



## WTO COMMITTEE ON TRADE FACILITATION

### EXPERIENCE SHARING SESSION, 1-3 DECEMBER 2025

#### *Report by the Chair*

At a meeting held on 1-3 December 2025, the Committee on Trade Facilitation convened the third session of the year to share Member experiences on two topics agreed upon by the Committee: digitalization and authorized economic operator (AEO) programmes. Five presentations were delivered on digitalization (China, Indonesia, Türkiye, and two presentations by the United States), and two presentations on AEO implementation (China and Hong Kong, China). In addition, presentations were shared by Pakistan on risk management, and by the United Kingdom on the Accelerate Trade Facilitation Programme. This report summarizes the main themes and takeaways from the session to enhance the accessibility and value of the insights shared.

#### **Digitalization for Trade Facilitation**

Members shared experiences in single window implementation, streamlining customs formalities, and improving the transparency, efficiency, and integrity of trade procedures. China provided insights into the different aspects of Smart Customs and how it was leveraging technology to achieve smoother, faster clearance. Indonesia and Türkiye shared their experiences in the development and implementation of single-window systems. The United States shared USAID perspectives and experiences on digitalization and the sequencing necessary to achieve a single-window system, and experiences from the Global Alliance for Trade Facilitation (GATF) and the National Foreign Trade Council (NFTC) on the increasing overlap between trade facilitation and compliance, as well as on the role of technology.

#### **Implementation of AEO Programmes**

Member interventions on the topic highlighted several commonalities in their AEO programmes, including a basis in international instruments, eligibility criteria, application processes, benefits derived, and the importance of mutual recognition agreements. Other novel aspects of their programmes, such as a focus on SMEs and the implementation of strict criteria for AEO validation, were also noted.

#### **Other Experience-Sharing Topics**

Pakistan shared its experience in developing a risk-management system for customs purposes and its upgradation, including the enhanced use of technology, as well as some of the outstanding challenges. The United Kingdom and UNCTAD presented the successes of the Accelerate Trade Facilitation Programme in implementing trade facilitation reforms and supporting national trade facilitation committees in improving reform processes and transparency requirements at the WTO.

## **1 DIGITALIZATION**

### **1.1 Digital Empowerment: New Practices of Smart Customs in Promoting Trade Facilitation**

1.1. China shared that, as global trade changes profoundly, making trade easier has become a key driver of global economic recovery. Studies have shown that if customs clearance time is reduced by 10%, trade volume can increase by nearly 2% to 5%, highlighting the importance of modern customs systems for global trade. China Customs handles over 600 million declarations a year and more than 4 billion tonnes of imports and exports. Thus, China was moving ahead with Smart Customs, a new customs measurement system that offers smooth clearance, smart checks, no unnecessary disturbance, and full oversight.

1.2. In the first three quarters of 2025, China's total goods trade reached USD 4.74 trillion, up 4% from the same period last year, well above the global expected growth of 2.4%. What China Customs does fits closely with the main goals of the TFA. China's Smart Customs has four aspects. First, newer technology makes clearance faster. This includes technology to enable smooth checks and easy clearance, standardizing and simplifying procedures, with machines doing the work of people. A smart image review system can recognize over 2,000 types of goods in just three to four seconds, cutting inspection time by 90%, compared to manual checks. Use of near-infrared scanners, fast photo recognition, and automatic sampling robots reduced the average clearance time by more than 15 hours. Smart railway ports have achieved full scanning of railway carriages; logistics efficiency has increased by 20%; and logistics costs have been cut by two-thirds. Other aspects of smooth clearance included smart gates and augmented reality (AR) glasses to speed up remote checks.

1.3. The second aspect was a digital rulebook. China Customs has turned thousands of regulatory documents on product types, origin rules, and inspections into clear digital parameters, enabling rule-based enforcement from start to finish. These rules are shared online, making things clearer and more predictable, helping companies understand what is needed, cutting compliance costs, and giving global investors more certainty. For example, artificial intelligence can decide the right product code with 92% accuracy, checking 30,000 to 15,000 items a day, which is 60 to 100 times faster than before. Using IT tools, over 20 types of origin certificates from 59 Members can be checked, helping the business secure trade benefits. Examples of other IT products included the China-Africa SPS Corporation Information Website that offered a one-stop search for customs and health services, sharing over 38,500 information points.

