Single Window for Trade Facilitation: Japan's Experience

22 October 2024

Customs and Tariff Bureau,
Ministry of Finance, Japan

NACCS : Nippon **A**utomated **C**argo and Port **C**onsolidated **S**ystem

NACCS is a system which is jointly used by the public and private sectors, and which electronically processes administrative procedures, that is: Customs procedures, Import/Export-related procedures (Food Quarantine, Animal/Plant Quarantine and Trade Control) and Port-related procedures (Arrival/Departure Procedures), as well as private procedures such as transportation and storage.

NACCS is managed and operated by a private company, NACCS Center.

About NACCS Center

Purpose of NACCS Center Inc.

NACCS Center Inc. is a stock company that operates and manages NACCS to ensure speedy and accurate import/export related operations.

Scope of business of NACCS Center Inc.

- ▷ Operate and manage NACCS that processes import/export business
- ▷ Develop and store program/data of NACCS
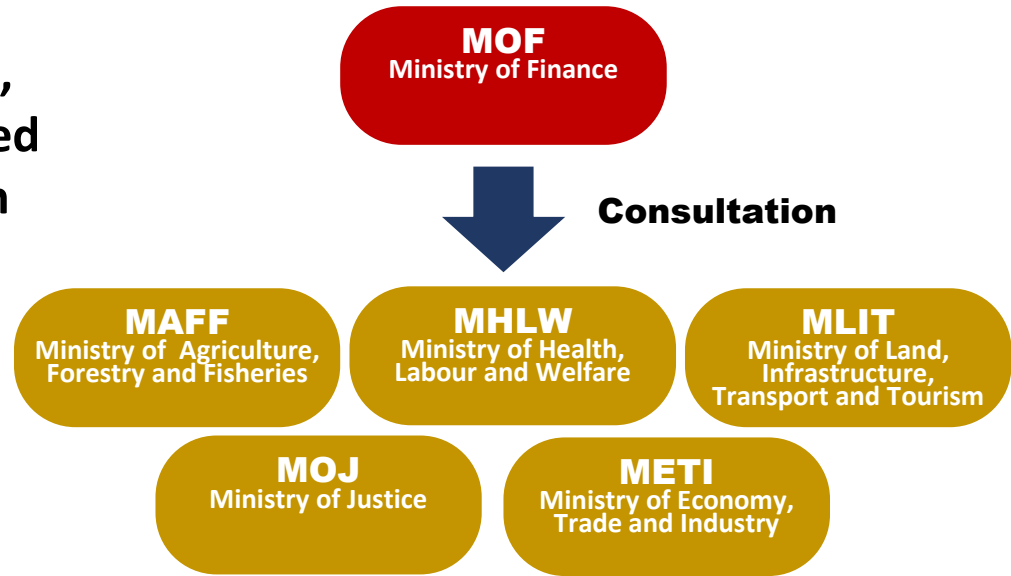- ▷ Operate incidental business to operating NACCS

In operating the above business, NACCS Center strives for providing customers with its national service at as low a fee as possible by effective and efficient corporate management.
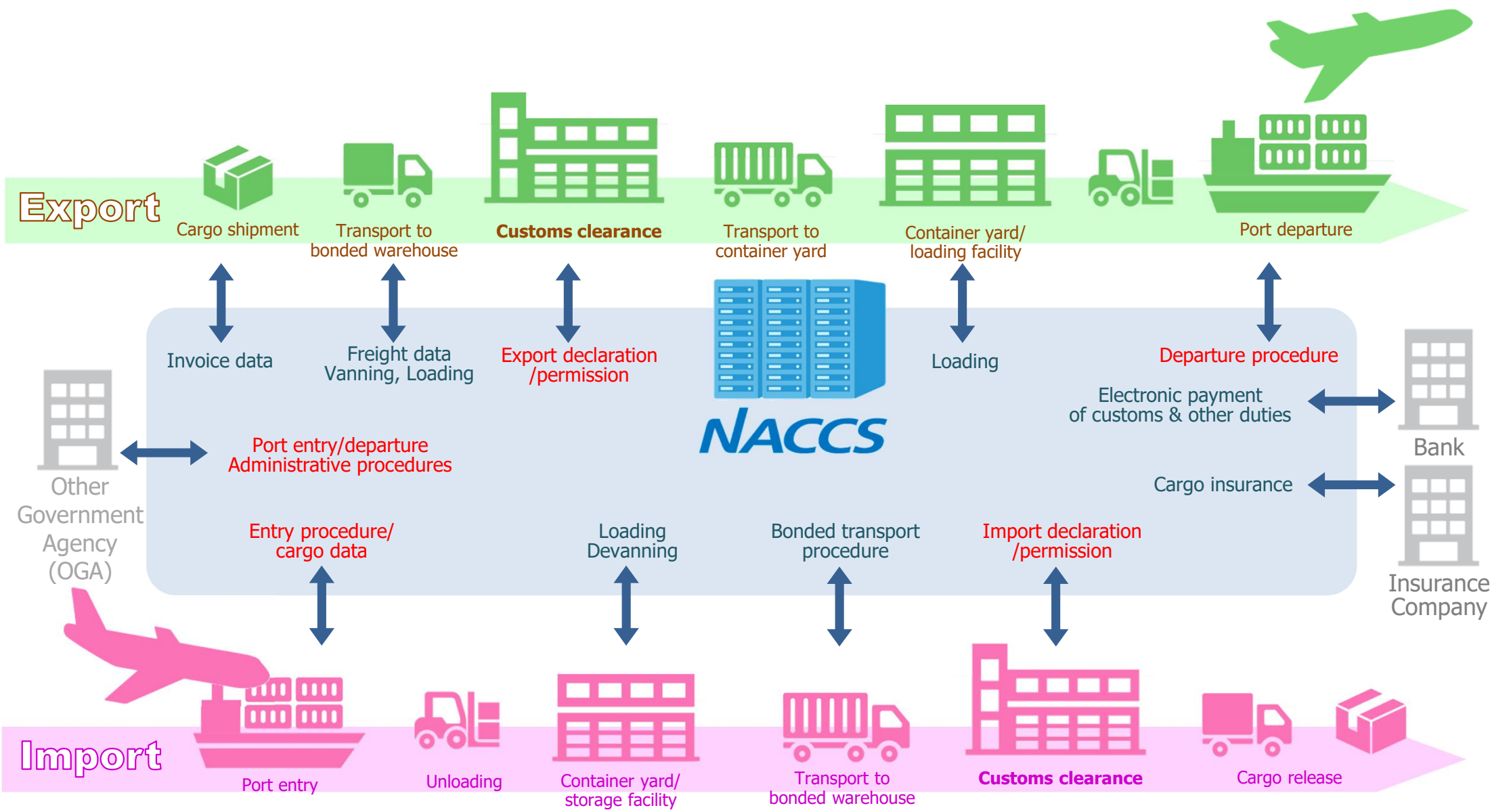
-Stipulated by NACCS Law

