

## Use Case Scenario:

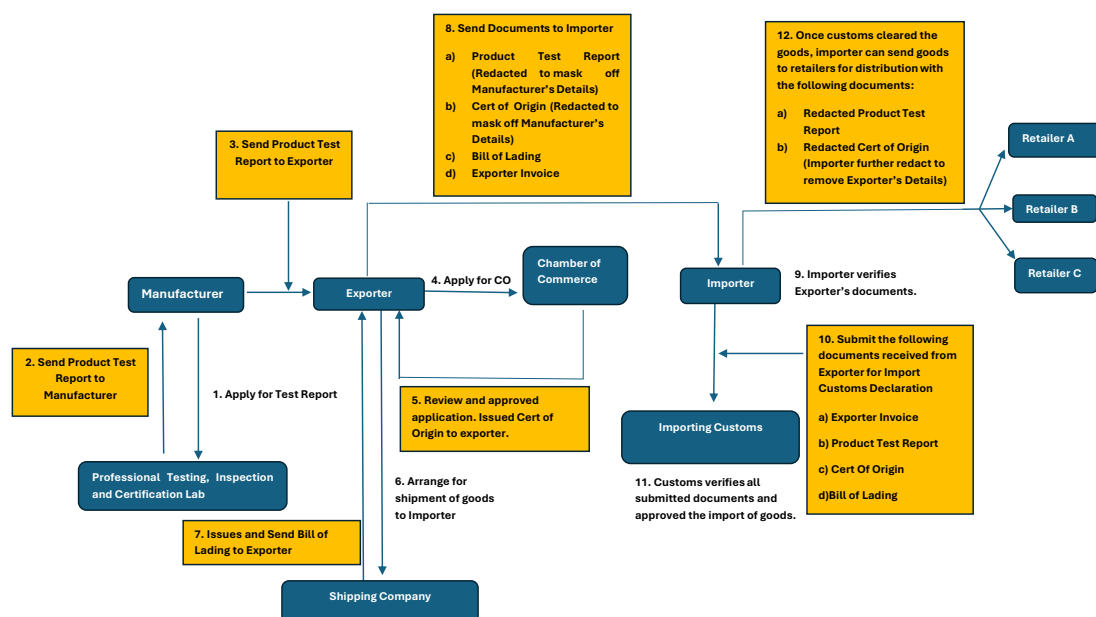
An Exporter sources and buys products from a Manufacturer for export to a destination country. At the destination country, the Importer, who is the Exporter's customer in turn distributes the products to many retailers in the destination country.

To clear Customs at the destination country, the Importer may require the following documents from the Exporter to be presented,

1. Exporter's Invoice
2. Bill of Lading issued by shipping company
3. Certificate of Origin issued by an authorised issuing authority (e.g., a Chamber of Commerce)
4. Product Test Report issued by a testing laboratory from manufacturer

Selective Redaction is used to masked off sensitive information in a lossy manner that upstream party does not want to share with downstream parties. For example, the Exporter may redact the manufacturer's details from the Product Test Report and Certificate of Origin before sending the report to the Importer. The Importer may further redact the Exporter's details from the Certificate of Origin when sharing copies of the certificate with its retailers.

[Note: The scenario above is highly simplified and the list of documents listed are not exhaustive. They are included solely for the purpose of illustrating this use case for Selective Redaction.]



## **Roles (In Blue) in Cross Border Trade**

Professional Testing, Inspection, and Certification Lab:

- Responsible for inspecting, testing, and certifying the products to ensure they meet quality and safety standards.

Manufacturer:

- The company that produces and supplies the products.

Exporter:

- The company that sells and exports the products to the Importer.

Chamber of Commerce:

- An organisation authorised to issue the Certificate of Origin, attesting the origin of the goods.

Importing Customs:

- The governmental body in importing country that validates the Certificate of Origin and review mandatory documents to ensure the goods comply with import regulations.

Importer:

- The company that purchases and imports the goods from the Exporter.

