

GSP Automation Software (GSP Tracker) for EPB

Developed by Index IA Limited (Affiliate of Index Capital Group, New York)

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The European Union's (EU's) Generalized System of Preference (GSP) is a tariff relief program for exporters from less developed countries and was intended to make those exporters more competitive in the EU region. The EU's GSP regime followed a complex Rules of Origin (RoO) verification based on EU's trade policy, and desired to lift economies out of poverty while reducing the cost of goods purchase in the EU member states.

Legitimacy of valid exporters from GSP recipient country such as Bangladesh were under scrutiny as more and more non-GSP countries were using the privilege and loop-holes of recipient country's customs and compliance system. To abate the tax loss and identify valid exporters under a revamped GSP compliance, EU initiated a process improvement and automation project in Bangladesh and hired Index Capital Group, New York (ICG) to provide most optimal solution that could start to solve the problem while improving the GSP operational framework of the Export Promotion Bureau (EPB), Bangladesh. ICG with its Dhaka affiliate Index IA Limited developed cutting-edge web-enabled software GSP Tracker for registering exporters and managing the GSP filing process for the EPB.

Refined Process and Technology

The EPB annually issues a large number of GSP certificates to the exporters in Bangladesh for the EU regions verifying origin in accordance with the EU regulations. A typical GSP filing requires exporters resubmit many of the documents already filed with other agencies throughout the export process – production, banking, customs, and shipping. The lack of data capture and information tracking made EPB's operation cumbersome and origin of goods verification ineffective, which in turn allowed unscrupulous practices. The refined process and technology provided the following adage:

- Reduction of papers and information submission;
- Division of work – data entry, submission, review, and verification based on designated roles;
- Service and features of the software based on login access and privileges;
- Data and filing repository for all registered exporters which can be accessed anytime;
- Cross checking of vital shipping information (Customs) and export receipts (Central Bank); and
- Management reporting and smart searching.

We utilized technologies and platform that have been developed over the years and featured:

- Service availability, data security, and integrity leveraging a highly redundant set of hardware and software;
- Access of information via the internet from anywhere anytime under the purview of EPB;
- Implementation on state-of-the-art infrastructure ensuring regular backups at geographically non-contiguous locations; and
- Access privileges of user accounts are set and managed by a separate class of users within EPB with administrator privileges.

Results

The GSP Tracker was well received by all stakeholders, beneficiaries, and users for its modern user-friendly feel and scope of service. The following results were accounted at present, and in time we feel more benefits and results will accrue:

- Capacity to deal with growing export (over 350,000 GSP filing/shipment per year), over \$10 Billion transaction value;
- Upholds GSP privileges and mandates for the recipient country and the EU members;
- Safeguarding high export to EU (72.5 % of total export by Bangladesh with annual growth rate of 16 %);
- Improved exporter registration, form distribution, form tracking, and origin verification;
- Improved file repository and document management system;
- Reduced EPB's internal review and response time for EU customs and importer inquiry; and
- Enhanced IT enabled skill development and productivity at EPB and in over 5,000 exporters.

The following benefits have been observed:

- Exporters can submit application from anywhere of the globe 24/7;
- Substantial reduction of paper record keeping;
- Prompt and quicker verification and authentication of submitted documents;
- Elimination of fraudulent submission;
- Time-bound service ensured, multi-user platform;
- Direct access of software for European Commission office and member customs; and
- Reduction of audit and inquiry response time

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