

The Global Language of Business

The Role of GS1 in International Trade and Border Regulatory Procedures

Moving products across borders with greater visibility and efficiency!



Click here to launch the course.



Welcome to the course 'The Role of GS1 in International Trade and Border Regulatory Procedures'.



By the end of this course, you will be able to:

- Explain what is Border Procedure Management,
- Explain the current challenges,
- Recognize the business needs and drivers for the adoption of GS1 standards in Border Procedures Management, and
- Explain the support GS1 can provide to users for implementation



Let's first learn about Border Procedure Management.



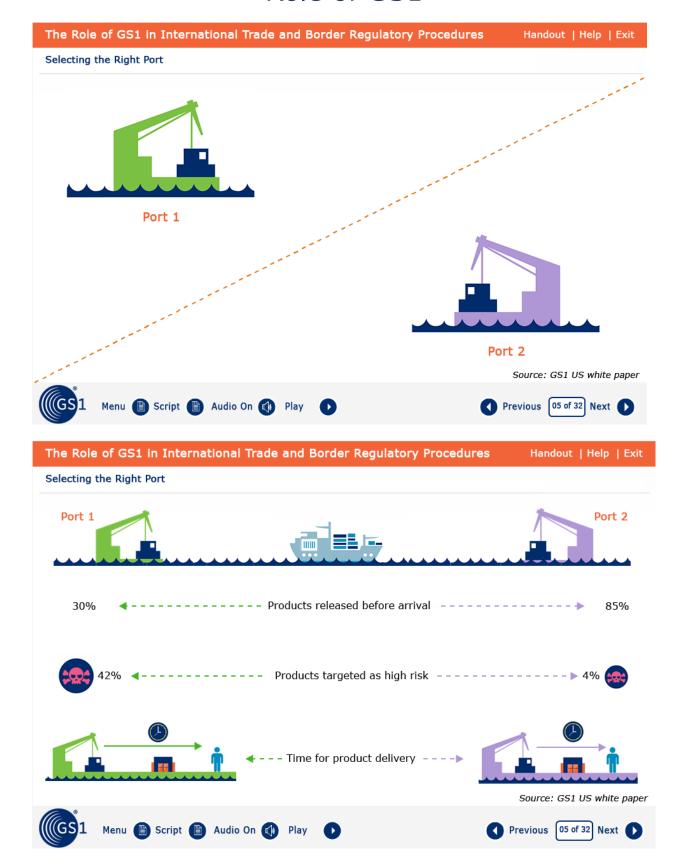
A border is generally a place between two countries, where goods are inspected.

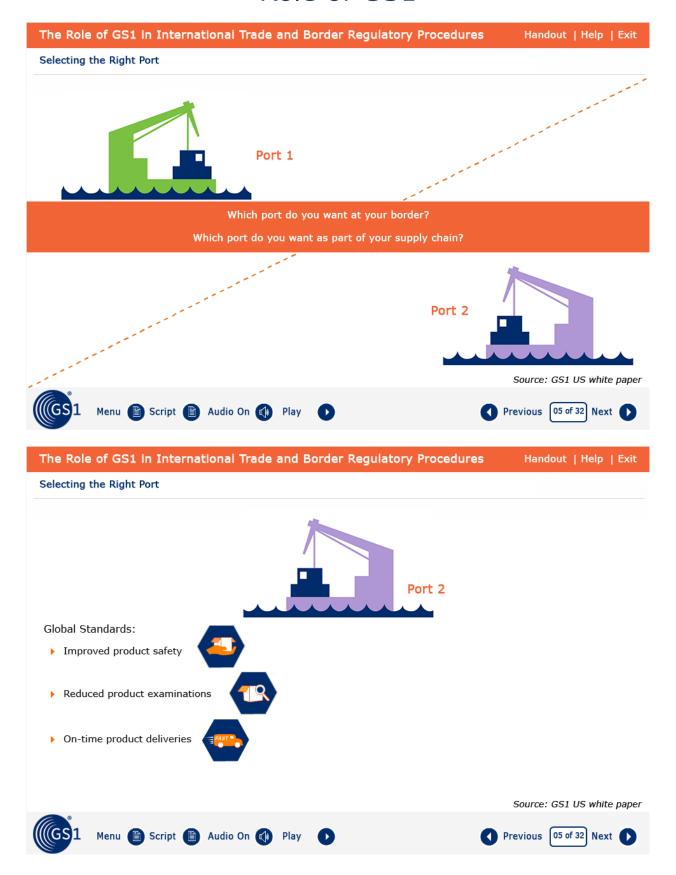
Border control may happen at different ports of entry such as land, sea or air.

