



# Functional Scope of the National Single Window for Sri Lanka

Sri Lanka is committed to create a National Single Window (NSW) as a national priority, with the support from the highest levels in the government and the private sector. At this point in time, Sri Lanka is at the very beginning of the project life cycle in the establishment of a NSW. A NSW will allow businesses to lodge information and documents with a single-entry point, to fulfill all import, export, and transit-related regulatory requirements. The implementation of the NSW is also a legal obligation under the World Trade Organisation's (WTO) Trade Facilitation Agreement (TFA), which Sri Lanka has ratified to improve its business competitiveness.

Under the EU-Sri Lanka Trade-Related Assistance project, funded by the European Union (EU), and implemented by the International Trade Centre (ITC), in collaboration with Government of Sri Lanka (GOSL), ITC together with the Institute of Policy Studies of Sri Lanka (IPS) organised four public-private consultations (PPCs) to foster stakeholder discussion on functionality, governance, operator, and implementation of the NSW. The first PPC discussed the functional scope of a NSW based on a discussion paper on the same, with public and private stakeholders. This policy brief summarizes the discussion paper and proceedings from the PPC.

### What is a Single Window?

A 'Single Window' is a facility that allows parties involved in trade and transport to lodge standardised information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements. A NSW could take the form of a fully paper-based single window, a combination of paper and

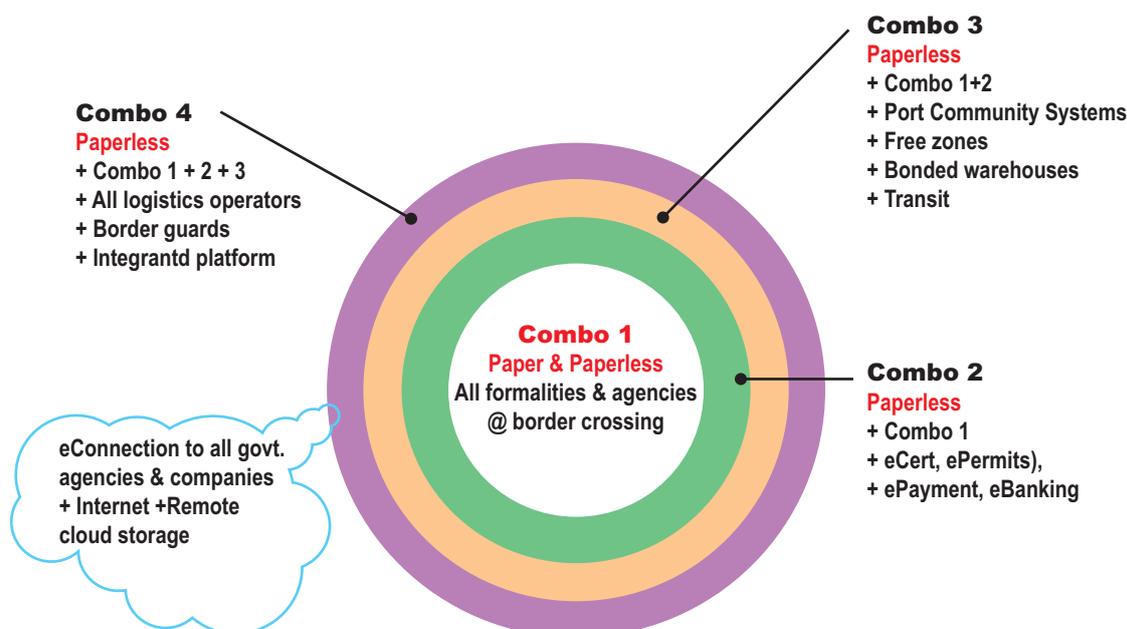
### Main Functions of NSW

Main functionalities in NSW can include but are not limited to:

