevant information (if any).

17. Other information (if any)

....
....

PART III The issue of the Certificate of Origin under the ASEAN-Korea Free Trade Agreement (AKFTA)

Is your organization a competent authority to issue the Certificate of Origin under the AKFTA? *

☐ Yes (Please complete PART III)

☐ No (Please skip to PART IV)

1. What are the laws and regulations, rules, and measures related to the issue of the Certificate of Origin and the issue of the Certificate of Origin under the AKFTA? Please specify and briefly describe*

(Please attach relevant files, should there be any laws and regulations, rules, or measures related to the issue of the Certificate of Origin and the issue of the Certificate of Origin under the AKFTA mentioned above, in English.)

....
....

Please attach relevant files according to No. 1 (if any)

2. Prior to applying for the Certificate of Origin, is there anything that the importer/exporter are required to do (such as registering as an importer, exporter, member, etc.)? Please kindly provide details, relevant documents, the length of time, fees (in local currency). *

Note: If this is the same process as that of PART II, please write "-".

....
....

3. Through which channel(s) does your organization proceed with the issue of the Certificate of Origin under the AKFTA? *

☐ Totally offline.

☐ Totally online.

☐ Partly offline and online.

☐ It can be either totally offline or totally online.

3.1 According to No. 3, please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel. *

(Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)

....
....

Please identify the steps and processes for the issue of the Certificate of Origin under the AKFTA.

Please identify the steps and processes for the issue of the Certificate of Origin under the AKFTA.

4. Step 1

a) Please describe*

....
....

b) Document(s) required to be submitted by importer/exporter*

....
....

c) Expenses/fees (local currency) * ....

d) Length of time (minute/hour/day) * ....

e) This step in issuing the Certificate of Origin under the AKFTA is carried out through which channel(s)? *

☐   Totally offline.

☐   Totally online.

☐   Partly offline and online.

☐   It can be either totally offline or totally online.

- According to e), please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel. *

(Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)

....

....

5. Step 2

a) Please describe.

....

....

b) Document(s) required to be submitted by importer/exporter

....

....

c) Expenses/fees (local currency) ....

d) Length of time (minute/hour/day) ....

e) This step in issuing the Certificate of Origin under the AKFTA is carried out through which channel(s)?

☐   Totally offline.

☐   Totally online.

☐   Partly offline and online.

☐   It can be either totally offline or totally online.

- According to e), please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel.

(Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)

....

....

6. Step 3

a) Please describe.

....

....

b) Document(s) required to be submitted by importer/exporter

....

....

c) Expenses/fees (local currency) ....

d) Length of time (minute/hour/day) ....

e) This step in issuing the Certificate of Origin under the AKFTA is carried out through which channel(s)?

☐   Totally offline.

☐   Totally online.

☐   Partly offline and online.

☐   It can be either totally offline or totally online.

- According to e), please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel.

(Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)

....
....

7. Step 4
    a) Please describe.
....
....
    b) Document(s) required to be submitted by importer/exporter
....
....
    c) Expenses/fees (local currency) ....
    d) Length of time (minute/hour/day) ....
    e) This step in issuing the Certificate of Origin under the AKFTA is carried out through which channel(s)?
        ☐ Totally offline.
        ☐ Totally online.
        ☐ Partly offline and online.
        ☐ It can be either totally offline or totally online.
     - According to e), please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel.
(Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)
....
....

8. Step 5
    a) Please describe.
....
....
    b) Document(s) required to be submitted by importer/exporter
....
....
    c) Expenses/fees (local currency) ....
    d) Length of time (minute/hour/day) ....
    e) This step in issuing the Certificate of Origin under the AKFTA is carried out through which channel(s)?
        ☐ Totally offline.
        ☐ Totally online.
        ☐ Partly offline and online.
        ☐ It can be either totally offline or totally online.
     - According to e), please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel.
(Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)
....
....