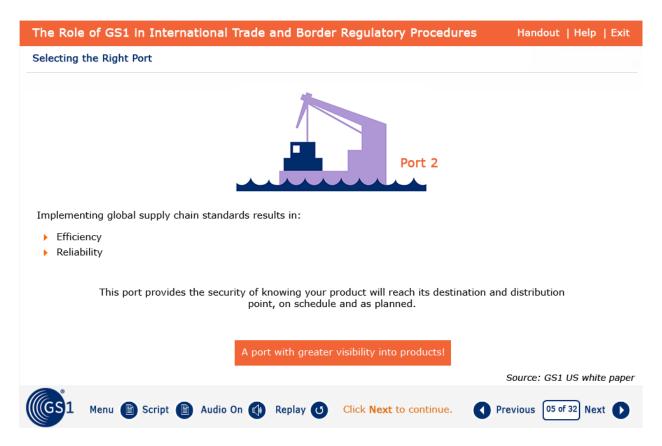
GS1 standards support each port of entry.

Border procedure management is the process that aims to ensure companies comply with the regulatory requirements of countries they are exporting to or importing from.

This course will take you through an example of a seaport to explain the benefits of GS1 standards to both the government and companies.







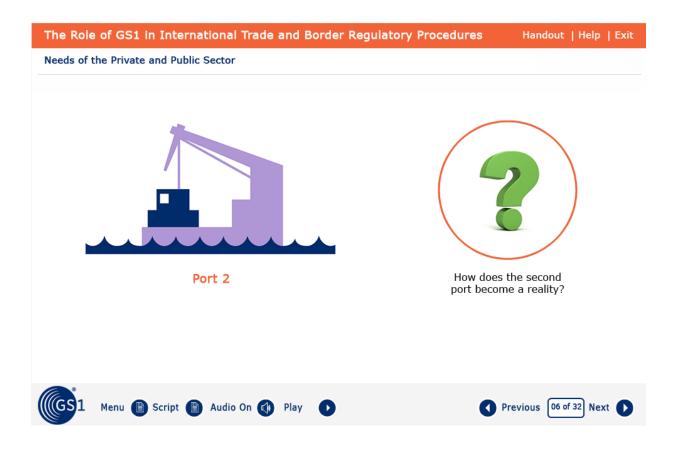
Imagine two ports. The first port is able to release 30% of consumer product-line entries in advance of arrival. 42% are targeted as potentially high risk and about 5% of product examinations are deemed "non-compliant" and flagged for further examination and inspection.

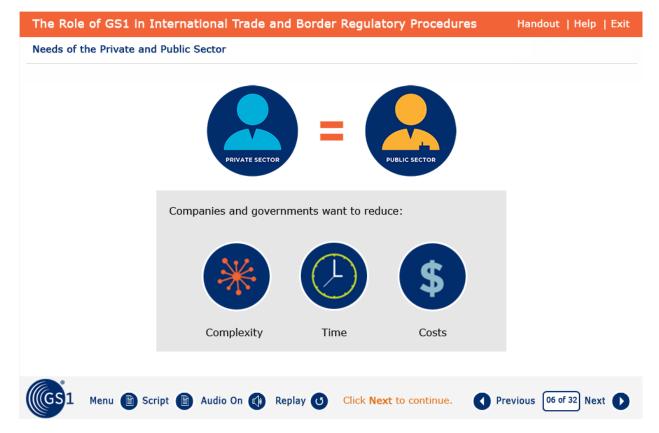
The second port releases 85% of consumer product-line entries in advance of arrival. 4% are targeted as potentially high risk and the port conducts fewer exams and finds more non-compliant products than the first port. Which port do you want at your border? Which port do you want as part of your supply chain?

The second port employs global standards. Thereby product safety is improved, product examinations are reduced, and products are delivered on time.

By implementing global supply chain standards, the second port provides greater visibility into your supply chain, which equates to improvements in efficiency and reliability.

Port number two gives you security in knowing your product will get to its destination, and distribution point, on schedule and as planned.





How does the second port become a reality?

Just like companies, governments also want to reduce the complexity, time, and costs associated with importing and exporting goods.

We will now look at the types of trade regulations that governments and companies need to adhere to.



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Border Procedure Regulatory Requirements

From Export to Import - Companies

Responsibilities of Exporters:

- Which requirements exist in the importing country?
- How to comply with them?