Government involvement

- ▷ To ensure the fair and stable operation of NACCS, government is requested to be constantly involved in the management of NACCS Center Inc. through its authority as stipulated by the Law.
  - ▷ Authorization of articles of incorporation, annual business plan
  - ▷ Supervision, inspection of business activity
  - ▷ Voting right as stockholder

MOF
Ministry of Finance

Consultation

MAFF
Ministry of Agriculture, Forestry and Fisheries

MHLW
Ministry of Health, Labour and Welfare

MLIT
Ministry of Land, Infrastructure, Transport and Tourism

MOJ
Ministry of Justice

METI
Ministry of Economy, Trade and Industry

Import/Export-related Procedures

Export

Cargo shipment	Transport to bonded warehouse	**Customs clearance**	Transport to container yard	Container yard/ loading facility	Port departure

Invoice data	Freight data Vanning, Loading	Export declaration /permission		Loading	Departure procedure

NACCS

Electronic payment of customs & other duties

Bank

Port entry/departure Administrative procedures

Cargo insurance

Other Government Agency (OGA)

Entry procedure/ cargo data		Loading Devanning	Bonded transport procedure	Import declaration /permission	

Insurance Company

Import

Port entry	Unloading	Container yard/ storage facility	Transport to bonded warehouse	**Customs clearance**	Cargo release

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History of NACCS

Air-NACCS

1978: Version.1 started its service for import air cargo
1985: Version.2 extended operation to export air cargo

