How to solve problems with the acceptance of eCOs

Background
ICC World Chambers Federation (WCF) defines an electronic Certificate of Origin (eCO) as one which is applied for online i.e. electronically via the internet.

After approval by the Chamber, the eCO can be printed by the exporter in their own premises with a printed stamp and signature of the Chamber on said document. A wet stamp is not required.

eCO’s are generally accepted worldwide without any problems. If your Chamber is still having problems with the acceptance of eCO’s, this roadmap can help you solve them. If other Chambers have no problems with eCO’s for the same destination, why should you?

Seven points worth making:
1. Relationship with Customs
2. Security measures
3. Where does the problem come from?
4. Ask for the legislation in the country of destination
5. Do all your exporters have problems with acceptance of eCO’s in this destination?
6. How do you deal with problems of acceptance of e-CO’s?
7. Communication

1. Relationship with Customs
If you have recently started working with a new system for the issuance of eCO’s, make sure you have informed Customs authorities across the world, foreign embassies in your country, and your country’s embassies in foreign markets. Without proper communication, Customs may not understand why your export documents suddenly look different. A first reaction could therefore be the non-acceptance of your documents.

Contact WCF on how to contact Customs authorities across the world to inform them that you have started with a new eCO system.

2. SECURITY MEASURES
It is important that your eCO system has security measures in place. The ICC World Chambers Federation eCO Task Force has developed a paper which outlines the minimum requirements for eCO’s systems that chambers have put in place. This document (Minimum required best practices for chambers to comply with for the issuance of eCO’s (Document 550-9/53) can be provided on request.
The use of a verification website is most important. Customs authorities or any other relevant authorities can easily check the authenticity of an eCO on a verification website.

It makes sense that we, as the Chamber community, use the same verification website so that Customs have one entry point to check eCO’s issued across the world. We therefore recommend using the ICC WCF website: https://certificates.iccwbo.org/

3. WHERE DOES THE PROBLEM COME FROM?

Sometimes the importer and/or the freight forwarder create a problem around non-acceptance when they erroneously state that eCO’s are not allowed or accepted. This is quite a common occurrence and the information is generally not true. For example, in the Netherlands, two million eCO’s have been issued to all destinations across the world without any problems.

If the information relating to non-acceptance is provided only by the importer or freight forwarder, then ignore the information and go to the next step below.

4. ASK FOR THE LEGISLATION IN THE COUNTRY OF DESTINATION

Always ask your exporting customer if they can obtain and provide you with the specific legislation of the country where the problem with eCO’s has been occurred. The exporter should request this information directly from their importer. This is better than your chamber undertaking the research as the importer has raised the specific problem and it is should be easier for them to get to the official position from needed authorities within their own country.

Should you receive an official statement, make sure that the date and number of the legislation is included. The date of the legislation is important as sometimes it can be outdated and may have superseded. If the legislation is still active, why is that other Chambers are issuing eCO’s to these destinations?

If you receive legislation that is new, contact the WCF Secretariat before taking further action. If there is new legislation in place – but this is unlikely as eCO’s are not new and widely accepted – every Chamber issuing eCO’s would be facing the same problems.

5. DO ALL YOUR EXPORTERS HAVE PROBLEMS WITH ACCEPTANCE OF eCO’s IN THE COUNTRY OF DESTINATION?

If only one or two exporters are encountering problems with eCO’s, then it is likely that the problems are being created by the importer.

Also remember that one non-acceptance will stay on your mind, the other thousands of documents that your chamber successfully issued for the same destination should not be forgotten. The situation is an exceptional problem, not a habitual problem.
6. DEALING WITH PROBLEMS OF ACCEPTANCE OF eCO’s

When a shipment is stuck at the border, this is an emotional moment for the chamber as its dealing with an exporter, most often a SME. It will be a stressful moment, whether the customer is a new or experienced exporter.

The most logical reaction for your chamber to undertake in responding to your customer’s immediate problem is to issue a manual CO bearing a wet stamp and signature. This is something you can do once because you need to act quickly, for example, when a shipment is stuck at Customs. But it should not become the norm.

If you revert to manually processed documents, you are creating an expensive, short-term solution which will not help your eCO system. This will not only create a negative impression of your eCO system, but returning to manual documents would also have a negative effect to the Chamber’s network in your country and others, issuing eCO’s via an electronic system.

Always push for the use of eCO’s. Go to step 7 and make sure that your Chamber colleagues are in favor of eCO’s.

7. COMMUNICATION

If your eCO system is not new, and your chamber has the necessary security options in place (including a verification website), yet you find your exporters are still having problems in a specific country, it is most likely to do with the lack of communication from your side.

Get in contact with Customs of the country where you are having problems. Do this in collaboration with your embassy in that country and/or the corresponding embassy in your country. Also get in touch with WCF, who can also help you with information on how other countries have dealt with this problem and also provide you on insight to certain regions where it seems to be more of a problem, upon occasions. With a little effort, an eCO problem can be generally easy to solve.

It is much better, cheaper and more practical to solve problems than sidestepping them. Remember that the issuance of COs is a collaboration between Customs and Chambers. Keep the communication regular with those markets important to your customers and member companies.
Conclusion

eCO’s are well accepted worldwide, and called for within the terms of Documentary Letters of Credit. There should not be any problems in the acceptance of eCO’s if your system is similar to other systems used by chambers of commerce across the world.

If you observe the seven steps mentioned above, you will find that most of the time, problems that arise are not based on fact, and are created by importers and that there is no legislation or rule preventing the acceptance of eCO’s in importing countries.

Have faith in your own eCO system and keep pushing for eCO’s. They are not new, millions of them are issued each year and it’s good for your customers.

Communication is crucial. Make optimal use of the World Chambers Federation and its network of your CO peers from around the world. Make use of the WCF CO services, its CO Chain and the use of the verification website have proven extremely helpful in addressing this important matter.

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