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Border Procedure Regulatory Requirements

From Export to Import - Companies



Import Regulations:

- Cargo declaration
- Import declaration
- Bonded warehouse
- Post-clearance audit
- Endangered species





















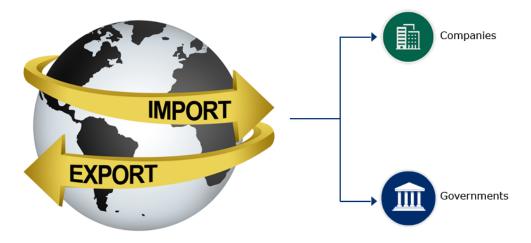


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Border Procedure Regulatory Requirements

From Export to Import - Companies & Governments



Click each icon to learn about the responsibilities of companies and governments.





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Border Procedure Regulatory Requirements

Responsibilities of Companies

Companies need to provide correct and accurate information to governments on:

- Product type/Category
- Product's voyage along the supply chain
 - Where the product comes from
 - How it has been shipped
 - By whom and when
- Safety information















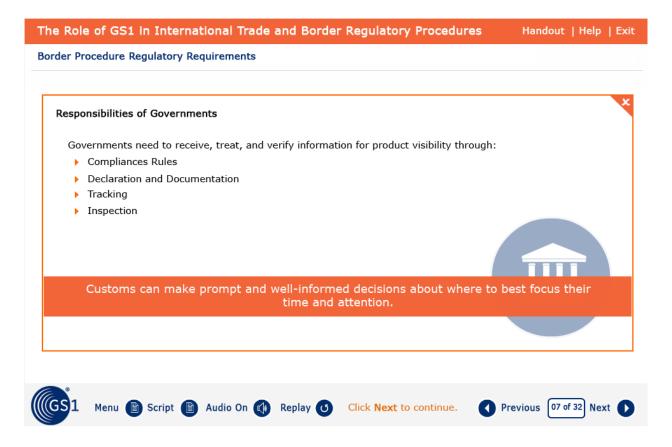












From a business perspective, there are a wide range of regulatory requirements related to import, transit, product safety, and export.

For example, for an importer, the complexity lies in knowing how to get goods into the country (through Logistics Service Providers or LSPs), getting them cleared by the customs organisation, and knowing when they will be available.

For an exporter, the complexity lies in knowing which requirements exist in the importing country and how to comply with them.

A variety of regulations and requirements exist for importing alone.

Companies need to provide correct and accurate information to governments on goods, not only on the product type or category, but also on its voyage along the supply chain — where the product comes from, how it has been shipped, by whom and when, and additional data elements such as safety information.

From their perspective, governments need to receive, treat, and verify information for product visibility through compliance rules to ensure companies have all the required information, declaration and documentation management, and tracking and inspection.

This helps governments ensure the security, authenticity, and safety of products as they cross borders, and enable Customs to make prompt and well-informed decisions about where to best focus their time and attention.



Companies should also be aware of any trade facilitation measures from which they could benefit, for instance, the Authorised Economic Operator (AEO), or the Trusted Trader Programme (TTP).

Under this programme, local companies which have met pre determined security standards, will be accredited, and enjoy appropriate Customs facilitation.

This partnership programme can be used by stakeholders such as manufacturers, importers, exporters, freight forwarders, warehouse

operators, carriers, and more involved in the international supply chain.



"Trade facilitation" includes all measures to improve the regulatory interface between government bodies and traders at national borders.

This implies the simplification, harmonisation, and standardisation of international trade procedures.

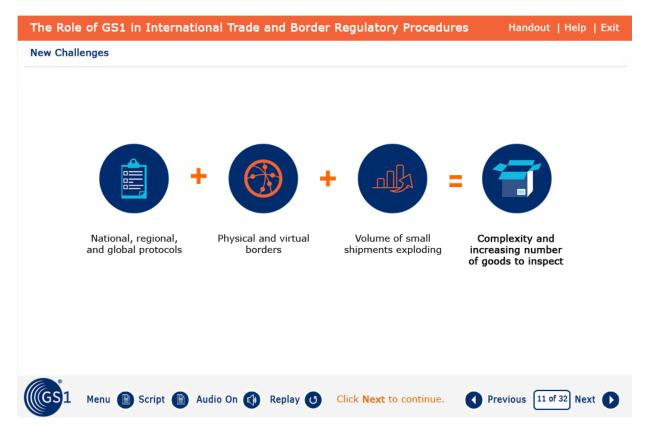
In 2013, WTO adopted one of the biggest reforms on Trade Facilitation in Bali, since its establishment in 1995.