Shipping Company:

- A company that transports goods internationally, facilitating import and export operations.

Retailers

- Businesses that distribute goods to consumers after they are imported and cleared through customs.

### **Trade Flow**

1. The Manufacturer requests a product test report from a professional testing lab to certify that their goods meet the required safety and quality standards.
2. The Test Lab sends the product test report to Manufacturer upon completion of testing.
3. Manufacturer sends the Product Test Report to Exporter.

4. Exporter submit the necessary documents to Chamber of Commerce to apply for the Cert of Origin.
5. The Chamber of Commerce (**Issuer**) will review, approve, and issue Certificate of Origin (**Subject**) to the exporter, certifying the product's origin.
6. The Exporter arranges shipment of goods with the Shipping Company.
7. The Shipping Company issues a Bill of Lading to the Exporter for claiming goods in the importing country.
8. The Exporter (**Recipient**) sends the redacted Certificate of Origin (redacting the Manufacturer Details), a Bill of Lading, Exporter Invoice and a redacted Product Test Report (redacting the Manufacturer Details) to the importer.
  - It is essential for the Exporter to provide the Importer with the Cert of Origin, Bill of Lading, Exporter Invoice, and Product Test Report for the Import Customs Declaration, as this helps facilitate faster cargo clearance and approval for importing goods.
  - The Exporter has the option to redact commercially sensitive information, such as the manufacturer's details or pricing, to prevent the importer from bypassing him for future business.
9. The Importer (**Recipient/Verifier**) will verify the Certificate of Origin (CO) to authenticate the document and review the remaining documents to prepare for the Import Declaration.
  - The CO provides a link to the issuer, which is crucial for verifying that the issuer is a recognized authority and ensuring the authenticity of the document.
10. The Importer submits the Import Declaration, redacted Cert of Origin, Bill of Lading, Exporter Invoice, and redacted Product Test Report to Import Customs.
11. Import Customs (**Verifier**) verifies the CO and reviews the other supporting documents to ensure the imported goods meet the their importing regulations.
  - Customs authorities primarily focus on verifying the authenticity of the CO, and essential information provided such as product details, quality, and safety report. The redacted documentation (which redacts the Manufacturer's name and pricing) will still meet Customs' requirements.
12. After clearance by the Import Customs, the Importer can distribute the goods to retailers, providing the redacted Product Test Report and a further-redacted Cert of Origin (with Exporter details redacted).

## Actors

### 1. **Issuer:**

The **Issuer** is typically the **Issuing Authority** in the exporting country. These authorities are responsible for issuing the CO, which attests to the origin of the goods. The issuer plays a key role in validating that the goods comply with the necessary requirements for certification.

2. **Subject:**

The **Subject** of the **CO** is the certificate itself, which confirms that the goods being exported originate from a specific country. The CO serves as proof of origin, which is used by importers to claim tariff exemptions, demonstrate compliance with trade agreements like Free Trade Agreements (FTAs) or to meet the importing regulations.

3. **Verifier:**

The **Verifier** is the party responsible for validating the authenticity of the CO. In the importing country, the **Customs Authority** will typically verify the CO during the importation process. **Banks** may also act as verifiers in situations where trade financing is involved, especially when using instruments like a Letter of Credit (L/C). Additionally, the **importer** themselves may verify the CO to ensure that the goods originated from the country they expect.

4. **Recipient:**

The **Recipient** of the CO could be the **Importer** (and/or their appointed customs broker), who presents it to the importing country's Customs Authority during import clearance to secure tariff exemptions or to facilitate cargo clearance. In some cases, the CO may also be verified by the **Exporter** or by **Banks**, particularly when it is used in trade financing arrangements.

To summarize, the key actors are as follows:

- **Issuer:** Issuing Authority (responsible for issuing the CO).
- **Subject:** The CO document itself, confirming the origin of the goods.
- **Verifier:** Customs Authorities, Banks, or the Importer, depending on the context of the transaction.
- **Recipient:** Importer, Exporter, or Banks, depending on the stage of the trade process.