

TRADECOM II | BUILDING ACP TRADE CAPACITY

KNOWLEDGE SHARING ON TRADE AND INVESTMENT
"GOOD PRACTICES"
20-21 February 2018 - Brussels, Belgium

The TradeCOM II Programme: Knowledge Sharing on the COMESA's eCO



Zerezghi K. Kidane
Senior Customs Affairs Officer
the COMESA Secretariat

Introduction

- **“Certificate of Origin [CO]”** is an important document to implement rules of origin (RoO) particularly for preferential tariff treatment for the purpose of an FTA.
- To prove traded goods meet the criteria on RoO, they have to be accompanied by CO issued by designated issuing authorities
- Currently the COMESA COs are manually issued, hence, economic players face challenges in terms of time taken and travel costs to the offices where the certificates are issued.
- For instance, the Trade and Trade Facilitation Subcommittee (June 2017) observed that, at regional level, customs and administrative procedures related to RoO and CO are identified as top of Non-Tariff Barriers(NTBs) in the intra-COMESA regional trade

Introduction

(COMESA RoO Legal Basis)

The COMESA Rules of Origin legal basis include

1. COMESA Treaty (...Article 48)
2. COMESA Protocol on RoO (five independent criteria of which if one is fulfilled the product is accorded preferential tariff treatment among the MSs):
 - ↘ Wholly produced (obtained); Foreign material content (at most 60%); Value addition (at least 35%); CTH rule; and Goods of particular economic importance (VA at least 25%).
3. Procedures manual on the implementation of the COMESA Protocol on RoO (as revised in 2002)
4. Council Decisions

Introduction

(Preferential origin certification)

TYPE OF SYSTEM	KEY FEATURES	
1. Authority issued certification, incl.e-certificates	Government authorities or delegates bodies issue the certificate of origin in a prescribed form	
2. Approved Exporter system	Exporters with prior approval may make origin declaration on commercial documents	Self-certification Issuing authorities not involved in every single issuance of proof of origin
3. Fully exporter-based certification	Any exporters can sign and issue a certificate of origin of a prescribed form	
4. Importer-based certification	Importers certify the origin of goods	

COMESA eCO System Development Project

The COMESA eCO System is designed to be a fully electronic with digital signatures

Key activities

- Analysis of the main Business Process including:
 - Registration of Exporter,
 - Application and Issuance of CO,
 - Verification of CO in importing country.
- Development of the COMESA eCO System.
- Draft Regulations for implementation of the eCO System.
- Development of users' technical Guidelines.
- Draft Implementation Action Plan.