The agreement will enter into force once two-thirds of the WTO membership has formally accepted the Agreement. Once in force, this agreement could have a great impact on the improved international trade procedures.

International commerce works to "just in time" deadlines and all supply chain actors can obtain significant benefits from more effective and efficient border procedures.



But today, border procedure regulatory requirements are undergoing significant changes.



Often, goods cross more than one border. National sovereignty is shifting to regional, national, and even global protocols.

With the growth of electronic trade, physical borders are transforming into virtual borders, requiring different types of regulatory controls.

Cross-border internet purchasing has caused the volume of small shipments to explode worldwide, adding extra complexity to the role of border management.



Economic realities are driving governments and industries to look for new efficiencies in the global supply chain. At the same time, better security and regulatory compliance are expected from governments.



Greater efficiencies, better facilitation and more security – these can seem like contradictory goals for customs organisations, especially as global trade volumes grow.



Global businesses and their supply chains are pressured with calls for just-in-time distribution, low inventory levels, and sustainable transport to move goods across borders.



As a consequence, countries have been, and still are, confronted with a common challenge: facilitating the movement of goods while maintaining secure borders.

At the same time, governments are acknowledging their responsibility to minimise costs faced by companies engaged in international trade. In other words, to ensure the right balance between open, yet controlled borders.

The Role of GS1 in International Trade and Border Regulatory Procedures Handout | Help | Exit The Role of GS1 GS1 global partnerships 40 YEARS **ENGAGED WITH EXPERIENCE INTER-GOVERNMENTAL BODIES** Menu Script Audio On Play Previous 13 of 32 Next The Role of GS1 in International Trade and Border Regulatory Procedures Handout | Help | Exit The Role of GS1 Is eager to collaborate with key stakeholders at global and local levels to: Leverage business standards Support border procedure management Is engaged with inter-governmental bodies Provides expertise to support the public-private dialogue

















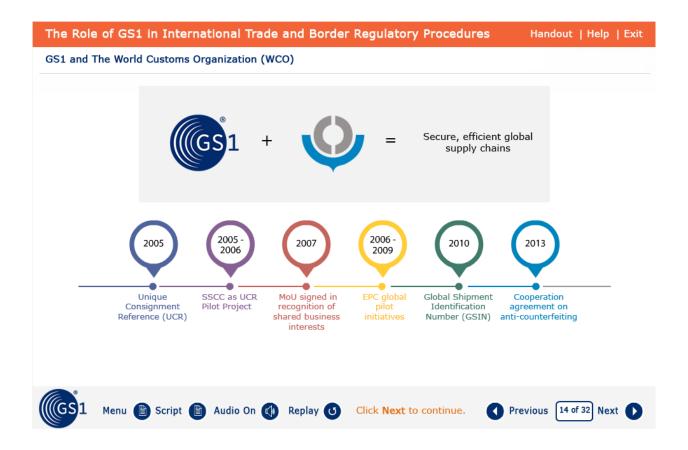






GS1 has over 40 years experience in working with the industry to standardise key supply chain processes.

GS1 is eager to collaborate with key stakeholders at global and local levels to leverage business standards to support border procedure management. GS1 is engaged with inter-governmental bodies and provides expertise to support the public-private dialogue.