- Submission of any form or document required for cross-border formalities, such as Customs declarations and notifications, permits and certificates.
- Single submission: guarantees that traders need to provide information only once.
- Interoperability of systems: the availability of the E-Permits, E-certificates and the single submission facility will depend on the interoperability of the information and systems used by the SW that handle them.
- Coordinated inspection: ensures coordination of all government agencies by the SW so that goods will be inspected only once and thereby avoid extra costs, time, and potential damage to the goods from re-inspection.
- Application of automated risk management: allows better targeting and a reduction in the number of inspections in line with staff availability.
- Information and helpdesk: will assist users to overcome any practical problems that may occur.
- Paperless customs: all customs formalities can be performed electronically by using the NSW.
- E-Permits and E-certificates: any permit and certificate related to cross border operations will be available in an electronic format
- Payment of duties and taxes, fees, charges, penalties and refunds: NSW offers an electronic payment service connected to the banking sector to enable immediate on-line payment of all duties and taxes, fees, charges and penalties.
- Appropriate measures for expedited shipments and perishable goods to ensure they reach the destination in line with business requirements.
- Establishment and publication of Key Performance Indicators (KPIs) such as average release times as well as information on these KPIs.
- Electronic submission of port and transport related documentation: NSW will be connected electronically with the (air/sea) Port Community Systems to streamline formalities and to enable the required information exchanges between the PCS and SW.
- Management of bonded warehouses (under customs control) can be performed via the NSW.
- Management of transshipments, domestic transfer, and transit shipments
- Management of selected services linked to cross-border activities including 'downstream' formalities which occur post release of the goods for which follow-up control is required.

It is important to note that there is no globally recognised definition of a Single Window, which lists the functionalities to be offered. NSWs are often the result of gradual evolution and progress made in respect of a historic situation in a country. Therefore, each NSW is a unique combination of the different functions described above, reached on the basis of national priorities, availability of finances, expertise, etc.

**Figure 1 NSW Incremental Scope Combinations**



electronic submission, or a fully electronic single window.

#### Four Incremental Combinations of Functionalities in NSW

In order to illustrate how the set of functionalities can be implemented incrementally, four combinations are proposed below Figure 1. These combinations are neither exhaustive nor the only possibilities.

They have been assembled on the basis of what seems logical and what other countries have done before. The figure shows these four combinations, which indicate at the centre, Combination 1, the minimal functionality of a NSW required to be in line with the WTO TFA. At this basic level, the submission of electronic data (information) as well as paper-based documents is allowed, whilst at the next levels, all information exchange is electronic, and the functionality is gradually extended to cover various functions and stakeholders involved in trading goods across the border.

#### Recommendations

■ At NSW inception (2022), the stakeholder consensus was to have a Customs and Regulatory Single Window (Combo 2) which included the following functionalities as a minimum: 1) Single submission; 2) Paperless customs; 3) E-permits and E-certificates; 4) Payment of duties, taxes, fees,

charges and penalties; 5) Submission of customs declarations and notifications; 6) Information and Help Desk. Other functionalities, if not all, could be included at a later stage of implementation. These included: coordinated inspection, application of automated risk management, etc.

■ Although some government agencies have technical and institutional capabilities to implement the NSW, there was much work to be done to address: internal resistance to change within government agencies, financial constraints to upgrading, infrastructure gaps (ICT maturity levels vary significantly across government agencies and country, internet connectivity, electricity); human resources, knowledge and skills to use the NSW; amendments to current legal provisions.

■ While some traders and agents may have the necessary technical, knowledge and infrastructure to use the NSW, especially larger companies, others could be provided information and trained to use the NSW. Also, booths could be set up and those located in regional areas up to serve SMEs as part of the NSW implementation programme.

■ Of the 37 government regulatory agencies, a number of heavy traffic agencies should be included in the NSW on a priority basis while others to be added over time based on resources

available. The heavy traffic agencies include:

- Sri Lanka Customs;
- Department of Import and Export Control;
- Animal Quarantine Office - Department of Animal Production & Health;
- National Plant Quarantine Services - Department of Agriculture;
- Food Control Administration Unit - Ministry of Health;
- NMRA;
- SLSI;
- Board of Investment;
- Ports and air ports;

■ NSW should be adapted to the needs of Sri Lanka based on the functions selected, time factor, available resources, and capacities.

*This Policy Insight is based on a PPC and background paper prepared by Frank Janssen, ITC Consultant, and Janaka Wijayasiri, Kithmina Hewage and Nuwanthi Senaratne of IPS with inputs from Pierre Bonthonneau and Eleonora Salluzzi of ITC. The first PPC was held on 5 April, 2018 in Colombo.*



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