1993: Version.3 extended operation to arrival/departure procedures

2001: Version.4 expanded its function

Sea-NACCS

1991: Version.1 started its service for import/export cargo

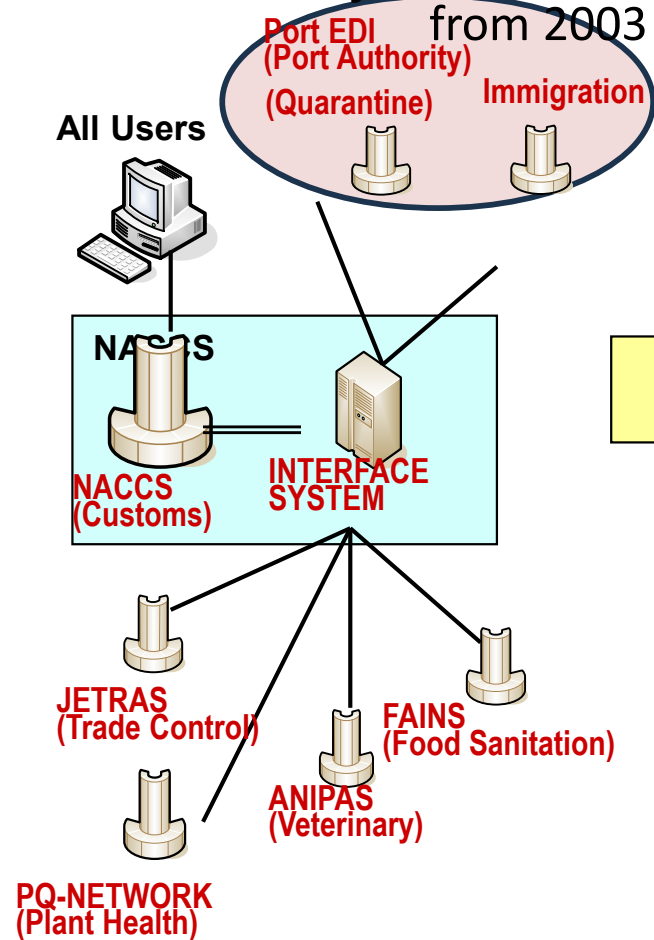1999: Version.2 expanded its function

2008: Version.3 expanded its function

2010: Integrated NACCS (Version.5) was put into operation

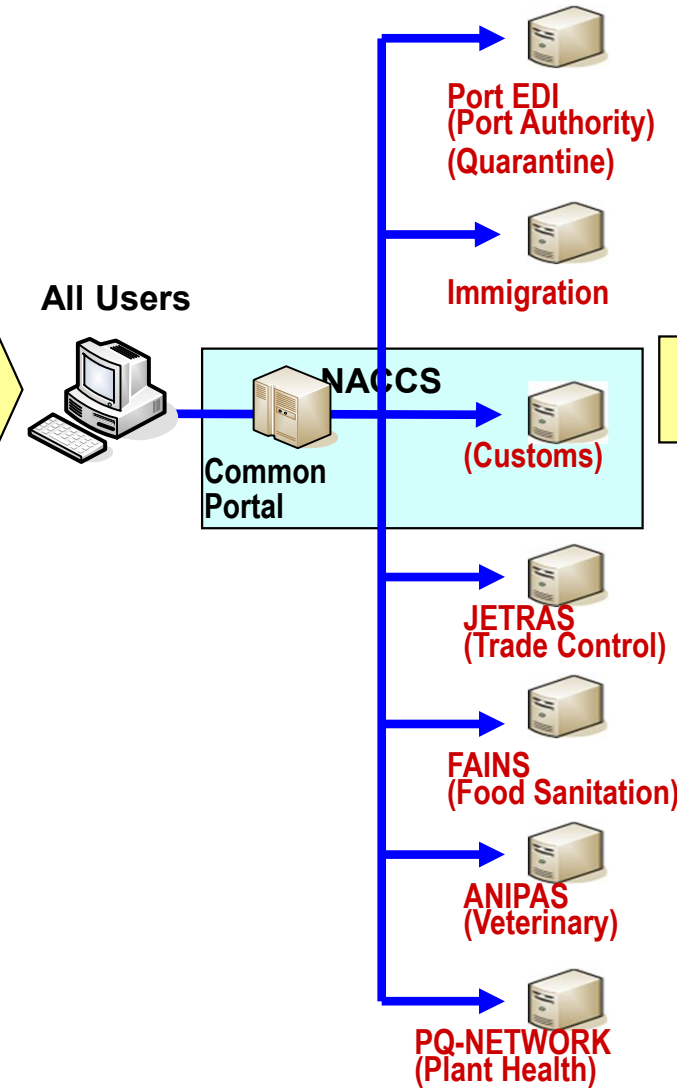**2024: Version.6 of NACCS (Since October of 2017)**

2025: Version.7 of NACCS will start operating
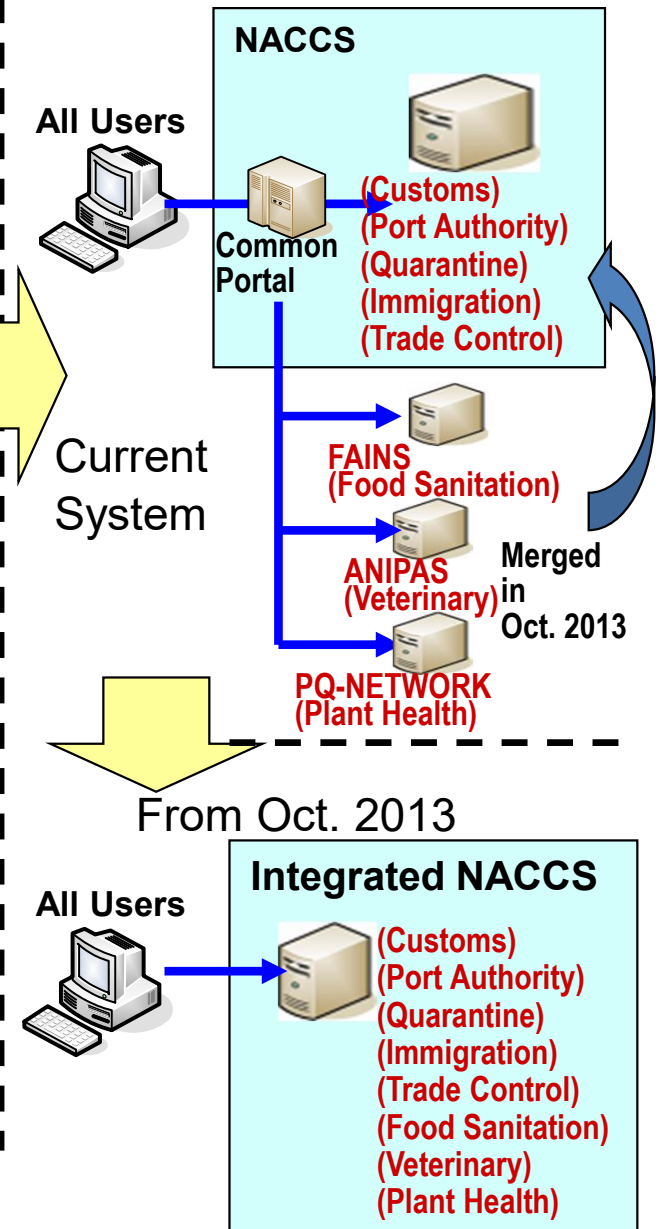
First Generation (From Apr. 1997, Jul. 2003)
Simple Interfacing SW System
Less User Friendly

from 2003

Port EDI
(Port Authority)
(Quarantine)
Immigration

All Users

NACCS

NACCS
(Customs)

INTERFACE
SYSTEM

JETRAS
(Trade Control)

FAINS
(Food Sanitation)

ANIPAS
(Veterinary)

PQ-NETWORK
(Plant Health)

New Generation (From Oct. 2008)
Common Portal SW System
User Friendly

All Users

Common
Portal

NACCS

Port EDI
(Port Authority)
(Quarantine)