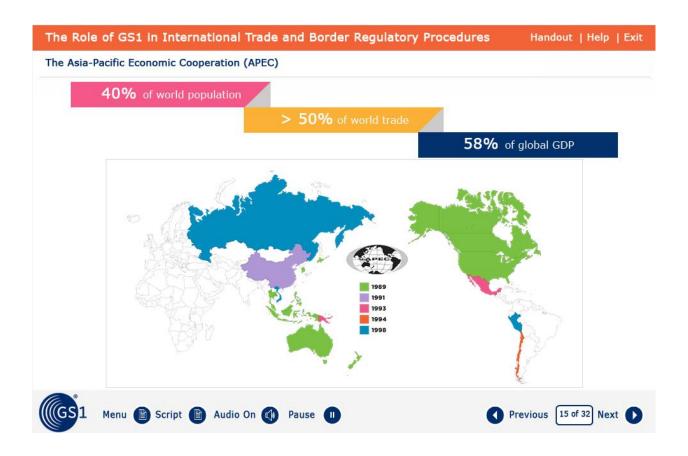


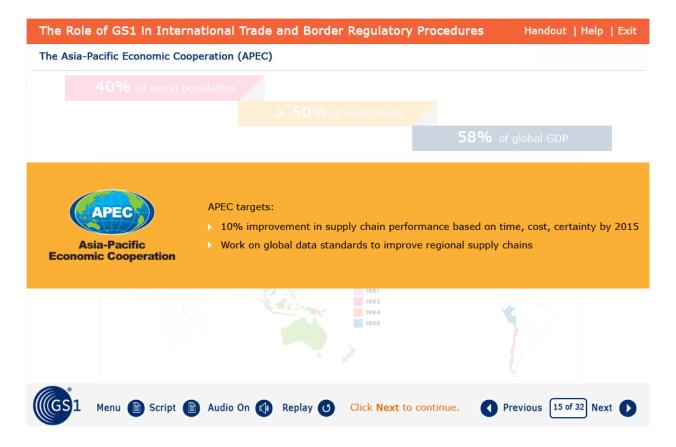
At a global level, GS1 has a long-term relationship with the World Customs Organization. Both committed to enabling secure, efficient global supply chains.

Since 2005, GS1 and its Member Organisations have worked with the WCO and governments to develop and pilot how GS1 standards can support border procedure management processes.

In 2007, a Memorandum of Understanding was signed in recognition of the wide range of business interests shared by these organisations.

In 2013, a cooperative agreement was signed to focus on anticounterfeit interventions.

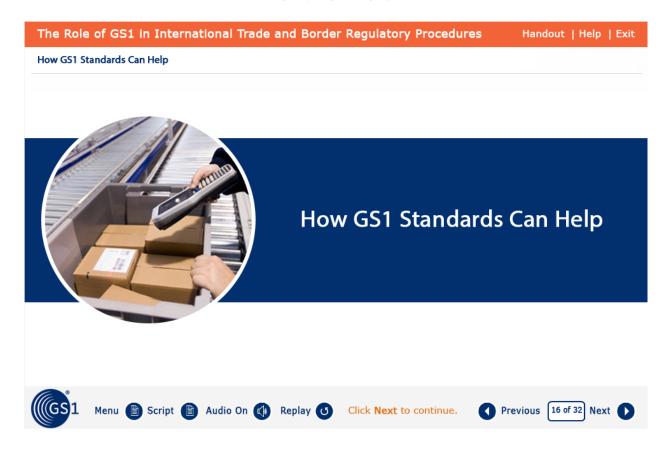




The APEC area, representing more than 50% of the world trade and 58% of the global GDP, has become an increasingly important intergovernmental group to engage with for GS1.

APEC is targeting a 10% improvement in supply chain performance based on time, cost, and certainty by 2015.

Work on global data standards is now at the forefront of the APEC strategy to improve regional supply chains with official support including funding for global data standards' pilot projects to explore the benefits of using industry standards.



Since we have an idea of the current challenges at various levels and regions, let us learn how GS1 can help in these areas.

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GS1 Standards to Achieve Better Product Visibility



Companies

GS1 standards provide visibility by asking:

- What is the product?
- Who shipped the product to whom?
- When was it shipped from/to?
- Where was it shipped from/to?
- Why was it shipped from/to?









Exporters

Logistics Service Providers

Importers







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GS1 Standards to Achieve Better Product Visibility



Companies

Information flow

Uniquely identify and automatically capture information about:

- Items
- Parties/locations
- Events









Exporters

FREIGHT FORWARDERS

PORT OR HARBOUR

Importers

Physical flow of goods: To connect supply chains and industries

Logistics Service Providers















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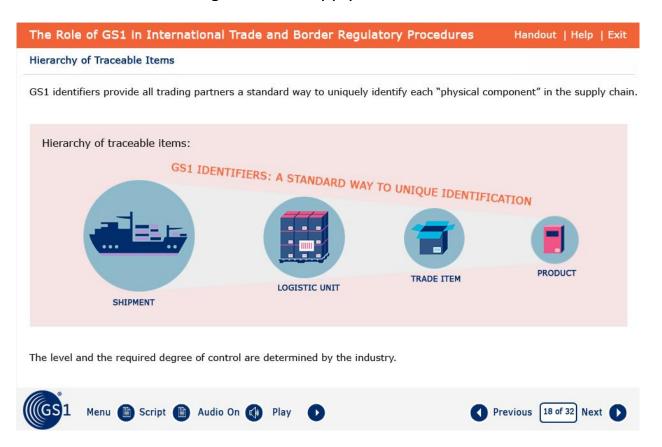