The COMESA eCO System

Design

1

ONLINE EXPORTER'S REGISTRATION PROCESS

ONLINE APPLICATION FOR REGISTRATION | ONLINE APPROVAL OF REGISTRATION

2

ONLINE APPLICATION AND ISSUANCE OF ECO PROCESS

ONLINE APPLICATION FOR CO | ONLINE ISSUANCE OF ECO

3

ONLINE CHECKING AND VERIFICATION OF ECO PROCESS

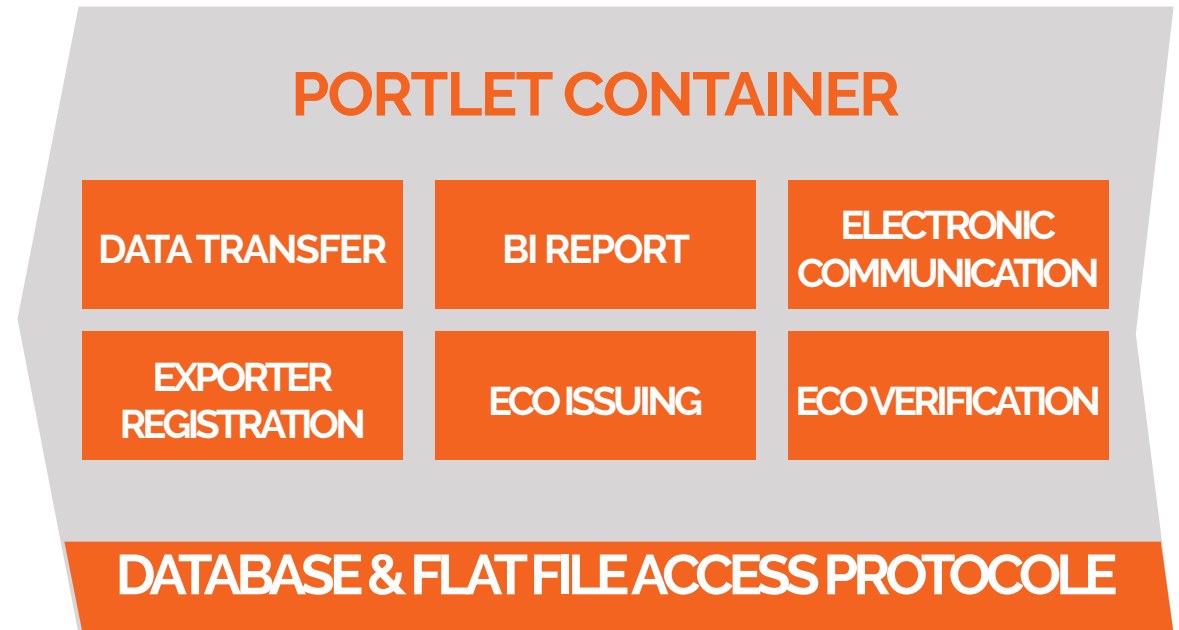
ONLINE RECEIVE & SUBMIT ECO TO CUSTOMS | ONLINE VERIFICATION OF ECO BY CUSTOMS

4

ADDITIONAL MODULES

GUIDELINES | SEARCH, REPORT, PRINT | OTHERS

The COMESA eCO System Architecture



Legal framework for the eCO

A REGULATION FOR ECO IMPLEMENTATION DRAFTED BASED ON THE EXISTED LEGAL BASIS INCLUDING THE TREATY AND REGULATIONS

- 1** COMESA Treaty : Articles 4, 9, 48, 70 and 71
- 2** CMRs Regulations: (55, 56, 57, 58, 59 and 150 respectively)
 - the Use of Information Technology;
 - Data-processing Techniques;
 - Electronic (digital) Signatures, Related Certificates and their Admissibility in Evidence;
 - Use of Data-processing Technique in Customs Declaration;
 - Powers to Inspect Documents and Records Stored Electronically; and
 - the provisions applicable to electronic declaration
- 3** Electronic procedures related to the eCO provided for implementation of the COMESA eCO shall have equal legal status with the manual procedures of CO as specified in the protocol
- 4** Provisions of the Protocol and its implementation regulations shall also apply to the processing of online exporters registration and eCO
- 5** Implementation of data processing techniques related registration of exporters; application and issuance of eCO shall be via the web-based COMESA eCO system in accordance with the regulation 55 of the CMR.

Legal framework for the eCO

A REGULATION FOR ECO IMPLEMENTATION DRAFTED BASED ON THE EXISTED LEGAL BASIS INCLUDING THE TREATY AND REGULATIONS

- 6 The use of electronic (digital) signatures and stamps by the exporters or his authorised applicants as well as by the designated issuing authorities or customs authorities is applied in the eCO system in accordance with the regulation 57 of the CMR.
- 7 The eCO system shall be developed in all official languages (English, French and Arabic) approved by the Council.
- 8 Based on these regulations, necessary guidelines shall be developed

Benefits of the eCO system

MAIN FEATURES

- Regional approach, recognized by MSs
- Web-based fully electronic system (advanced)
- Can work standalone for whole process of CO
- Can be integrated or interfaced with ASYCUDA system or other compatible automated systems
- Secure (incl. e-signature (digital) and barcode on eCO)
- Simple and easy to track the issued eCO
- Can be used for certificates other than COMESA (e.g. Tripartite)
- Can be accessed before importation for pre-arrival clearance

Way forwards

MAIN FEATURES

- Establishing a Regional Technical Committee on Digital FTA initiatives including eCO.
- Adoption of the Draft Regulation to implement the eCO system,
- Developing eCO guidelines for users and competent authorities,
- Securing allocation of the necessary human and material resources
- Commence piloting with Champion MS, then to roll out in other MS for full implementation
- MS support setting up of COMESA e-signing Hub for eCO
- Address the ICT connectivity issues across the MSs and support eCO system integration with national systems
- Train and sensitize to all relevant users and stakeholders
- implement the action plan and carryout continuous M&E mechanisms

Way forward and new needs

ACP REFLECTION AND BRAIMSTORMING MEETING:

POST-MC 11: ACP TO PURSUE STRENGTHENED ACP COLLECTIVE THROUGH

- 1 Greater engagement and Flexibility
- 2 Coalition and Consensus Building within and beyond the ACP
- 3 Enhanced policy coherence and linkage between Geneva and Capitals: Connecting the WTO Agenda with the Domestic Agenda
- 4 Mobilization of negotiation capacity building support for Geneva and capital-based technical/professional resources