Overhauling and digitalising Pakistan's
cross-border trade ecosystem

Pakistan Single Window

Policy Document

2.0

POLICY DOCUMENT FOR ALIGNMENT OF CROSS-BORDER TRADE REGULATIONS WITH PAKISTAN SINGLE WINDOW ENVIRONMENT

VISION: Pakistan will establish a world-class automated hub by 2022, offering services and creating efficiencies, to reduce cross-border trade-related costs, time and complications, for improved trade facilitation and compliance.

MISSION: Improve cross-border trade processing by providing centralized ICT based services, simplified processes, effective and reliable automation, harmonized data exchange and risk-based selectivity in enforcement of government's regulations.

OBJECTIVES:

1. Reduce barriers to trade by simplifying and integrating cross-border trade-related processes of essential public and private stakeholders without compromising required controls;

2. Provide an automated single-entry centralized hub for submission and paperless processing of 90% of Licenses, Permits, Certificates & Others (LPCOs) needed for regulation of cross-border trade;

3. Align & automate cross-border trade-related back-end processes of participating government agencies to facilitate integration with the centralized hub and improve their coordination;

4. Establish a centralized risk management framework covering cross-border trade for improved compliance and facilitation;

5. Provide predictability, transparency and consistency of services to cross-border traders and stakeholders;

6. Provide enabling environment for sustainable operations and expansion of a reliable and available centralized hub, capable of covering cross-border trade-related G2G, B2G, B2B and C2C transactions;

7. Serve as the integration point bridging cargo/logistics systems and other trade-related processes;

8. Reduce cross border trade transaction time and costs for traders while exceeding regional averages in trading across borders;

9. Enhance Pakistan's global ranking in cross-border trade-related indicators by at least 25%; and

10. Enable Pakistan to achieve compliance with the relevant provisions of WTO's Trade Facilitation Agreement including Article 10.4.

PSW DESIGN FEATURES AND PRINCIPLES

I. PSW Fundamentals:		
S.N.	**Feature**	**Description**
1	Limited physical engagement for trade/economic operator	The PSW platform will provide end-to-end electronic regulatory and customs processing services to minimize engagement of trade/economic operators with Customs and Other Government Agencies (OGAs). Moreover, an e-appointment system will be introduced for transparency and trade facilitation.
2	Paperless processing	The system will be based on 100% paperless processing, meaning traders/clients will submit all information electronically. Hard copies and print outs of supporting documents will be replaced by electronic copies integrated or uploaded in the system. Clearance documents conveying OGAs decision will all be replaced with functionally equivalent electronic forms/messages.
	Security	The PSW system will ensure security of access, information and transacting to provide confidence to the users and partner government agencies of the integrity and reliability thereof.
3	Digital Signatures	All documents retrieved from the system will be digitally signed negating the requirement for hard copy signatures and stamps unless required under international agreements.
4	Incremental submission of data	Data once submitted in the system will not require resubmission. The system will enable the incremental submission of data based on and reflecting the change or progression of an international trade transaction.
5	Case management	Trade transactions will be managed in the system on a case management basis, with a unique identifier assigned to each 'case'. Each case will have its own lifecycle and set of steps to allow end-to-end tracking of each process step.
6	Automatic Routing	The system will automatically route applications, declarations and decisions to the relevant OGAs using clearly defined business rules to identify the OGA(s) whose specific action is required for release of the consignment. All trade related manual processes and dependencies will be eliminated.
7	Automatic verification	All LPCOs will be electronically validated either on real-time basis or through information retrieval mechanisms as and when required. Manual validation of documents by OGAs and Customs will cease to take place. OGAs connected to the PSW through interfaces (EDI) will ensure access to their trade related electronic records. The system will consume the LPCO as per law.

S.N.	Feature	Description
8	E-payment of all fees, charges, duty and taxes	All payments shall be made electronically. PSW will collect the duty, taxes, fees, fine, penalties and other charges on behalf of OGAs and Customs and disburse it according to relevant rules and procedures. Manual and segmented deposit systems will be eliminated.
9	Parallel processing	The system will enable parallel processing of submitted applications/declarations to various OGAs and Customs to eliminate redundant process dependencies. OGAs will review their applications and process requirements to ascertain the rationale for each data element/process and respond accordingly. All responses/approvals will be consolidated on a transaction case basis.
10	Data Harmonisation	All data fields and requirements will be consolidated into a single data dictionary aligned to the WCO data model. This is to enable standardisation and single request for data fields and incremental data submission.