9. Step 6
    a) Please describe.
....
....
    b) Document(s) required to be submitted by importer/exporter
....
....
    c) Expenses/fees (local currency) ....

  d) Length of time (minute/hour/day) ....

  e) This step in issuing the Certificate of Origin under the AKFTA is carried out through which channel(s)?

    ☐ Totally offline.

    ☐ Totally online.

    ☐ Partly offline and online.

    ☐ It can be either totally offline or totally online.

   - According to e), please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel.

    (Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)

    ....

    ....

10. Step 7

  a) Please describe.

    ....

    ....

  b) Document(s) required to be submitted by importer/exporter

    ....

    ....

  c) Expenses/fees (local currency) ....

  d) Length of time (minute/hour/day) ....

  e) This step in issuing the Certificate of Origin under the AKFTA is carried out through which channel(s)?

    ☐ Totally offline.

    ☐ Totally online.

    ☐ Partly offline and online.

    ☐ It can be either totally offline or totally online.

   - According to e), please specify service location(s) and channel(s) (e.g., ministry, local government center, boundary customs house, one-stop service center, etc.) for offline channel, and/or the URL(s)/application(s) for online channel.

    (Please answer according to your prior answer of: totally offline, totally online, partly offline and online, or it can be either totally offline or totally online)

    ....

    ....

11. Other steps (if any)

  ....

  ....

12. What are the issues you have encountered while issuing the Certificate of Origin (i.e., the lack of data linkage between relevant government organizations, the inaccuracy of information provided by the importer/exporter)? Please identify the issues and elaborate. *

  ....

  ....

13. In issuing the Certificate of Origin, does your organization apply any innovation or technology, and which one(s) does it make use of? (You can select more than one answer.) *

    ☐ No

    ☐ Risk Management System

    ☐ Big data

    ☐ Algorithm

    ☐ National Single Window

APPENDIX

☐ Single Form
☐ Blockchain
☐ Other approaches that involve using Verifiable Credentials (VCs) based on the World Wide Web Consortium (W3C) standards
☐ Self-printing
☐ E-Payment
☐ Automated system to verify commercial electronic documents (i.e., e-Invoice, e-B/L, etc.) used for applying for documents from government organizations
☐ Other/Please specify..

14. From No.13, please describe details and operations related to the innovation chosen above. (If your answer is No, please write "-".) *
....
....

15. What plans, guidelines or operations does your organization have in order to improve processes and procedures for the issue of Certificate of Origin under the AKFTA? *
....
....

16. Please attach relevant information (if any).

17. Other information (if any)
....
....

PART IV Customs Clearance with the Certificate of Origin (Export) under the ASEAN-Korea Free Trade Agreement (AKFTA)

Is your organization a competent authority in the Customs Clearance process with the Certificate of Origin (Export) under the AKFTA? *
☐ Yes (Please continue PART IV)
☐ No (Please skip to PART V)

1. In order to submit the Certificate of Origin in the export customs clearance process under the AKFTA, what form of the certificate are the importer/exporter required to use? *
☐ Paper Certificate of Origin
☐ Electronic Certificate of Origin
☐ Both

2. In the case of the electronic Certificate of Origin, through which channels should it be submitted? *
☐ The importer/exporter attaches the file to an electronic system.
☐ Data are linked and retrieved from the system that issues the Certificate of Origin managed by competent authorities.

3. What are the issues you have encountered in using the Certificate of Origin in the Export Customs Clearance process (i.e., the lack of data linkage between relevant government organizations, electric system instability, etc.)? Please identify the issues and elaborate*
....
....

4. In the process of Customs Clearance with the Certificate of Origin (Export), does your organization apply any innovation or technology, and which one(s) does it make use of? (You can select more than one answer.) *
☐ No
☐ Risk management System
☐ Big data
☐ Algorithm
☐ National Single Window
☐ Single Form

☐ Blockchain
☐ Other approaches that involve using Verifiable Credentials (VCs) based on the World Wide Web Consortium (W3C) standards
☐ Self-printing
☐ E-Payment
☐ Automated system to verify commercial electronic documents (i.e., e-Invoice, e-B/L, etc.) used for applying for documents from government organizations
☐ Other/Please specify...