Immigration

(Customs)

JETRAS
(Trade Control)

FAINS
(Food Sanitation)

ANIPAS
(Veterinary)

PQ-NETWORK
(Plant Health)

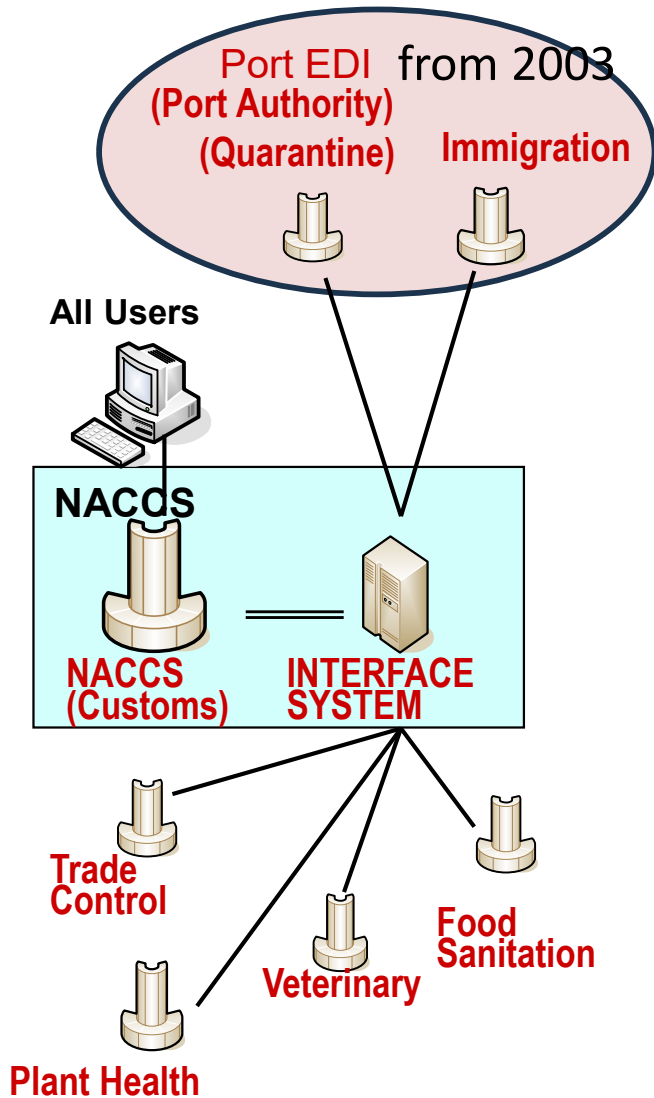# New Dimension (Partially from Oct. 2008 and complete by Oct. 2013)
Integrated NACCS
Very User Friendly, Less Cost

NACCS

All Users

Common
Portal

(Customs)
(Port Authority)
(Quarantine)
(Immigration)
(Trade Control)

FAINS
(Food Sanitation)

ANIPAS
(Veterinary)

Merged
in
Oct. 2013

PQ-NETWORK
(Plant Health)

Current
System

From Oct. 2013

Integrated NACCS

All Users

(Customs)
(Port Authority)
(Quarantine)
(Immigration)
(Trade Control)
(Food Sanitation)
(Veterinary)
(Plant Health)

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Interfacing SW System

Port EDI from 2003
(Port Authority)
(Quarantine) Immigration

All Users

NACCS

NACCS
(Customs)

INTERFACE
SYSTEM

Trade
Control

Veterinary

Food
Sanitation

Plant Health

Although this SW system gives a basic benefit of SW to the users, it is not so user friendly compared with Common Portal SW.

A user is required to obtain and manage multiple IDs and passwords issued by individual Other Government Agency (OGA) systems, and to consult with many help desks if some difficulties occur.
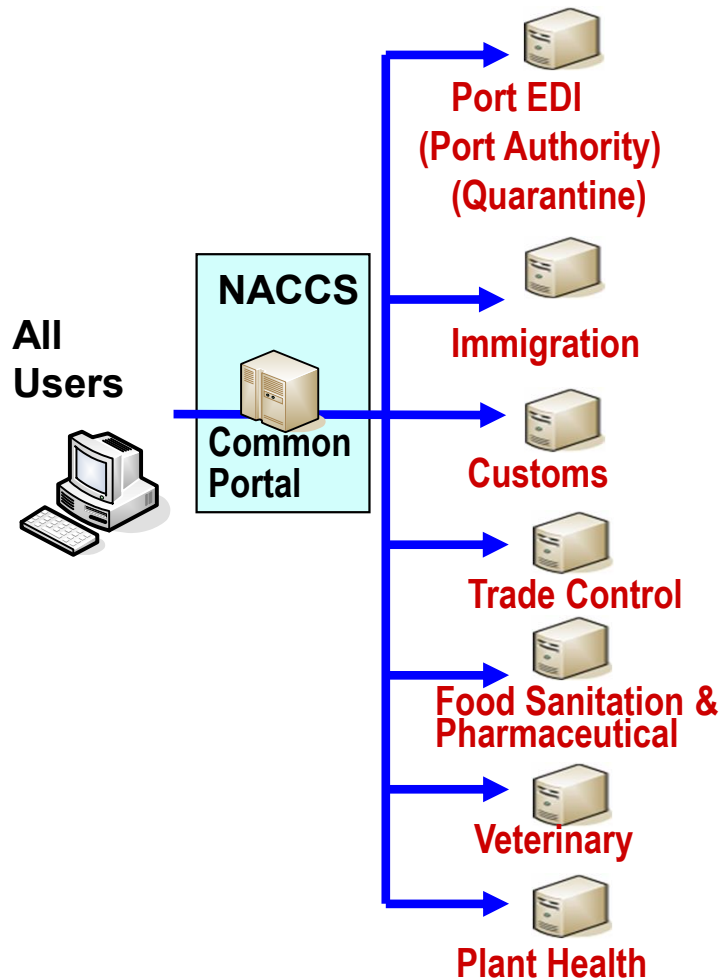
Each OGA system is owned and operated by respective OGA.