1.4. The third aspect was building trust through data sharing. China's Customs actively share data across borders using digital tools rather than paper records to create a clear, reliable trade system. This data sharing cuts clearance time for companies, making global trade faster and easier. For example, China's International Trade Single Window covers 964 tasks across 25 areas, is connected to 15 Members, and shares information with several others. It is also implementing cross-border online verification for digital inspections and creating a global certificate-sharing system.

1.5. The fourth aspect was global teamwork for shared trade success. WCO's Smart Customs Community and the BRICS Smart Customs Demo Center were avenues for customs to exchange practices and case studies. China customs also shared that in 2025, they had completed 10 training sessions for over 200 customs officers.

### **1.2 Indonesia's Implementation in Digitalization of Trade Facilitation: Indonesia National Trade Facilitation Committee and Indonesia National Single Window**

1.6. Indonesia shared its experience in digitalization for trade facilitation, its national trade facilitation committee, and its national single window. Indonesia's national committee, known as KNFP, oversees the implementation of the WTO TFA and ASEAN trade facilitation, and trade facilitation in bilateral, regional, and multilateral fora. KNFP comprises multiple agencies in Indonesia, including quarantine, customs, trade, fisheries, forestry, and standards, as well as related ministries.

1.7. As committed under the TFA, Indonesia set up an enquiry point system under the KNFP that serves as an official communication channel and a one-stop information center for business actors to obtain explanations of trade policies, regulations, and procedures. Through this service,

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businesses can easily access up-to-date information, submit enquiries, and receive clarifications from the relevant authorities without going through lengthy bureaucratic processes.

1.8. The business process of the enquiry point is that external parties can visit the KNFP website, which provides relevant information about the KNFP and other trade-related information, and users can also submit an enquiry via the website. To submit an enquiry, users fill out a form, choose the topic and subtopic, select from the provided questions, and then click submit. If the provided questions do not satisfy the stakeholders, they can submit follow-up questions directly to the relevant ministries, and responses are provided via email. The enquiry is trackable via ticket numbers and accessible 24/7, and includes 15 trade facilitation topics, such as fisheries, agriculture, and transportation. Users are notified of their query's progress via email and WhatsApp.

1.9. Regarding Indonesia's single window, its establishment began in 2003, when ASEAN leaders agreed to establish a system to accelerate trade transactions among Member countries, enabling the exchange of documents electronically. This initiative became one of the characteristics of the ASEAN economic community, with the first target being the exchange of customs declarations, certificates of origin, and vital sanitary certificates. Feedback was also received from domestic entrepreneurs who requested no duplication and no repetition in the documentation and processes.

1.10. Thus, Indonesia developed an electronic system focused on supporting customs clearance processes in the early stages of single-window development. However, based on the results of the implemented system, it was found that single windows could be used for more than just customs clearance support. Based on the mapping conducted, there was potential to utilize the national single window to support imports from pre-arrival processes and post-customs clearance, as well as domestic business processes, such as tax.

1.11. Consequently, Indonesia's national single window was re-institutionalized and became a separate administration outside of Customs. In the single window, stakeholders and the flow of documents and goods are identified for each business process group. For example, in Indonesia, an import permit application must be completed before the goods arrive in the country for restricted goods, and so the stakeholders of this business process were identified during the pre-arrival process.

1.12. After business processes were identified, the next step was to collect the requested data to fulfill all business processes for each agency, for verification, notification, and feedback. It is important to note that the single window does not take over the work or functions of any integrated ministries or administration, which continue to perform their respective duties. Data collected from traders through the single window is sent to the respective agencies as needed. The system has been equipped with an algorithm to perform these tasks. The data collected is called a superset, which is a collection of all the data required by each Ministry. From this, potential inefficiencies and duplication are identified.

