

The Roadmap for Digital Trade in Financial Services

WHY

do we need a roadmap?

- Digitalisation of trade involves a complex set of stakeholders
- Collaboration between all stakeholders* is indispensable:
 - to automate trade
 - to enable more inclusive access to finance
- This roadmap provides concrete steps to help enable global digital trade

WHO

is the target audience?

- The primary target audience is government officials
- All stakeholders* are messengers
- This roadmap provides
 guidance on whom to engage
 with, whether government
 departments, NGOs, etc.

WHAT

are we asking you to do?

- To understand the issues and the steps required to solve them
- To advocate national governments about:
 - Specific legislative changes to pass
 - Specific infrastructure to establish
 - Customs (and related)processes to adopt

The Roadmap for Digital Trade in Financial Services

TODAY

NEXT FIVE YEARS

FUTURE

HEAVILY PAPER-BASED PROCESSES

Four billion documents circulating in the trade system

WE NEED TO:

DIGITISE THE FLOW OF INFORMATION IN TRADE

AUTOMATION

Digital clearance, trading, reporting, and KYC processes

LIMITED ACCESS TO FINANCE

US\$1.5 trillion trade finance gap persists

REDUCE THE COST OF CAPITAL

INCREASED FINANCIAL INCLUSION

Cost of finance attainable to all stakeholders

OUTDATED LAWS

Legal uncertainty regarding acceptance of digital trade documentation (eDocs), etc.

UPDATE AND ALIGN LAWS AND REGULATIONS

REVISED LEGAL FRAMEWORK

Use of data and electronic documentation only

NO STANDARDS

Lack of standardized wording and/or formatting

DEVELOP DIGITAL STANDARDS

INTEROPERABILITY BETWEEN SYSTEMS

Seamless trade flows between different technology platforms



GOVERNMENT: 8 steps for unlocking national digital trade

Update Legal Infrastructure

1. Require digital export documentation

Require Certificates of Origin, Bills of Lading, Phytosanitary and other Certificates to only be provided in electronic format

2. Accept digital import documentation

Accept verifiable electronic documents (or data) across all government departments globally

3. Adopt electronic transferrable records

Adopt UNCITRAL model law on electronic transferable records

Simplify Bureaucracy

4. Support the WTO ecommerce agreement

Advocate for a high standard outcome that promotes and enables digital trade

5. Work with regulators to reduce capital allocation for trade finance

Collaborate in building an evidencebased regulatory regime

6. Promote a national single window

Particularly as a mechanism to standardise documents for import and export

Fulfill Trade Obligations*

7. Customs bureaucracy Fulfill WTO Trade Facilitation Agreement (TFA) obligations

8. Food import safetyFulfill UNFAO IPPC obligations



INDUSTRY: 5 steps for unlocking national digital trade

Participate in Digital Solutions

1. Documentation reform

Accept digital rather than paper-based documents

2. Internal system updates

Update internal systems to support digital documentation needed in the cross-border processes

3. System integration

Integrate internal systems for digital documents with those used by customs and banks

Pilot New Technologies

4. Test pilots

Test new technologies and solutions

5. Deliver new solutions

Provide solutions that are cheaper, faster, and more accessible for all stakeholders



ICC: 7 steps for unlocking national digital trade

Prepare for New Technologies

- 1. Develop and maintain an open set of smart industry contracts and automated rules
- 2. Choose trade corridors and industries with which to prioritise pilots

Develop Rules & Standards

- 3. Modernise digital rules and standards for traditional trade finance
- 4. Introduce new digital rules and standards for trade finance
- 5. Establish a repository of best practices to promote paperless trade
 - 6. Build a global digital trade standards initiative

Increase Collaboration with Non-Bank Stakeholders

7. Establish a forum to allow for industry input into ongoing rules discussions

Including corporates, fintechs, shippers, insurers, alternative providers of trade finance, WCO, WTO, UNCITRAL, regulators

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