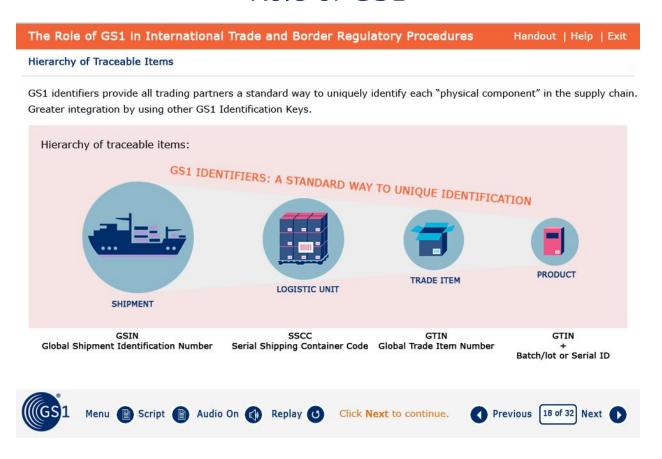
Let's now go back to the port example we dealt with earlier and get a little deeper into the border procedure processes and associated business needs.

How can GS1 help achieve better product visibility for both governments and companies?

GS1 standards provide the visibility needed with the what, who, when, where, and why of a product's movement, along the supply chain.

This enables parties to uniquely identify and then automatically capture information about items, locations, and events. This information is then shared up- and downstream, across all modes of transport, effectively linking the physical flow of goods to the information flow throughout the supply chain.





But how does this actually work?

Shown onscreen is a simplistic view of the hierarchy level at which the traceable item is defined: a logistics unit, a trade item and a product.

GS1 identifiers provide all trading partners a standard way to uniquely identify each "physical component" in the supply chain.

The level and the required degree of control are determined by the industry.

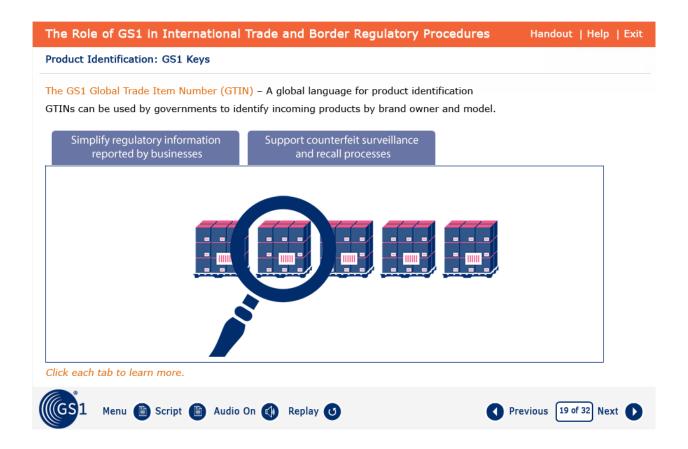
Greater integration comes from using other GS1 Identification Keys.

The **GS1 Global Shipment Identification Number** provides the unique identification of a shipment comprised of one or more logistic units.

The **GS1 Serial Shipping Container** Code provides the unique identification of logistics units, which can be any combination of goods put together in a pallet.

The **GS1 Global Trade Item Number** provides the unique identification of any trade item or product.

Finally, the **GTIN** together with the batch, lot, or serial ID provides the unique identification of an individual product.



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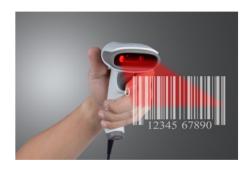
Product Identification: GS1 Keys

The GS1 Global Trade Item Number (GTIN) - A global language for product identification

GTINs can be used by governments to identify incoming products by brand owner and mode

Simplify regulatory information reported by businesses

Support counterfeit surveillance and recall processes



With GTINs, there is a potential to simplify and reduce the regulatory information reported by businesses.

Clearance of new products can be expedited when brand owners submit products and associated GTINs to the government for review.

When approved, each new product's GTIN is placed on a low-risk list, allowing customs to automatically clear these products, even in advance of arrival at borders.

Click each tab to learn more.







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Product Identification: GS1 Keys

The GS1 Global Trade Item Number (GTIN) - A global language for product identification

GTINs can be used by governments to identify incoming products by brand owner and model.

Support counterfeit surveillance and recall processes



GTINs also support counterfeit surveillance and recall processes.

Customs can "flag" illegal or recalled products for automatic rejections or examinations.

Customs organisations can coordinate efforts by exchanging lists of product GTINs that are banned or recalled.

GTINs can also identify historical shipments for follow-up investigations.

Click each tab to learn more.











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GS1 Global Trade Item Numbers lay the foundation to create a global language for products.