5. From No.4, please describe details and operations related to the innovation chosen above. (If your answer is No, please write "-".) *
....
....

6. What plans, guidelines or operations does your organization have in order to improve processes and procedures for the Customs Clearance with the Certificate of Origin (Export) under the AKFTA? *
....
....

7. Please attach relevant information (if any).

8. Other information (if any)
....
....

PART V Customs Clearance with the Certificate of Origin (Import) under the ASEAN-Korea Free Trade Agreement (AKFTA)

Is your organization a competent authority in the Customs Clearance process with the Certificate of Origin (Import) under the AKFTA? *
☐ Yes (Please continue PART V)
☐ No (Please skip to PART VI)

1. In the Import Customs Clearance process with the Certificate of Origin of your country, what form(s) of the Certificate of Origin is/are accepted under the AKFTA? *
☐ Paper Certificate of Origin
☐ Electronic Certificate of Origin
☐ Both

2. What are the issues you have encountered in using the Certificate of Origin in the Import Customs Clearance process (i.e., the lack of data linkage between relevant government organizations, electric system instability, etc.)? Please identify the issues and elaborate *
....
....

3. In the process of Customs Clearance with the Certificate of Origin (Import), does your organization apply any innovation or technology, and which one(s) does it make use of?   (You can select more than one answer.) *
☐ No
☐ Risk Management System
☐ Big data
☐ Algorithm
☐ National Single Window
☐ Single Form
☐ Blockchain
☐ Other approaches that involve using Verifiable Credentials (VCs) based on the World Wide Web Consortium (W3C) standards
☐ Self-printing
☐ E-Payment

☐ Automated system to verify commercial electronic documents (i.e., e-Invoice, e-B/L, etc.) used for applying for documents from government organizations

☐ Other/Please specify...

4. From No.3, please describe details and operations related to the innovation chosen above. (If your answer is No, please write "-".) *
....
....

5. What plans, guidelines or operations does your organization have in order to improve processes and procedures for the Customs Clearance with the Certificate of Origin (Import) under the AKFTA? *
....
....

6. Please attach relevant information (if any).

7. Other information (if any)
....
....

PART VI Suggestions

1. Suggestions about the facilitation of goods import and export under the AKFTA by applying innovation and technology
....
....

2. Suggestions for improving the AKFTA to enhance the efficiency of the import and export processes between ASEAN countries and Republic of Korea
....
....

3. Other suggestions or recommendations
....
....

Thank you for participating in the survey.