More importantly, besides the benefit of SW function, interfacing Customs system with OGAs allows declarants to process customs procedure and OGAs **concurrently**.

Without the interfacing system, declarants are required to take OGA procedures first and then customs procedure at last as the customs is required to confirm all the necessary official requirements completed prior to the release. This is a so-called "one by one process", which is much more time consuming than the concurrent process.

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Next Generation (From Oct. 2008)
Common Portal SW System

All Users

NACCS

Common Portal

- Port EDI (Port Authority) (Quarantine)
- Immigration
- Customs
- Trade Control
- Food Sanitation & Pharmaceutical
- Veterinary
- Plant Health

More User-Friendly System

A user is merely required to obtain and manage one ID and password issued by the Common Portal Administrator (NACCS Center), and to consult with Common Portal's single help desk.

Each OGA system is owned by respective OGA, but the daily system operation is managed by the administrator of the Common Portal (NACCS Center) because all queries on the system operation come to the help desk of the Common Portal.
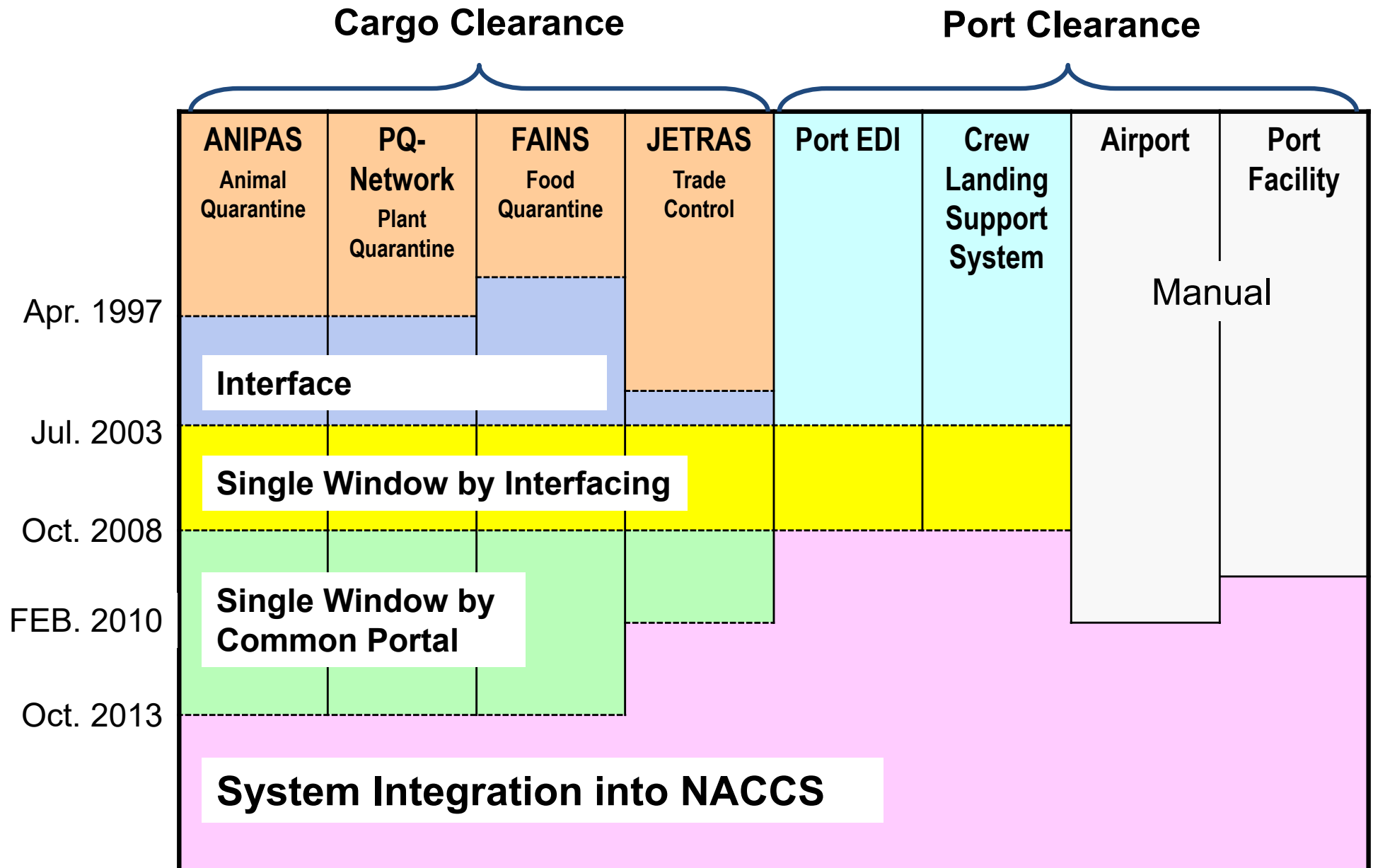
Ultimate Solution (From Oct. 2013):
Integrated NACCS

Integrated NACCS

All Users

(Customs)