II.	PSW Access Protocols:	
S.N.	**Feature**	**Description**
1	Single sign-on	Traders and other users will access the PSW platform using a single log-in. The system will authenticate all users transacting on the PSW platform requiring registration of all users on the PSW system.
2	Unified registration system	The system will provide a unified/single point registration system for regulatory compliance to all actors involved in international trade. Multiple registration systems will be done away with. Registration forms and other requirements shall be accessible to the relevant users via the system.
3	Strengthening of 'Know your Clients' protocols	The PSW will work in a strengthened KYC ecosystem for entity identification, identity verification, identity management, authentication, authorization and client support. To achieve this. The PSW will be linked to the databases of NADRA, FBR, SECP, and other relevant data pools.
4	Third party data validations	Where available and verifiable, third party data validation will occur to negate the need for direct information requests from clients.

III.	Essential Design Features	
S.N	**Feature**	**Description**
1	Integrated declaration	Clients will submit integrated import and export declarations that will contain all regulatory/clearance related information required by the OGAs. Separate forms/declarations by OGAs will be eliminated.
2	Integrated Tariff Management	The system will use the HS coding system and local laws and regulations to make decisions such as routing to relevant OGAs for licenses, permits, certificates and other documents (LPCO) applications, triggering regulatory and customs compliance requirements, and risk management.
3	Integrated Risk Assessment (IRMS)	All OGAs and Customs will utilise an integrated risk management system that applies automated risk profiling techniques to select consignments for inspections, sampling and testing.
4	Customized workbenches	The system will provide ease in access to and arrangement of previous transaction records as well as other information according to the needs and access level of the users/client through flexible designing option for customised work benches
5	Event Notification System	The system will provide real time event-based notifications to the traders/transporter to keep them updated on the status of their declarations/consignments. The system shall provide a single view of operations to the users.

IV. Cargo Management		
1	Pre-arrival processing	The system will enable pre-arrival submission and processing of import documents/cargo with clearance and release subject to national legislation.
2	Automated cargo management system	The system will provide an automated cargo management system fully integrated with the seaports, airports, dry ports, and the land border terminals independently or through the port community system to ensure maximum efficiency. PSW users will be able to track cargo on real time basis in Pakistan.
3	Joint inspections	OGAs and Customs will conduct joint examination of cargo selected for inspection based on the IRMS to save time, cost, and effort on multiple grounding,

		arranging, and inspection of cargo by field inspectors of customs and OGAs.
4	Standardized memo for test referrals and test reports	The system will provide standardized formats for referring a sample for testing to a lab, inspection agency, or other authorized body as well as for test reports. The standardized test report can be used for generating compliance histories for tested products and result in better risk management decisions by the system and regulatory bodies.
5	Online release	All licenses, permits, certificates, and other documents will be collated and stored in the system and delivered to the users including clients electronically at a single point. Cargo shall be released online without requiring signed hard copy documents.

V. Data Sharing & Security Protocols		
1	Access to data	The PSW will provide 'rule based' and 'role based' access to various users and systems connected to PSW in line with UN/CEFACT recommendation no. 35 and international best practices.
2	Data Confidentiality	All users including OGAs will have an obligation to protect personal privacy, commercial secrecy and security of data. PSW will follow the risk management approach to manage data security risks.
3	Data Sharing between Government Agencies	PSW will make full use of the system capabilities to collect, safeguard, and re-distribute information and will take into consideration the specific agency legal/procedural requirements. PSW will use a combination of data sharing technologies and interchange agreements for safe and efficient handling of data.
4	Audit Trails	PSW will incorporate necessary processes to achieve 'non-repudiation' of sources to ensure data reliability and credibility. Audit trails/activity logs along with data validation will be an essential feature of the PSW.
5	Real time statistics and management	The system will enable 'near real-time' generation of statistics and operational oversight and management for all actors connected to the system.
6	Data Persistence	All registration and transaction data will be stored in a central location by the PSW, and only required information will be persisted to OGA's or other stakeholders based upon request.

7	Data Redundancy	Data will be stored for a period of 90 days as operational data and then moved into long term and back-up storage in perpetuity or as prescribed by international and national law.

VI. Performance & Compliance Management		
1	Performance Management	The PSW platform will enable system-based performance management for improved service delivery and efficiency especially in the relevant public sector organizations.
	Service Charter	The PSW will establish a service charter that defines the scope and definition of the services to be provided by the PSW.
	Service Level Agreements	Where applicable service level agreements will be established between relevant parties to govern the relationship and where necessary remediation will occur to ensure consistent service offering to users and clients.
2	Compliance Monitoring and Measurement	The PSW will incorporate the basic principles of compliance management advocated by WCO and incorporate a vigorous compliance management system built on robust legislation, appropriate administrative arrangements, and wholistic risk management framework using available technology as an enabler.

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