FOCUS GROUP

Focus Group

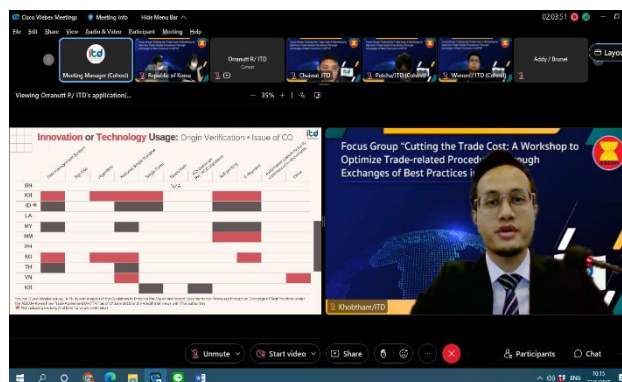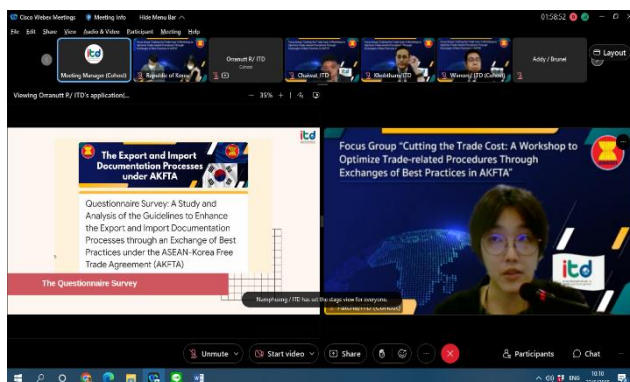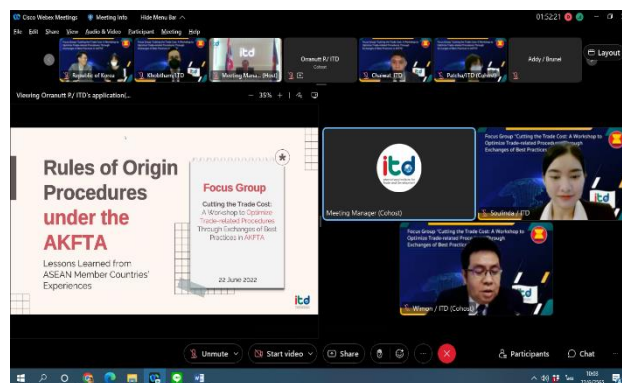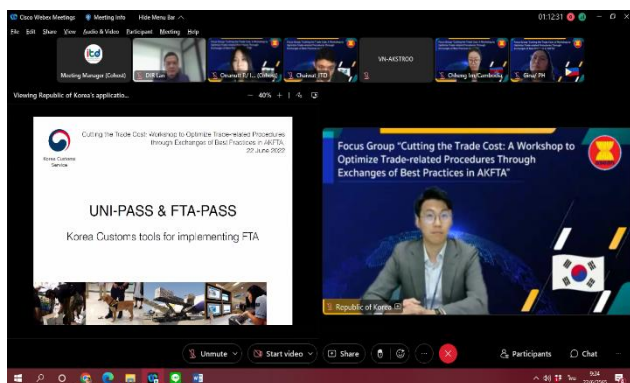## "Cutting the Trade Cost: A Workshop to Optimize Trade-related Procedures Through Exchange of Best Practices in AKFTA"
22 June 2022 at 09.00-14.30 hrs. (Bangkok local time)
Online via Webex Virtual Platform

