ESWATINI REVENUE SERVICE: IMPLEMENTING THE e-CO (SADC & COMESA) 3 FEBRUARY 2025

'Raising the Standard'

OUTLINE

- **Overview of ERS / Customs & Excise**

- **ERS Customs digitalization**

- **Background on eCO**

- **Benefits of the eCO**

- **eCO implementation**
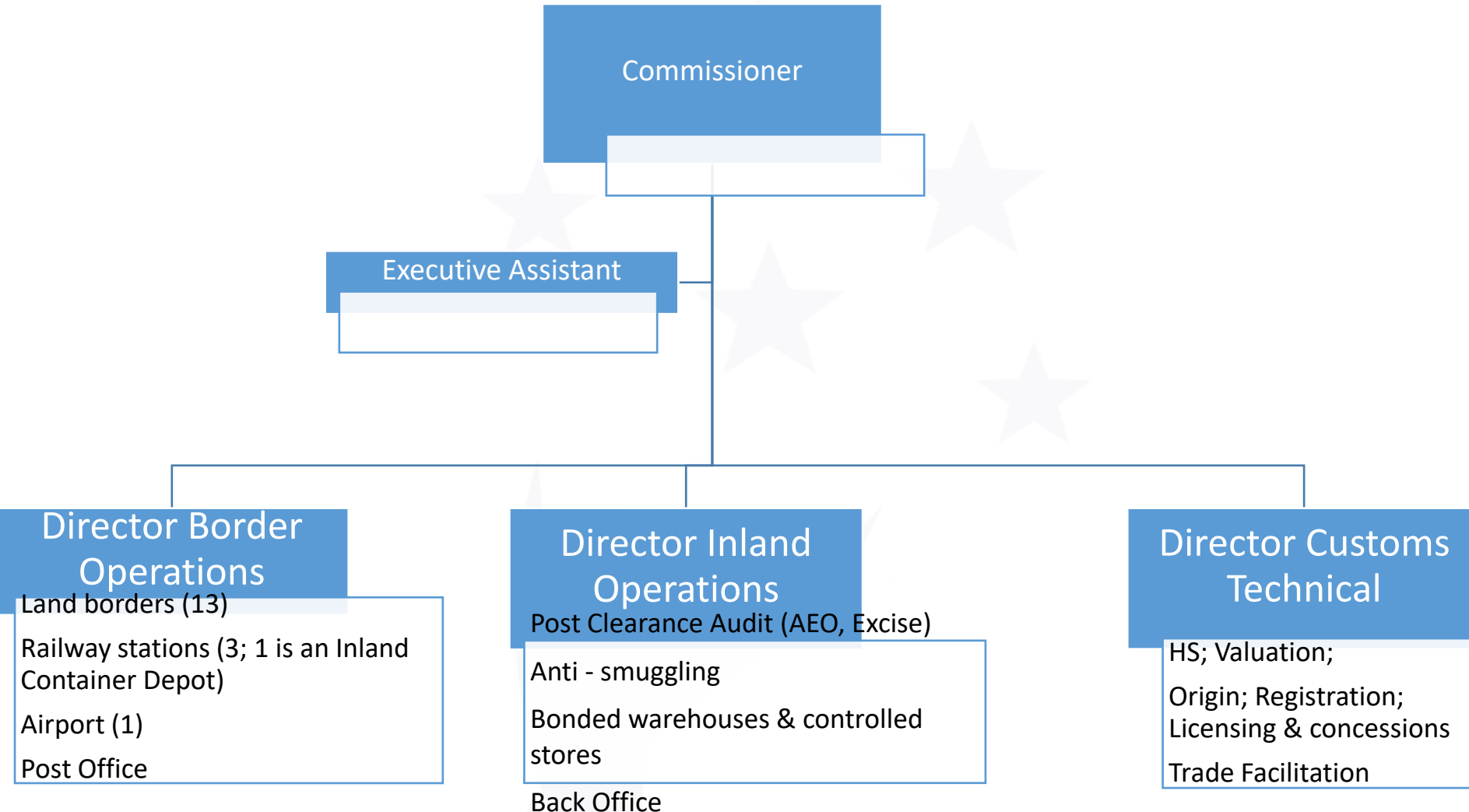
- **Challenges of the Eco**

- **Conclusion**

ESWATINI REVENUE SERVICE

Vision

❖ "100% voluntary compliance for a better Kingdom of

Eswatini"

Strategic theme

❖ "Digitalised and Data Driven Organisation; with our

Partners"

CUSTOMS & EXCISE STRUCTURE

Commissioner

Executive Assistant

Director Border Operations
- Land borders (13)
- Railway stations (3; 1 is an Inland Container Depot)
- Airport (1)
- Post Office

Director Inland Operations
- Post Clearance Audit (AEO, Excise)
- Anti - smuggling
- Bonded warehouses & controlled stores
- Back Office

Director Customs Technical
- HS; Valuation;
- Origin; Registration; Licensing & concessions
- Trade Facilitation