1.13. After the Single Window was established, traders no longer needed to visit its government offices. Instead, they simply register with the National Single Window and submit the required data. Once the process is completed, they will receive a notification from the system regarding the Government's decision. Furthermore, traders can monitor the progress of their application through the Trace and Track Facility. The single window becomes an extraordinary tool for transformation and can even be a game-changer by changing the mindset of business actors and government as service providers. Other impacts include cost and time efficiency, environmental impacts, et cetera. Some of the challenges Indonesia faced in developing the single window included a lack of political will, resistance to change, legal and regulatory challenges, and inadequate stakeholder collaboration. The work was ongoing, and several identified challenges were being resolved.

### **1.3 U.S. Perspectives and Experience on Digitization: Sequencing Implementation Towards Achieving a Single-Window System**

1.14. The United States shared USAID's experience with single-window sequencing, emphasizing that while digitization has become central to Trade Facilitation Agreement (TFA) discussions over the past decade, technology is merely one tool and not the most important component of effective implementation. Attention was drawn USAID's implementation guide, published in 2014 and revised in 2015, which proposed a structured, building-block approach organized into four major

areas: political will and fundamental principles (establishing national committees and transparency), procedural simplification (streamlining formalities), compliance management (risk management and advance rulings), and border agency cooperation (culminating in single window implementation).

1.15. However, it was noted that this approach had rarely been followed in practice. Distinguishing between tools such as software platforms and IT infrastructure, and methodology and core fundamentals, which included essential capabilities for success, was important, and Governments had overemphasized tools while neglecting core fundamentals.

1.16. Political will was also noted as requiring government acknowledgement that private-sector trade matters for economic development, a commitment to improving customer experience for the private sector, and not just government revenue collection. Another aspect of political will was the recognition that single-window implementation constitutes a strategic reform requiring legal change, institutional collaboration, and process simplification beyond IT deployment alone.

1.17. Drawing on USAID's extensive experience across ASEAN, the Philippines, Pakistan, East Africa, Jordan, Rwanda, Bangladesh, and other regions, providing technical design, legal drafting, institutional reform, stakeholder engagement, and regional interoperability support, it was observed that no donor had managed end-to-end implementation, underscoring the necessity of strong domestic government leadership through national trade facilitation committees.

1.18. A USAID assessment revealed that comprehensive and successful single-window implementations are few in number, with most remaining works in progress and lacking interagency collaboration and cooperation, signaling a need to address trust among various elements of government. Finally, it was also emphasized that political will was the single most critical success factor, as a single window was primarily institutional reform and business process re-engineering rather than just IT.

#### **1.4 Digitalization: How Focus on the User Experience Can Boost Trade Facilitation and Compliance**

1.19. The United States requested the Global Alliance for Trade Facilitation (GATF) and the National Foreign Trade Council (NFTC) to share their experiences on the increasing overlap between trade facilitation and compliance and the role of technology.

1.20. GATF noted that they had supported Governments around the world in their trade facilitation reforms, bringing a private sector perspective to make border processes more efficient and secure. Technology has been at the center of much of the work, and as the trade facilitation agenda evolved, becoming increasingly intertwined with compliance and supply chain traceability demands, technology has helped ensure complementarity between the facilitation and compliance agendas. Smart use of technology incentivizes voluntary compliance and reduces costs for both officials and traders, while also enhancing predictability, managing risk, and strengthening cooperation.

1.21. GATF partnered with the NFTC to further explore how businesses are using technology to meet the increasingly demanding challenges of supply chain transparency and cross-border efficiency. It was noted that there was a close relationship between trade facilitation and compliance with cross-border requirements. The use of scalable technology in supporting both facilitation and compliance was also evolving rapidly and being increasingly adopted by companies, which could also benefit MSMEs. Firms are building supply chains that increasingly rely on data-driven technology to achieve both trade facilitation and dynamic compliance objectives. Unlocking the facilitation opportunities in shaping how available technology can facilitate compliance with cross-border requirements required an ongoing dialogue between Governments and industry.

#### **1.5 The Single Window System in Türkiye**

1.22. Türkiye's Single Window System (SWS) was inspired by Article 10 of the TFA, which enables traders to submit trade-related information/documents electronically through a single-entry point to meet import, export, and transit regulatory requirements. The national SWS, operational for customs processes since 2014, integrated 188 electronic documents issued by 24 different stakeholders, supporting efficient customs operations and unique ID generation for tracking.

