



POSITION PAPER

Unique Consignment References (UCR)

The International Federation of Freight Forwarders Associations (FIATA), was established in Vienna in 1926, and is the largest Non-Governmental Organization in the field of International Transport and logistics. Its membership includes National Freight Forwarders Associations, operating in over 100 countries, representing over 45,000 local logistics companies, employing in excess of 10 million persons, as well as individual members domiciled in over 150 countries.

Our members act as service providers to international trade logistics and supply chain management which facilitates trade internationally. In this service provision role they act as transportation intermediary for the vast majority of the commercial cargo carried internationally by air and shipping lines, they also run regular consolidated services by road, rail and inland waterways. In addition FIATA Members accomplish Customs, security and safety compliance formalities and as required provide services as to banking and transport insurance for their shipper customers. In addition to the traditional trading compliance tasks pertaining to fiscal and financial obligations, FIATA Members are now faced with security requirements that are becoming more and more stringent, as well as diverse. It is therefore timely to undertake a fresh look at our traditional facilitation instruments, in particular in regards of Customs policy and process.

In light of the on-going discussions at the World Customs Organisation (WCO) on the Unique Consignment References (UCR), FIATA has decided to review this initiative with the intention to present its position to all stakeholders, in particular to the WCO.

The UCR concept as described in the WCO UCR Recommendation has the potential of being a major facilitator and expeditor of international trade. Where properly applied it could significantly expedite the exchange of information between parties in the supply chain, it can also contribute to making the reporting to Customs authorities more timely and accurate as well as flexible .

The WCO UCR project is visionary, ambitious and therefore also extremely challenging. To make it work, the unique reference number must be attributed at the earliest possible stage in the supply chain. In FIATA's opinion for the most practicable, cost efficient and cost-effective option, this coincides with the time and place where the goods are ready for shipment and are made available for compliance with the first regulatory requirement in the chain. In the case of a regular consignment, this is the moment at which data are required either by the Customs Authorities and/or for security purposes. Next to this it is imperative that the reference is passed on correctly to each of the relevant parties in the supply chain. If one link is missing, the chain is broken.

FIATA understands that others see the contract of sale execution being the place/time where the UCR is determined; from the transport and logistics point of view this is not really helpful. The point when the supply chain starts is a preferred option, as this was and still represents the initial theory of the UCR to control the supply chain. It seems logical to conclude that the UCR is required when the physical movement starts, not before. Other references can be linked to it as and if this is required by trade arrangement. Common experience shows that many changes intervene in between the moment when the order is made, is modified and eventually the moment when the goods are identified and made ready for despatch. When the responsibility to despatch the goods lies with the seller, the purchasing party may not even know precisely when and how the goods are made ready for despatch. This is a

strong indication that neither the seller nor the purchaser is best placed to assign such a common supply chain reference number. On the other hand such a reference number should be able to be determined and communicated as soon as it is available to enable all the supply chain functions to be set in train.

As clearly stated in the Recommendation the UCR serves as an access key. It is not intended to be the source of, but the access key to information relating to the consignment held by the various parties in the supply chain. The UCR not being a source of information in itself will also ensure confidentiality of commercial information. As a mere access key the UCR is by definition a non-significant number. This very important feature of the UCR is clearly recognised in the Recommendation and FIATA insists on the paramount importance of this point, however pressing the interests of different parties may become to change this. For the UCR to function it must be everyone's and nobody's at the same time and this can only be ensured if it is prima-facie meaningless for everybody.

As challenging as it may be, FIATA welcomes the efforts to create a unique number to each consignment through common referencing. A tool that facilitates and expedites international trade throughout the supply chain, as it is also the case of the Globally Networked Customs (GNC) initiative, is indeed an approach that should be supported by both national governments and the private sector.

Given the practical impact on existing procedures on a world wide scale, FIATA advocates for recommending the WCO Member Administrations to encourage the use of the UCR rather than enforcing it. The use of a common reference will facilitate and expedite trade over and above all the existing reference numbers that are currently – at times without appropriate benefit – carried along the value chain. The UCR can improve the efficiency of data exchange and the visibility of the supply chain;

FIATA believes it stands a chance to significantly simplify today's costly formalities. Such efficiency and visibility is also instrumental to Customs and other authorities in performing their public tasks. For these reasons and for the obvious savings that could entail FIATA sees its adoption as win-win situation both for the public and the private sector.

FIATA looks forward to continuing the discussion on UCR at the WCO and remain available to discuss with other stakeholders with a view to the improvement of trade architecture.

For more detailed information please contact the FIATA secretariat.