(Port Authority)

(Quarantine)

(Immigration)

(Trade Control)

(Food Sanitation)

(Pharmaceutical)

(Veterinary)

(Plant Health)

Very User-Friendly, Less Cost
Advantage of Common Portal Plus

- Less development cost by avoiding the duplication of hard and software
- Less system maintenance costs by the integration of hardware
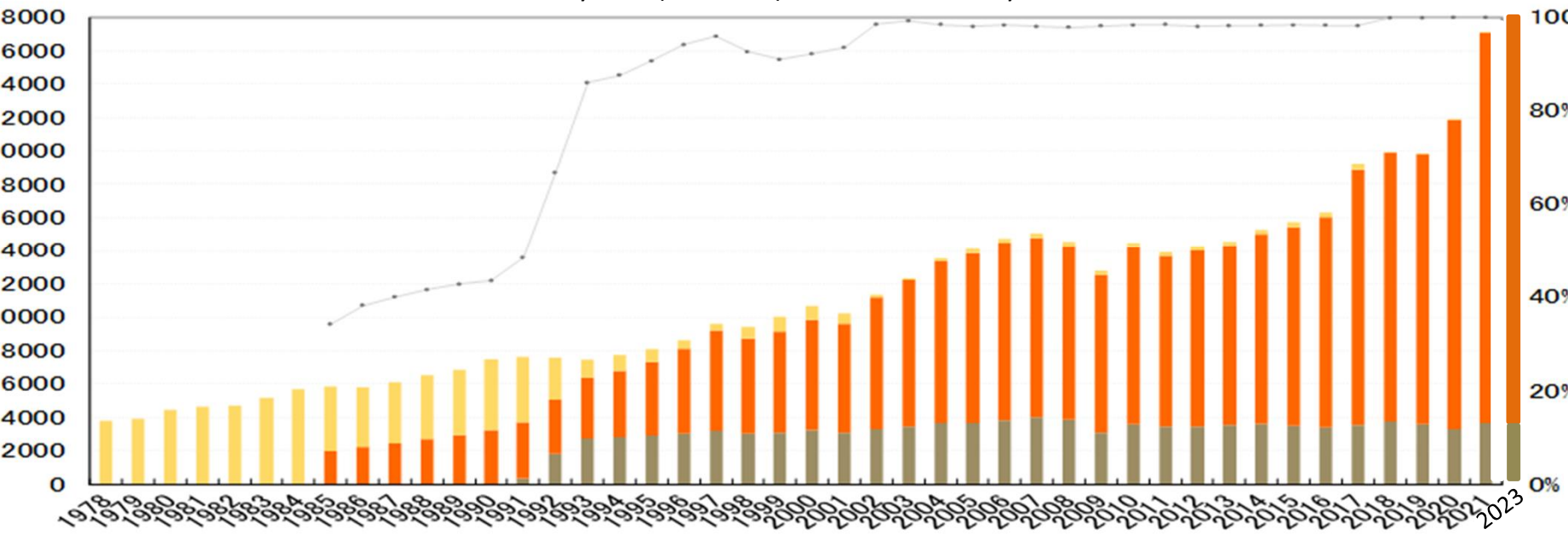- Quicker response due to the single system (No network between the systems)

Towards System Integration

Number of Customs Procedures processed by NACCS and Ratio Processed by the System
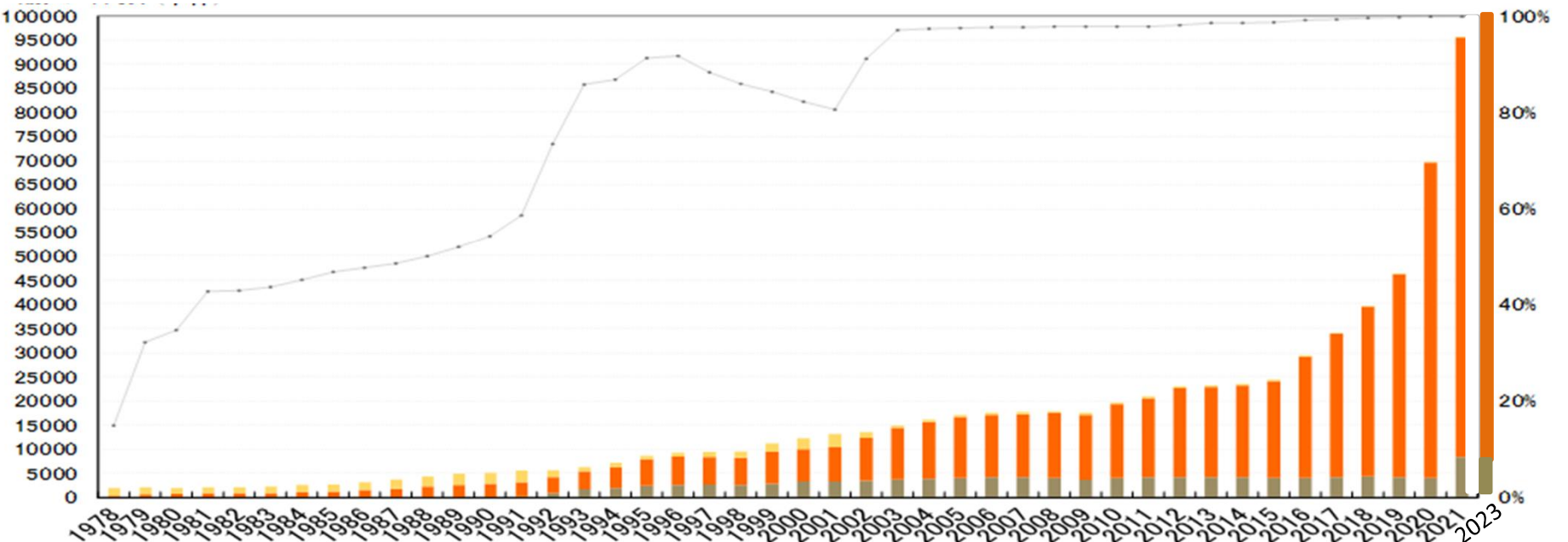