1.23. The establishment of SWS was a phased, multi-step reform combining political and strategic measures with technical work and business processes. The definition and optimization of these processes were vital, as were simplification and standardization of the customs document. The first step was to identify all parties involved in the single window initiative. Then, protocols were established for data sharing among stakeholders, and datasets were developed based on the WCO Data Model for systems integration. The final stage was the system development, carried out in collaboration with IT experts.

1.24. Operationally, traders submit applications and relevant documents electronically through the single window system, and the competent authority digitally reviews them and issues a decision. Upon approval, a unique reference number is generated and then used to complete the customs declaration. This ID integrates all regulatory and technical checks seamlessly, and traders can complete the custom processes using this ID number.

1.25. The system's core functionalities were designed to eliminate bureaucracy and enhance efficiency. Electronic submissions streamlined document submissions via online platforms, and standardized data exchange ensured consistent unified data transfer among all stakeholders in the single window system. Information sharing was another key functionality of the system, allowing authorized agencies to access submitted data, enhance collaboration, and prevent duplication of effort.

1.26. Key challenges included legal and regulatory harmonization, integration of different and legacy IT systems, data standardization, and resistance to change, which was noted as the hardest to address. SWS implementation benefits included improved operational efficiency, better visibility in decision-making, enhanced intelligence-led risk management, and reduced errors and document forgery. Türkiye noted that SWS had issued over 120 million e-documents over 11 years, and future plans concerning the system focused on expanding its scope to more agencies and processes and improving user interfaces to support paperless trade.

## **2 AUTHORIZED ECONOMIC OPERATORS (AEOS)**

### **2.1 Legal Framework**

2.1. WCO's SAFE Framework serves as the basis for AEO programmes in both China and Hong Kong, China. China Customs' AEO programme incorporated the principles of the WCO's SAFE Framework of Standards into domestic legislation in 2008. China's current AEO legislation comprises several programmes – the Measures for Credit Management of Enterprise Registered and Filed with the General Administration of Customs of the People's Republic of China, the AEO Validation Criteria, the Measures for Management of AEO Validators, the Measures for Management of Enterprise Credit Cultivation, and the Measures for Customs Coordinators.

2.2. Similarly, Hong Kong, China's AEO programme was formally launched in April 2012 and is administered by the Hong Kong Customs under an open, free, and voluntary certificate regime. In full compliance with the WCO SAFE Framework to secure global trade, it aims to enhance international supply chain security and facilitate the movement of legitimate goods with a view to strengthening the competitiveness and marketability of its AEOs.

### **2.2 Eligibility Criteria**

2.3. Enterprises in China are classified into three levels: (i) at the highest level is the Advanced Certified Enterprises, which are AEOs recognized by China Customs and are granted the most facilitative measures; (ii) discredited enterprises that exhibit illegal and non-compliant behaviour and are subject to strict control measures; and (iii) other enterprises are subject to regular management measures.

2.4. In Hong Kong, China, all local enterprises engaging in international supply chain activities, including importers and exporters, manufacturers that have met the security standards, are eligible to join the programme and enjoy multiple trade benefits.

### **2.3 AEO Validator Criteria**

2.5. In China, only Customs staff with professional certifications were allowed to carry out AEO validation work. To ensure the professionalism of validators, China Customs requires each AEO validator to complete specialized training and obtain certification by passing a rigorous written examination and a scenario-based assessment before engaging in validation work. Further, to enhance training effectiveness, China Customs has also established simulated environments for security certification – including containers, means of transport, and premise control – providing on-site practical training to continuously improve the professional competence and certification capacity of validators.

### **2.4 Application Requirements and Process**

2.6. Both China and Hong Kong, China's programmes were noted to be aligned with the WCO SAFE Framework.

2.7. China noted that it had formulated rigorous and detailed criteria for Advanced Certified Enterprises that not only aligned with the WCO SAFE Framework but also reflected the practical realities of business operations in China. The criteria consist of general and specific criteria. The General Criteria apply to all enterprises applying for AEO status, while the Specific Criteria are tailored to enterprises with different types and business scopes.