GTINs can be used by governments to identify incoming products by brand owner and model.

GTINs simplify and reduce the regulatory information reported by businesses.

They also support counterfeit surveillance and recall processes.





By taking advantage of GS1 standards, both governments and companies can achieve the following.

Security: Having information for better risk management.

Safety: Better facilitate the authentication of genuine products to help reduce the risk of harmful counterfeit products.

Traceability: Provide visibility of products and their histories as they travel through the global supply chain; help to better identify products as they arrive at borders.

Efficiency: Make quicker decisions, better manage and speed products through clearance; this also reduces costs.

Interoperability: Provide a standards-based system that enables work seamlessly with customs and/or government agencies as well as the industry.

The figures speak for themselves.

Working with a global importer of toys and games, the U.S. International Trade Data System (ITDS) Product Information Committee (PIC) examined the use of Global Trade Item Numbers (GTINs) in consumer goods importing. The findings projected that product examinations could be reduced by 80% in the first year alone.



We will now learn about Single Window Initiatives.

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Beyond the Border Action Plan

There are opportunities to automate border procedure management processes for faster and more accurate product clearances.

United States/Canada Data Alignment

Faster and more accurate product clearances



To promote security, support trade, and grow economy

By creating electronic environments for trade to report required data electronically







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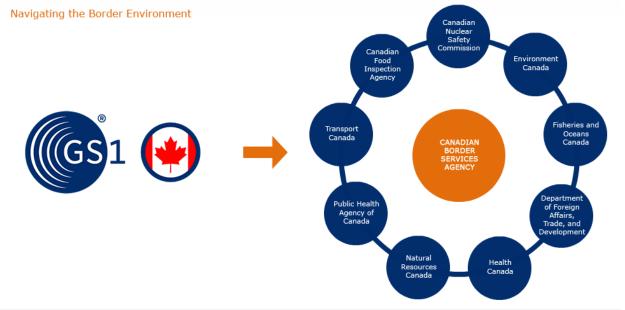




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Beyond the Border Action Plan

















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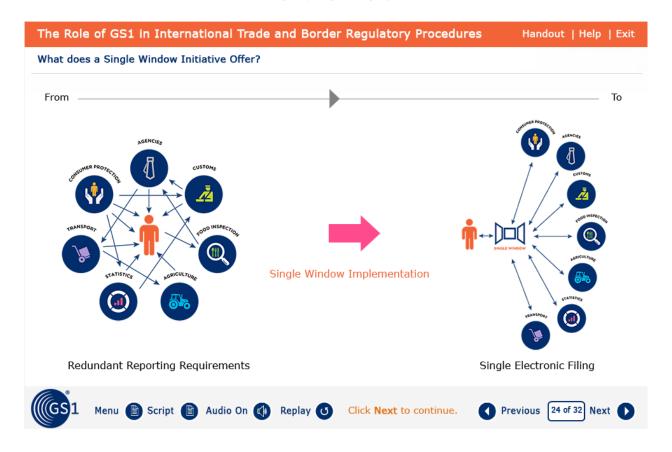


As we've seen earlier, it has become increasingly apparent to governments and companies that there are opportunities to automate border procedure management processes for faster and more accurate product clearances.

Canada and the U.S. represent one of the world's largest commercial trade relationships with \$1.6 billion worth of goods and services crossing the Canadian and U.S. border every day.

In 2011, the Beyond the Border Action Plan was announced by Prime Minister Harper and President Obama, which included a commitment to enable and align the Single Window Initiative on both sides of the border.

GS1 Canada engaged the Canadian government and specifically the Canadian Border Services Agency and other participating government agencies, to explore opportunities to enable the Single Window initiative.



Importers, exporters, and transport companies face numerous and often redundant reporting requirements, both paper and electronic, from multiple government agencies.

A "Single window" provides a single electronic filing rather than separate filings to multiple agencies.

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How GS1 Standards Help

GS1 standards offer interoperability, traceability, and authentication capabilities to governments, enabling the Single Window.

GTINs:

- Lay the foundation to create a global language for products
- Potential Goods/Commodity Identifier (GCI) for use in the Single Window Initiative
- Identify incoming products by brand owner and model

9312345678907



- Global Location Number: Unique identification of physical location/trading partners
- > Serial Shipping Container Code: Unique identification of logistics units







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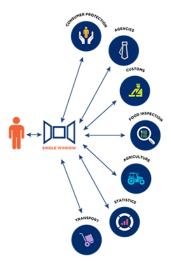


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How GS1 Standards Help

How GS1 Standards Help: After the Single Window Implementation



- Reduce import costs by streamlining current border processes
- Reduce border compliance costs for trade
- Improve border efficiency
- Ensure consistent application of all import requirements
- Align with international standards for product identification























GS1 standards offer interoperability, traceability and authentication capabilities to governments, enabling the Single Window.

