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

*government, industry and key trade bodies such as ICC*
# The Roadmap for Digital Trade in Financial Services

<table>
<thead>
<tr>
<th>TODAY</th>
<th>NEXT FIVE YEARS</th>
<th>FUTURE</th>
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<tr>
<td><strong>HEAVILY PAPER-BASED PROCESSES</strong>&lt;br&gt;Four billion documents circulating in the trade system</td>
<td><strong>DIGITIZE THE FLOW OF INFORMATION IN TRADE</strong></td>
<td><strong>AUTOMATION</strong>&lt;br&gt;Digital clearance, trading, reporting, and KYC processes</td>
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<td><strong>LIMITED ACCESS TO FINANCE</strong>&lt;br&gt;US$1.5 trillion trade finance gap persists</td>
<td><strong>REDUCE THE COST OF CAPITAL</strong></td>
<td><strong>INCREASED FINANCIAL INCLUSION</strong>&lt;br&gt;Cost of finance attainable to all stakeholders</td>
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<td><strong>OUTDATED LAWS</strong>&lt;br&gt;Legal uncertainty regarding acceptance of digital trade documentation (eDocs), etc.</td>
<td><strong>UPDATE AND ALIGN LAWS AND REGULATIONS</strong></td>
<td><strong>REVISED LEGAL FRAMEWORK</strong>&lt;br&gt;Use of data and electronic documentation only</td>
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<td><strong>NO STANDARDS</strong>&lt;br&gt;Lack of standardized wording and/or formatting</td>
<td><strong>DEVELOP DIGITAL STANDARDS</strong></td>
<td><strong>INTEROPERABILITY BETWEEN SYSTEMS</strong>&lt;br&gt;Seamless trade flows between different technology platforms</td>
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*The Roadmap for Digital Trade in Financial Services*
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

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 evidence-based regulatory regime

6. Promote a national single window
   Particularly as a mechanism to standardise documents for import and export

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

8. Food import safety
   Fulfill UNFAO IPPC obligations

* Specific to signatories of these agreements only
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
COUNTRY OVERVIEW

Individual country progress reports are available for 12 key jurisdictions based on the defined steps to unlock national digital trade.

The following countries are monitored on an ongoing basis:

- Brazil
- China
- Germany
- India
- Netherlands
- Nigeria
- Russia
- Singapore
- South Africa
- United Arab Emirates
- United Kingdom
- United States

As an example, let’s take a closer look at Germany…
GOVERNMENT: 8 steps for unlocking national digital trade

1. Require digital export documentation
   Require Certificates of Origin, Bills of Lading, Phytosanitary and other Certificates in electronic format only

2. Accept digital import documentation
   Accept verifiable electronic documents (or data) across all Government Departments

3. Electronic transferrable records
   Adopt UNCITRAL model law on electronic transferable records

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
   By building an evidence-based regulatory regime

6. Promote a national single window
   Particularly as a mechanism to standardize documents for IM and EX

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

8. Food import safety
   Fulfill UNFAO IPPC Obligations

* Specific to signatories of these agreements only

Green: complete or well on track
Orange: in discussion or in progress
Red: No progress or blocked
INDUSTRY: 5 steps for unlocking national digital trade

1. Documentation reform
   Accept digital documents over paper-based ones

2. Internal system updates
   Update internal systems to support digital documentation needed in the cross-border process

3. System integration
   Integrate internal systems for digital documents with those used by customers and banks

4. Testing pilots
   Test new technologies and solutions

5. Deliver new solutions
   Provide solutions that are cheaper, faster, and more accessible for all stakeholders

Participate in Digital Solutions

Pilot New Technologies

Green: complete or well on track
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