2.8. The general criteria cover four main aspects: internal control, financial status, compliance, and trade security. The specific criteria cover 10 aspects, including processing trade and bonded import/export operations, express operations, among others. Enterprises must comply with both general and corresponding specific criteria. For example, a cross-border e-commerce platform enterprise seeking AEO status must comply with both the general and the specific criteria tailored to cross-border e-commerce business. The approach of combining general and specific criteria ensures that enterprises meet fundamental compliance and security requirements while avoiding the problem of mechanically applying a simple, uniform set of criteria to diverse enterprise types, leading to more precise and effective certification outcomes.

2.9. To align with the WCO SAFE framework, Hong Kong Customs had similarly introduced 12 security and safety criteria under the AEO programme to assess whether a company can attain AEO status. Companies that meet the first 10 criteria concerning the fundamental and core aspects of the company's supply chain operation, including company background, financial soundness, and a range of security standards related to personnel, cargo, and premises, can attain Tier 1 AEO status. Companies that meet the additional 11<sup>th</sup> and 12<sup>th</sup> criteria for crisis management and improvement measures can attain Tier 2 AEO status. Both levels of certification are valid for three years.

### **2.5 Benefits for Certified Operators**

2.10. The benefits that AEOs received under the programmes varied but were broadly trade facilitative, focusing on reduced administrative burdens, lower costs, and faster processing, among others.

2.11. China implements 45 facilitation measures across 5 categories applicable to AEO enterprises, including priority processing, reduced inspection frequency, lower clearance costs, shorter processing times, and optimized services. AEOs also benefited from priority treatment that was available at the AEO priority counter in all Customs houses. Other benefits for AEOs include exemption from guarantee requirements and support through the customs coordinator service for resolving queries. Customs also undertakes credit cultivation through group training and capacity building for companies and works closely with other agencies, such as Revenue, to implement joint incentive measures, including increased credit quotas and reduced loan interest rates.

2.12. Similarly, Hong Kong, China's AEO programme provides multiple benefits to companies, such as facilitation of customs clearance, including reduced customs inspections and prioritized customs clearance for in and out cargoes. Hong Kong AEOs are recognized as trusted partners of Customs, and such companies can enhance their brand by using the Hong Kong AEO logo on their websites, business cards, etc.

## 2.6 MRAs and International Cooperation

2.13. Members reported that they had several mutual recognition agreements (MRAs) in place to advance customs cooperation and noted ongoing efforts to further establish MRAs to extend benefits of AEO certification. China noted that it had engaged extensively in international mutual recognition cooperation and had signed 31 AEO MRAs covering 57 countries and regions. Hong Kong, China noted that it had concluded 17 AEO MRAs, including with the Chinese mainland; India; Republic of Korea; Singapore; Thailand; Malaysia; Japan; Australia; New Zealand; Israel; Canada; Mexico; Macao, China; Bahrain; South Africa; and Saudi Arabia, and it continued to establish partnerships and MRAs with other customs administrations including Chile, Peru, Kazakhstan, Qatar, UAE, and the Philippines.

2.14. Regarding international cooperation, China has actively provided capacity-building assistance to trade partners in need, signing memorandums of understanding on capacity-building cooperation with Turkmenistan and Togo. It also implemented automatic AEO information exchange with customs of the EU; Hong Kong, China; and Macao, China, updating the AEO enterprise list once a day. This has significantly enhanced the efficiency of information exchange, ensuring that enterprises can promptly benefit from mutual recognition. The automatic information exchange mechanisms with South Africa, Switzerland, and Belarus are under construction.

## 2.7 Support for Small and Medium-Sized Enterprises (SMEs)

2.15. Given Hong Kong, China's unique business environment of SMEs accounting for over 98% of business units, and to encourage the integration of these SMEs into the AEO programme, it has introduced the Two-Tier AEO system, so that SMEs with fewer resources can attain AEO status and enjoy trade facilitation benefits. Further, a multi-pronged strategy has been adopted to promote the AEO programme. First, all information regarding the programme is easily available online, and a hotline and email have also been established to handle inquiries and facilitate communications. Second, Customs constantly collaborates with various relevant organizations, such as local trade organizations and foreign chambers of commerce, to organize talks and activities to reach out to target industries, especially the SMEs.