* 50 participants
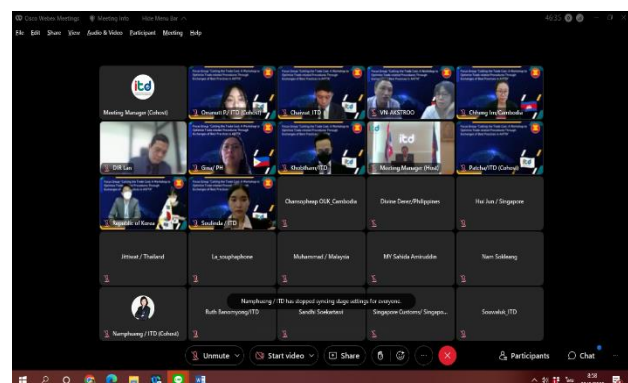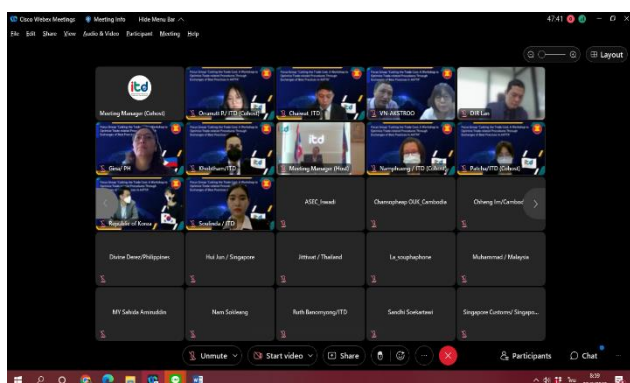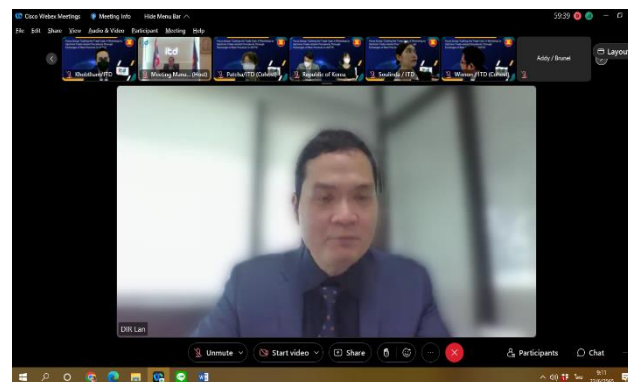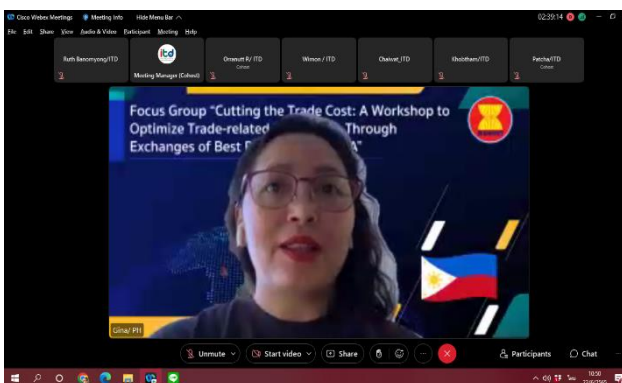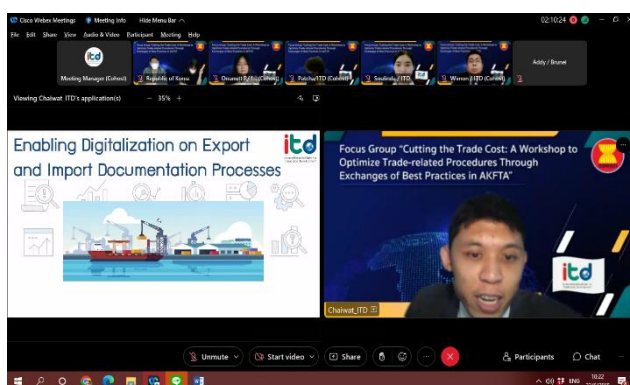
List of Participants