Number of Export (thousand)

Legend: Manual, System (maritime), System (air), Ratio of System

NACCS Export(A)
Air   27.3 million
Maritime 3.7 million
Total(B)   31 million
Ratio(A/B)   99%

NACCS Import(A)
Air: 130 million
Maritime: 10 million
Total(B)   140 million
Ratio(A/B)   99%

Number of Import (thousand)

NACCS Total(A)
Air: 157.3 million
Maritime: 13.8 million
Total(B)   171.1 million
Ratio(A/B) 99.9%

(Year 2023)

System utilisation rate

24 hours per day, 7 days a week (other than planned system shutdown)

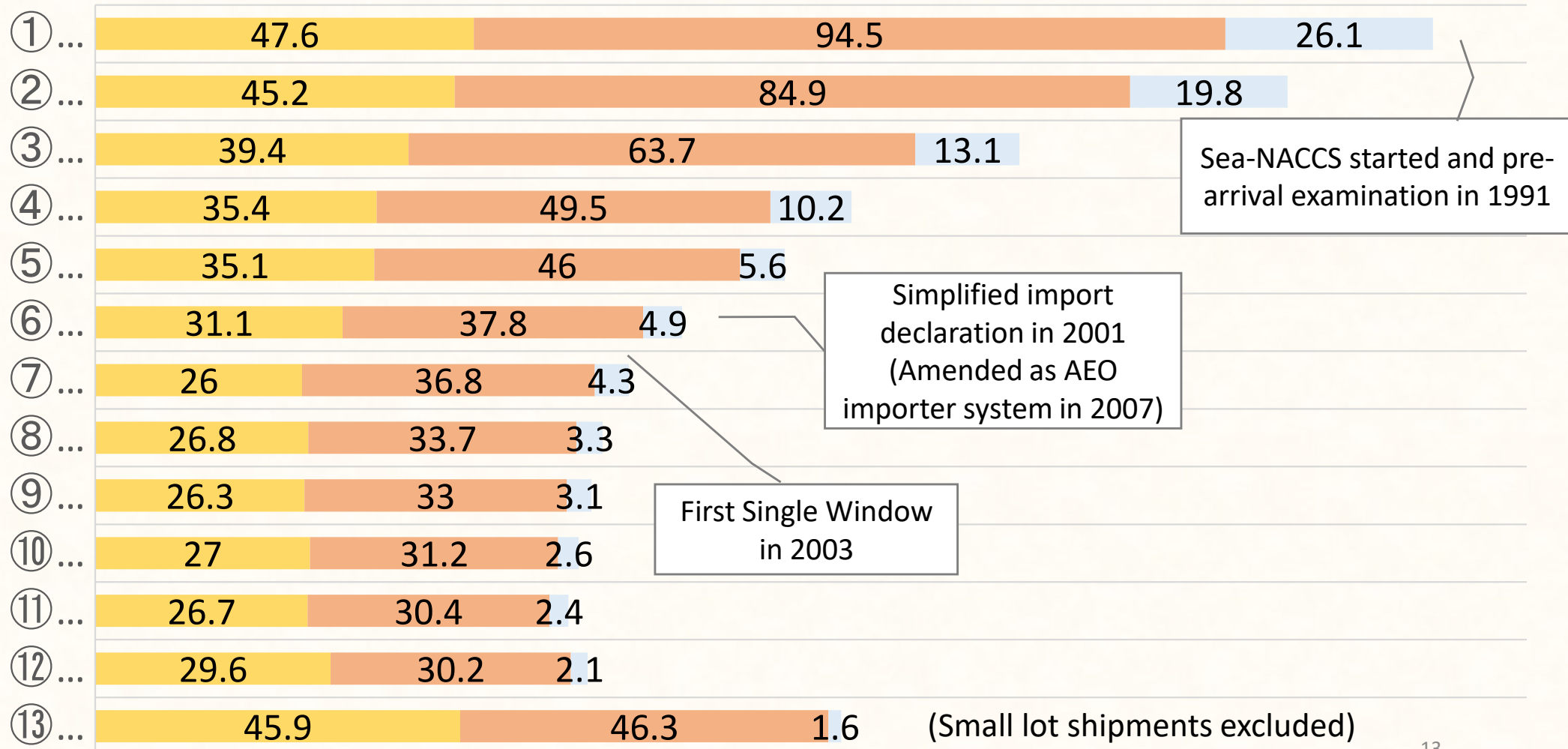| Fiscal year	Utilisation rate
2014	100%
2015	100%
2016	99.99%
2017	100%
2018	100%
2019	100%
2020	100%
2021	99.99%
2022	100%
2023	99.90%