2.16. Hong Kong, China, has also introduced an online tool, called the AEO iPass, that was available to companies interested in applying for AEO status to self-assess their readiness and also offered professional assistance through its cultivation team and assigned account managers, at no cost, to SMEs applying for AEO status.

## 2.8 Future areas of work

2.17. Negotiating more MRAs was a common area of future work for both China and Hong Kong, China. China noted that it looked forward to enhancing its cooperation on several fronts, including on automatic AEO information exchange. Similarly, Hong Kong, China, sought to better engage the SME sector in the development of its AEO programme to facilitate trade development and maintain global supply chain security.

## 3 OTHER EXPERIENCE-SHARING TOPICS

### 3.1 Risk Management

3.1. Pakistan shared its experience operating a Risk Management System (RMS) that began in 2003 and became necessary due to the high number of declarations filed. Pakistan Customs operates an advanced, data-centric RMS designed in accordance with Article 7.4 of the TFA, strengthening both trade facilitation and revenue protection. Oversight of RMS rests with the Directorate General of Intelligence & Risk Management, supported by the Risk Management Committee (RMC), Local RMCs, and a dedicated technology team working through the Pakistan Single Window (PSW). RMS is deployed uniformly across all modes of entry and exit, including seaports, airports, dry ports, and land border stations, ensuring nationwide consistency in customs controls.

3.2. Pakistan has progressively upgraded its risk management capability – a significant leap was achieved with the introduction of the Machine-Learning-based Import Risk Evaluation Engine (IREE) in 2017. RMS has delivered tangible improvements: a higher proportion of consignments are cleared

through the green channel (where no inspection or assessment is required), processing times have declined across major ports, and enforcement efficiency has increased through more targeted interventions.

3.3. Recent developments include an artificial intelligence-based RMS 2.0 and the rollout of the Automatic Entry Exit System using modern non-intrusive inspection scanners, scheduled for full implementation by the end of 2025. However, challenges pertaining to qualified human information technology resources remain. Looking ahead, Pakistan Customs aims to integrate natural language processing for HS code guidance, automated information extraction from trade documents, enhanced machine learning-driven scoring, and broader inter-agency data sharing to strengthen national-level risk management.

### **3.2 Accelerate Trade Facilitation Programme**

3.4. The United Kingdom and UNCTAD presented on the successes of the Accelerate Trade Facilitation Programme, which was delivered jointly with the World Customs Organization, in implementing trade facilitation reforms and supporting national trade facilitation committees in improving reform processes and transparency requirements at the WTO.

3.5. In December 2015, UNCTAD launched the Empowerment Programme for Trade Facilitation in Sudan, under the UK Finance Accelerated Trade Facilitation Programme. Over the past decade, UNCTAD has supported more than 80 countries across all regions, helping them navigate the complexities of trade facilitation in an increasingly digital and disruptive global trade environment. This included training over 3,500 stakeholders through the Trade Facilitation e-learning platform launched in 2021, monitoring trade facilitation reforms using the UNCTAD Reform Tracker, and implementing trade information portals in over 30 countries, enhancing transparency and simplifying trade procedures.

3.6. While the UK-financed Accelerated Trade Facilitation Programme helped UNCTAD kick off and sustain its Empowerment Programme over the past decade, the Programme has been made possible through the trust and support of over 15 donor countries, regional organizations, and development banks. The success of the Empowerment Programme is rooted in UNCTAD's integrated approach, working closely with partners, including the World Trade Organization, the World Customs Organization, the UN Regional Commissions, and the International Trade Center.

3.7. UNCTAD also shared that a new study on National Trade Facilitation Committees, announced during the last CTF meeting in June, was now available. The report provides a comprehensive overview of NTFC's work in 2024, drawing on contributions from over 60 countries and offering valuable insights into progress made and areas where further efforts are needed. Regarding future work, UNCTAD indicated that they would initiate collecting information on NTFC activities for 2025 and hoped for deeper collaboration and contributions from all stakeholders.

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