'Raising the Standard'

ERS - CUSTOMS DIGITALIZATION

- **Customs digitalization is driven through innovations as ERS has been able to undertake initiatives that embrace best practices for modernization**

- **ERS benefits from programs undertaken within economic communities (SACU, EU, SADC and COMESA), making it possible to successfully implement several projects that leverage and optimise use of technology**

PROJECT / INITIATIVE	STATUS	BENEFITS
Electronic data exchange	Customs declaration data automatically exchanged with the South African Revenue Service (SARS)	• Improves compliance on use of UCR by traders • Improves matching and reconciliation of trade statistics • Source of data for risk interventions
Electronic certificate of origin	Implemented within SADC (May 2021) and COMESA (November 2024)	• Speed and Efficiency • Accuracy and Traceability • Cost Saving
Trader Connect	• Piloted with one company • Proof of concept for UCR based declaration pre-population	• Improved declaration accuracy from use of source data in trader's systems • Reduce time taken to lodge declarations
Advance rulings electronic tool and Electronic Customs Tariff	Both projects implemented	• Duty calculator for pre-clearance information on duties payable • Allow business to assess future duty liabilities

E- CoO BACKGROUND

- **Origin interconnectivity is critical for seamless global trade**

- **It is important and relevant as Electronic documents thus e-CO's are becoming more prevalent,**

- **The objective is to exchange origin data consistently and accurately between countries and regions.**

- **It offers efficiency and security in the processing of trade transactions.**

E- CoO BACKGROUND

- **The development and implementation of the eCO replaces the procedures of manual certificate of origin**
- **It improves efficiency in intra-regional trade through web-based eCO system accessible using web browsers**
- **Complies to Rules of Origin and implementation Guidelines**

E-CERTIFICATE OF ORIGIN

The e-CO is a digital document that certifies a product's country of origin.

- Issued by a designated authority in the exporting country

- Transmitted electronically to the importing country.

- Enhances processing speed, efficiency and accuracy.

BENEFITS OF E-CO

1. **Speed and Efficiency:** e-COs can be processed and transmitted electronically, significantly reducing the time required to issue and verify these documents

2. **Cost Saving:** By eliminating the need for physical paperwork and postage, e-COs reduce costs for both exporters and importers as well as Customs administrations

3. **Security:** e-COs are less susceptible to fraud and tampering compared to paper-based certificates, ensuring authenticity of CO.

NB: Security features can include digital signatures, QR Codes and encryption.

BENEFITS OF E-CO

4. Environmental Impact: Reducing paper usage aligns with sustainability goals and helps decrease the environmental footprint of trade processes

5. Accuracy and Traceability: by automating the exchange of origin data, errors and inconsistencies are minimized, improving the reliability of origin documentation.

6. Expedited Customs Clearance: interconnected systems enable customs to process origin certificates faster, facilitating quicker clearance and smoother trade flows.

eCO IMPLEMENTATION

- **Legal Frameworks**: review legal frameworks to recognize and accept eCO (and align with international standards).

- **Technological Infrastructure**: used existing technological infrastructure and systems (ASYCUDA WORLD). Users encouraged to use reliable internet connection

- **Standardization**: Implementing standardized formats and protocols for COs ensuring compatibility and interoperability between the different systems from the other party states. IT developers ensured common data exchange standards and formats.

eCO IMPLEMENTATION

- **Secure Data Exchange:** IT Developers secured data exchange through encryption and digital signatures to protect sensitive information and reduce the risk of fraud and tampering.

- **Capacity Building:** continuous training on processes and support to stakeholders (clearing agents, exporters and customs officials) for appropriate use of eCO.

- **Monitoring and Evaluation:** Regularly monitoring and evaluating the implementation of e-COs to identify challenges and areas for improvement. This feedback loop ensures continuous enhancement of the system.

CHALLENGES of e-COs

1. **Security Concerns:** The e-COs are generally more secure than paper documents, they are still vulnerable to cyber threats. Ensuring data encryption and secure transmission is crucial.

2. **Legal Acceptance:** The legal recognition of e-COs varies across different jurisdictions. Some countries may have regulations that do not yet fully accept electronic documents, creating barriers to widespread adoption.

3. **Training and Awareness:** Businesses, especially small and medium-sized enterprises (SMEs), may lack awareness or understanding of e-COs. Proper training and education are necessary to ensure smooth implementation.

4. **Change Management:** Transitioning from paper-based systems to electronic ones involves significant change management efforts. Resistance to change and adaptation challenges can slow down the adoption process.

5. **Connectivity Issues:** In regions with poor internet connectivity, accessing and transmitting e-COs can be challenging, hindering the efficiency benefits of digital documents

CONCLUSION

By adopting e-COs, states can significantly enhance the efficiency, security, and reliability of their trade processes.

It's a critical step towards a more interconnected, resilient, and modern global trade network.

THANK YOU!!