CONEX, customs declaration dematerialisation specialist and 30-year international trade observer, is looking ahead to a time when the global trade of goods will be accompanied by total document traceability. The international trade "Zero Paper" age may be far off, but it is already starting to make an appearance

And it can generate added value, not only for states collecting customs duties or border controllers who impose dematerialised administrative formalities (Electronic Customs Clearance, ICS etc.) but also and above all for economic operators…

CONEX is a company which is active in the domain of customs data exchange dematerialisation. All administrative aspects linked to electronic customs clearance and ICS can be treated by CONEX, in a Customs which has become paperless.

But many other paper international trade documents remain to be dematerialised. So, CONEX is looking ahead and is preparing new solutions for document dematerialisation which will not only be useful for customs declarants, but for all actors along the supply chain.

This software solution already has its foundations: it's called TRADmaster, a software package which manages commercial, administrative and logistics operations for exports (currencies, incoterms, documentary credit, and consignment documents such as the EUR1, ATR, and Certificate of Origin etc.). CONEX is launching a major new IT project as it performs extensive rejuvenation of the solution, extending its usage and integrating Web and Cloud technologies.

A "Zero-paper" version of international trade?

The story begins when the importer places an order with a supplier situated on the other side of the globe. This supplier then proceeds with one or multiple deliveries, he draws up an invoice, then a packing list, a series of administrative documents required according to the origin of the goods or their kind, forwarder or transporter instructions, documents relating to existing documentary credit, instructions for the insurer and so on. Of course this list represents only a sample of the documentary chain frequently encountered by international trade operators.

Even today, the main medium for all this information is paper or the electronic substitutes for paper (fax, PDF document, mail etc.).

CONEX, which has been working in customs declaration dematerialisation for 30 years, has been witnessing new needs since the combined requirements of security, rapidity and productivity began pushing towards document exchange dematerialisation.

Efficient logistics also means ensuring that the information that accompanies the physical goods is not delayed, badly interpreted or missing. Mastering information from end to end is even becoming a competitive asset in a world where if trade is at the heart of economic activity, control measures are intensifying…

Faster certainly… but just as well done?

This is where there is still much progress to be made.

Let's not make a detailed study of the value given to the electronic signature and its universal recognition across this vast world, because if we are to discuss only these aspects, we cannot move towards what interests us here: to guarantee the collection and distribution of information required by different actors along and at destinations of the international supply chain.

Everyone is working alone in his corner, but more often than not on a small scale. Fractures in the information chain in intra-firm trade are often noticed.

Most forwarders are established in all corners of the world. Yet very few communicate their information directly in a dematerialized format.

Only express freight companies apply such methods because they are driven by the urgency of the service they provide.
Therefore it can be established that there is a direct link between obligation and motivation.

Economies of scale and budget savings

This is what has prevailed from the customs administrations' implementation, under the direction of the European Commission, of dematerialized customs clearance systems, completely abolishing the paper declaration and replacing it by a "simple" electronic message in an XML or Edifact format, according to the choice of individual Member States.

It was no longer merely speeches and test shots, but a daily reality. Learning to declare electronically was not simple and even today, certain operators have not fully understood the current process, instead bearing the evolution more than mastering it.

Let's welcome the administrations' breakthrough initiative. In the same framework but with a different dimension, the ICS regulation, appearing at the beginning of 2011, compels international carriers to give advance notice to European customs administrations of goods that are loaded on their means of transport and heading for the EU. This obligation having to be

satisfied sometimes even before vessel loading, the information must be communicated "worldwide", and equally depending on the first point of arrival in the EU customs territory. This certainly represents a milestone moment for operators, confronted by the international transmission of dematerialized data validated by administrations.

And it won't stop there: already a new US regulation will impose new obligations on the world of air transport and provide more fuel to the electronic transmission of data for international trade and its logistics.

Pressure for rapidity and confidentiality

On closer observation, all this seems like a vast puzzle whose pieces don't necessarily fit together.
It is essential to constitute a homogenous solution which includes the required data for a given operation. It would be the progressive contribution of the various actors in the supply chain operating in a spirit of sharing between themselves and third parties who may need to use the same data.

The observation which has long been made is that most documents incorporate a common set of data but set out on different media. The same type of document such as the invoice, for example, takes on a different form depending on the supplier who establishes it. Yet, these same data elements removed from a paper format could be easily identified within a message which conforms to a predefined syntax. In this way, everyone has access to the same information without it being reproduced in forms which are disparate and sometimes misleading

Electronic data can be accessed by providing a login/password which also defines the content that each operator is authorized to access.

It is simply a question of regulating data access rights: who can view the data, who can recover data elements for their own use, and who can make amendments during the data's life cycle? Each data element in the "file" must be analysed according to the function grid, as certain data interest some operators, but not others. Some information is of a confidential nature and this must be respected. Just as the same item of goods can sometimes be packaged in a box, and sometimes on a palette or in a container, a data element will be included in a segment which is more or less extended according to the operator to whom it would be communicated.

It is essential to highlight advantages such as data exchange traceability based on acknowledgement receipts sent by receiving systems to transmitting systems.

Less data re-entry generates fewer sources of error therefore greater data use reliability. The content of a paper document where it is simply scanned needs to be completely re-entered by an operator into the treatment tool which requires this information (the customs software, for example). At this level it is impossible to prevent data entry errors from tainting the contents of the source document (E.G.: a value with an extra zero).

But the main advantage of dematerialisation is of course the speed of communication from one point to another across the globe. This rapidity makes it possible to anticipate the processing of information in relation to the conveyance of the goods that the data concern.

If you have invoicing, packing and transport data from the point of departure of the goods, you can automate your customs operations and anticipate the submission of your declaration to the administration's electronic customs clearance system at arrival. Consequently, upon arrival you

will be able to benefit from faster release of goods and therefore better supply fluidity. And this information is not only customs-related: once incorporated into your IT system, it will also be able to feed other processing chains. In the same way, during conveyance this information will be of use to the various actors along the supply chain to facilitate formalities for exiting the departure country, for reserving freight, for loading, for meeting security regulation requirements and so on…

However, it would be unrealistic to believe that all the information is needed for transmission…

Let each operator format the required data independently. Of course, **it is essential that certain minimum standards be respected, and for this we refer to the standards defined by the UN CEFACT and the WCO**
. But above all we must be pragmatic when certain norms are sometimes lacking.

To conclude…

It is impossible to communicate from point to point between the different actors because of the multiplicity and variety of the systems in place. What is needed is a universal umbrella which is capable of relaying information between actors in the international supply chain, including national administrations.

Instead of data transmission, we could talk about data provision by the various operators for others.

It will require time for this ideal to become reality. The binding phenomenon of the regulations will perhaps provide a boost, but the culmination of such a process now depends on the will of individual companies who are implicated at all levels of international trade and who can benefit from such an evolution.

For our part, such a project is already part of our development strategy.

What remains now is for us to convince operators of the advantages of such an approach that will optimize their international logistics flows.

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