GS1 Global Trade Item Numbers lay the foundation to create a global language for products and has been identified as a potential Goods/Commodity Identifier for use in the Single Window Initiative.

GTINs can be used to identify incoming products by brand owner and model. Other GS1 keys may be used for a greater integration, such as the Global Location Number for unique identification of physical location or trading partners like manufacturers or the Serial Shipping Container Code for the unique identification of logistics units.

Shown onscreen are the other benefits offered by GS1.



 $\mathsf{GS1}$ supports other single window initiatives in New Zealand, Malaysia and Hong Kong.



We have come to the end of the course. Let's summarise.

The Role of GS1 in International Trade and Border Regulatory Procedures Handout | Help | Exit Summary Click each tab for a quick recap. **Border Procedure Management** An Era of New Challenges How GS1 Standards Help Menu Script Audio On Replay Previous 29 of 32 Next The Role of GS1 in International Trade and Border Regulatory Procedures Handout | Help | Exit Summary Click each tab for a quick recap. **Border Procedure Management** Border procedure management is the process that aims to ensure companies comply with the regulatory requirements of countries they are exporting to or importing from. Companies and governments want to reduce the complexity, time, and costs associated with importing and exporting goods. Trade facilitation includes all measures to improve the regulatory interface between government bodies and traders at national borders. An Era of New Challenges







How GS1 Standards Help

















Border procedure management is the process that aims to ensure companies comply with the regulatory requirements of countries they are exporting to or importing from.

Just like companies, governments also want to reduce the complexity, time, and costs associated with importing and exporting goods.

Trade facilitation includes all measures to improve the regulatory interface between government bodies and traders at national borders.



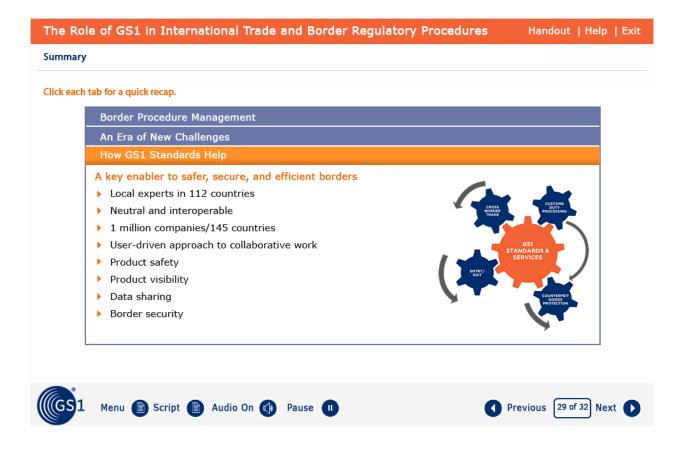
Often, goods cross more than one border. National sovereignty is shifting to regional, national, and even global protocols.

With the growth of electronic trade, physical borders are transforming into virtual borders, requiring different types of regulatory controls.

Cross-border internet purchasing has caused the volume of small shipments to explode worldwide, adding extra complexity to the role of border management.

Economic realities are driving governments and industries to look for new efficiencies in the global supply chain.

Greater efficiencies, better facilitation and more security – these can seem like contradictory goals for customs organisations, especially as global trade volumes grow.



With local experts in over 112 countries, GS1 helps make border procedure management processes more efficient. They enhance governments' ability to accurately identify unsafe or counterfeit goods.

GS1 standards are neutral, non-proprietary, interoperable, and widely used. For over 30 years, more than 1 million companies across 145 countries have trusted our user-driven approach to collaborative work.

In summary, to date GS1 global standards:

- Make information about companies' products highly visible as they travel across global supply chains to international borders,
- Enable governments to do their job quickly by sharing data with all interested parties, and
- Help governments verify that products and players in the supply chain are safe and legal, and ensure border security



For further information about GS1 activities in border procedure management, take a look at the white paper on GS1 standards.

Click the PDF icon to open the white paper. You can save it on your local system.

More information is available on the GS1 dedicated webpage.



GS1 has established an MO Interest Group for Customs. The aim of the group is to share learnings, best practices, and implementation stories.

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Thank You

Thank you for completing the course The Role of GS1 in International Trade and Border Regulatory Procedures

