Focus Group

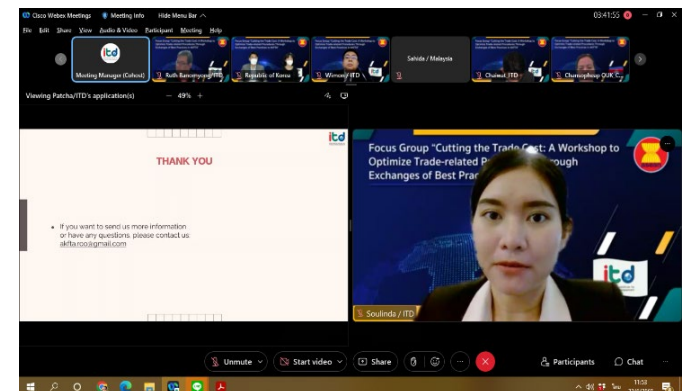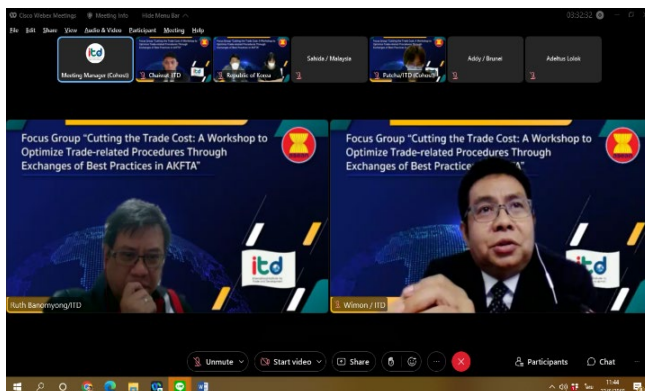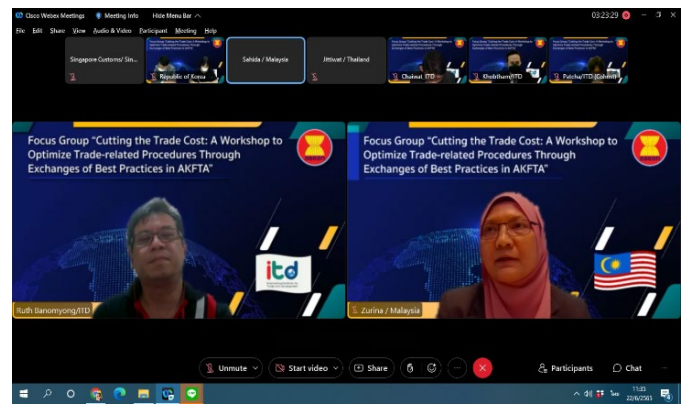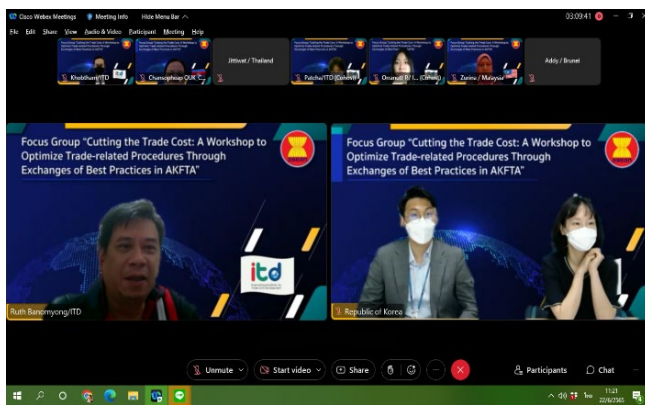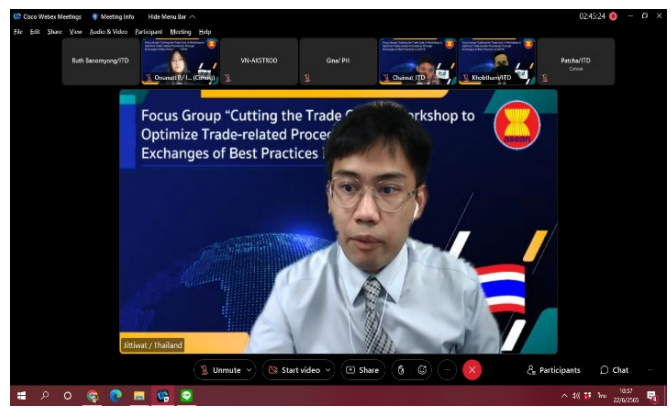**"Cutting the Trade Cost: A Workshop to Optimize Trade-related Procedures Through Exchange of Best Practices in AKFTA"**
22 June 2022 at 09.00-14.30 hrs. (Bangkok local time)
Online via Webex Virtual Platform

No.	Countries	Participants
1	Brunei Darussalam	1
2	Cambodia	5
3	Indonesia	1
4	Lao PDR	2
5	Malaysia	6
6	Myanmar	5
7	Philippines	6
8	Singapore	4
9	Thailand	8
10	Vietnam	10
11	Republic of Korea	2
	Total	50