Time Release Study

CHANGES IN THE MEANTIME REQUIRED FOR A TIME PERIOD FROM ARRIVAL TO RELEASE *ON SEA CARGO*
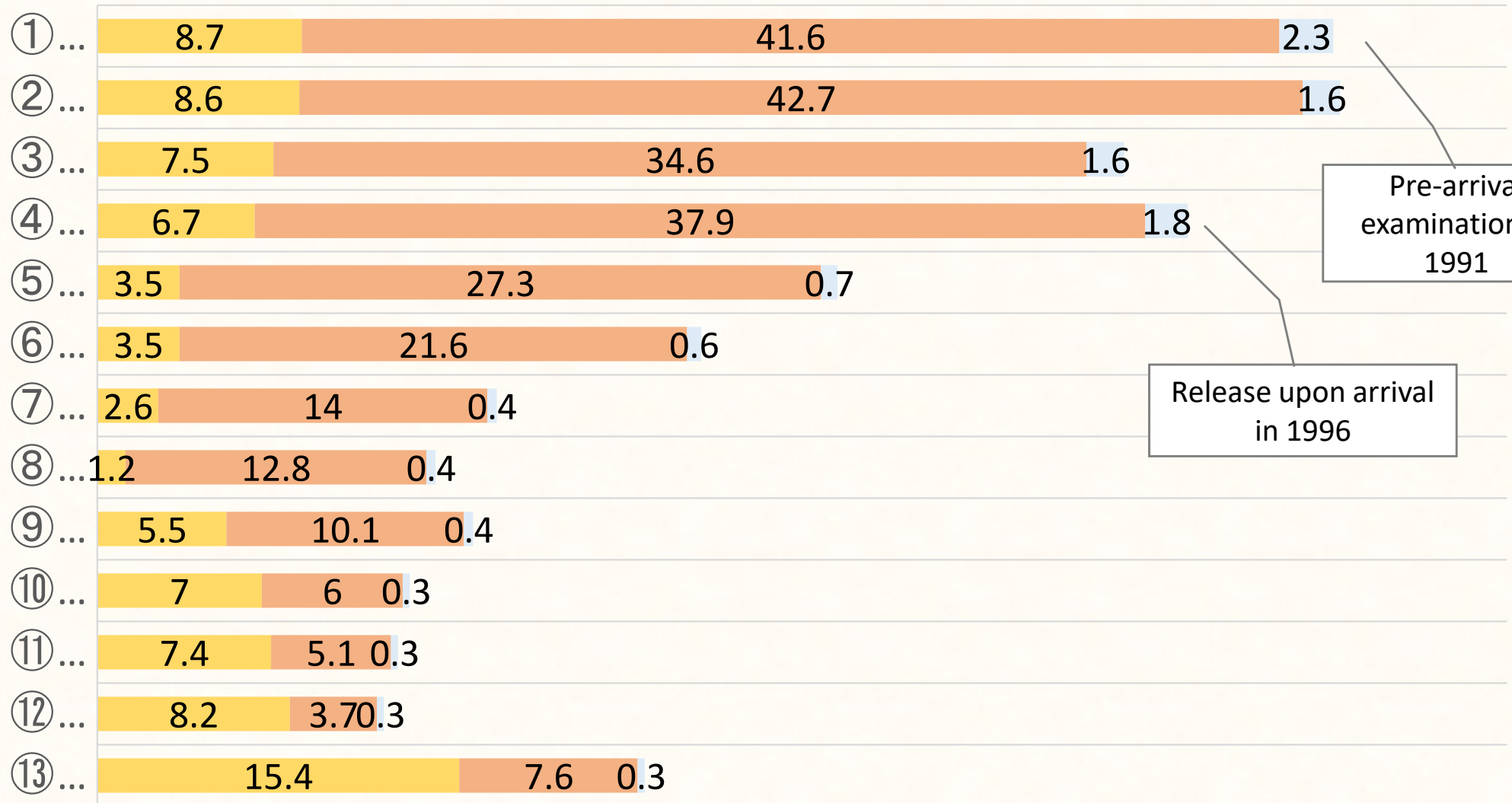
- Arrival〜Warehousing
- Warehousing〜Declaration
- Declaration〜Release

	Arrival〜Warehousing	Warehousing〜Declaration	Declaration〜Release
①	47.6	94.5	26.1
②	45.2	84.9	19.8
③	39.4	63.7	13.1
④	35.4	49.5	10.2
⑤	35.1	46	5.6
⑥	31.1	37.8	4.9
⑦	26	36.8	4.3
⑧	26.8	33.7	3.3
⑨	26.3	33	3.1
⑩	27	31.2	2.6
⑪	26.7	30.4	2.4
⑫	29.6	30.2	2.1
⑬	45.9	46.3	1.6

Sea-NACCS started and pre-arrival examination in 1991

Simplified import declaration in 2001 (Amended as AEO importer system in 2007)

First Single Window in 2003

(Small lot shipments excluded)

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CHANGES IN THE MEANTIME REQUIRED FOR A TIME PERIOD FROM ARRIVAL TO RELEASE _ON AIR CARGO_

Challenges and way forward on Single Window

Digitalization of documents related to customs and trade

➢ Develop an environment to promote the digitalization of document and/or procedures through scanning of paper and OCR (Optical Character Recognition) of PDF documents

＜Recent and Upcoming Projects＞

➢ CO data exchange (Jun. 2023）

➢ Update of NACCS (Oct. 2025)

✓ Update for responding rapidly increased e-commerce

✓ Add new services

Take away

- Single window can be established step by step
- The goal is not to make a single window itself, but to facilitate import/export and other related procedures.
- It is essential to:
  - Analyse if procedures are necessary or not, and then analyse if procedures can be integrated
  - Effectively link systems
- Introduce stable system
- Training staff

Thank you

22 October 2024