



# Digital trade for MSMEs: momentum and acceleration

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WTO Informal Working Group on MSMEs  
July 3, 2023



# The Realities of Trade for MSMEs

In over 90% of the trading world, trade and supply chain data is embedded in paper forms (physical or pdf), multiplied each time that goods and services cross borders before reaching the end consumer.

This data must be manually extracted, validated and entered into IT systems, most of which are not connected to each other.

The process is:

- prone to errors, discrepancies and even fraud
- time consuming and costly
- environmentally inefficient

## Key obstacles to digitizing trade in businesses and supply chains\*



**Countries are at different stages of regulatory reforms** that would legalize Electronic Transferable Records (ETRs), providing legal certainty and recognition.



**Taxonomies, standards, and technologies** vary widely across the trading system even where there is alignment on digitalization. Interconnection must be individually negotiated and accomplished.



**Digital networks** have been created to drive common approaches and standards, and while these enable economic efficiencies, there are no established means to connect “digital islands” to one another.

*\*result of DSI's industry consultation in 2021*

# About Digital Standards Initiative (DSI)

## Mission

The ICC Digital Standards Initiative (DSI) aims to accelerate the development of a **globally harmonized, digitalized trade environment**, as a key enabler of dynamic, sustainable, inclusive growth.

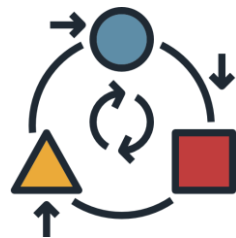
We engage the **public sector** to progress regulatory and institutional reform, and mobilize the **private sector** to align on standards and to adopt and scale digital trade and supply chain processes.

## Governance

Our Governance Board sets the strategic direction, objectives, and engagement structure of the initiative annually and comprises the following organizations:



## Principles & Practices



Adapt & Apply



Convene & Collaborate



Transparency & Accessibility

# Vision of 70-80% of global trade digitalized within 5 years

All key supply chain and trade documents digitalized to consensus data sets, with clearance on trade platforms that facilitate data exchange and sharing of aggregate data.

## For Supply Chains

- **Speed, traceability & flexibility** with real time data flows and decisions
- **Sustainability** data tracked digitally for consumer choice and preferential financing
- **Lower overall transport and logistics costs** due to automated clearing, reduced errors and lower admin on shipments

## For Governments

- **Traceability & security of customs and trade** *without* the additional manpower demands
- **Decreased fraud** and tax non-compliance
- **Real time actions** on supply of key goods and services

## For SMEs

- **Growth thru global markets** with easier, more transparent trade standards and border procedures
- Access to **more finance** with data-driven credit scoring
- Compete on **level playing field** with more established corporates

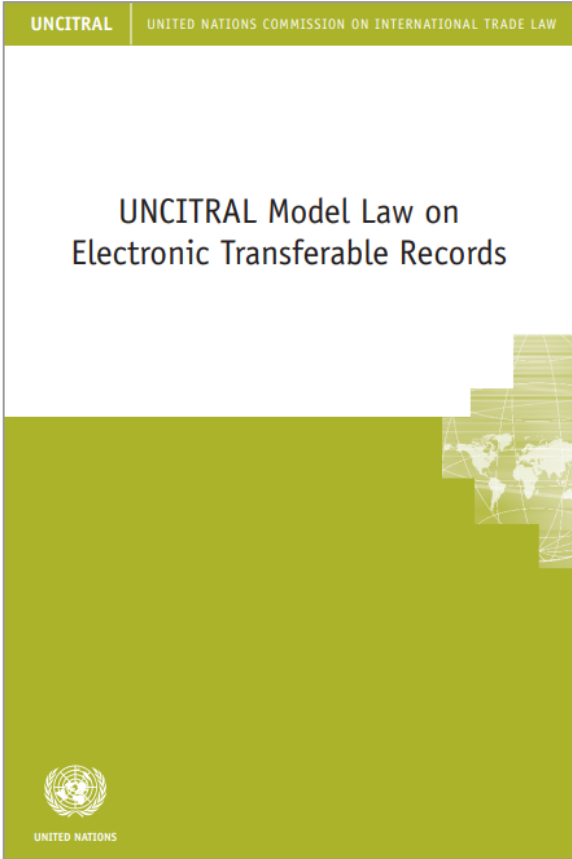
*Trade as a growth driver :  
sustainable, secure, open and inclusive*

# (A) Progress towards enabling regulatory environment

The UNCITRAL Model Law on Electronic Transferable Records (MLETR) creates an enabling legal environment for paperless trade. It:

- ❌ The current legal treatment of electronic transferable records inhibits market demand and innovation. Most jurisdictions continue to require paper-based trade documentation.
- ❌ To go paperless, parties to a transaction must use private law contracts within closed-loop trading platforms. Organizations must adopt multiple products for customers in different jurisdictions to enable the transferal of electronic records.
- ❌ This is inefficient for large organizations and cost-prohibitive for SMEs.
- ✅ provides an international framework to align national laws and enable the legal use of electronic documents of title (electronic transferable records or “ETRs”) both domestically and across borders;
- ✅ builds on the principles of **non-discrimination** against the use of electronic means, **functional equivalence**, and **technology neutrality** underpinning all UNCITRAL texts on electronic commerce;
- ✅ enables the use of all technologies including registries, tokens and distributed ledgers;
- ✅ was drafted in a multi-year, inclusive and transparent process by the United Nations Commission on International Trade Law, a subsidiary body of the UN General Assembly with a mandate to further the progressive harmonization and modernization of international trade law.

# MLETR Progress Tracker



TERM	DEFINITION
MLETR SOCIALISATION	MLETR information has been conveyed and socialised with relevant policymakers within the government and ownership of MLETR as an issue has been established within the government
POLITICAL SUPPORT	Jurisdiction has committed to adopt or align to MLETR through (i) public statements; (ii) political declarations (e.g. G20 communiqués, G7 ministerial statements etc.); or (iii) trade agreements
DOMESTIC ANALYSIS	Jurisdiction has identified gaps in legal frameworks relevant to electronic transferable records
READINESS ASSESSMENT	Jurisdiction has undertaken or received through technical assistance an assessment of laws requiring amendment
STAKEHOLDER CONSULTATION	Jurisdiction has consulted with stakeholders, including industry
LEGISLATIVE DRAFTING	Jurisdiction has drafted legislation to adopt or align to MLETR
PASSAGE OF LEGISLATION	Draft legislation has passed through relevant parliamentary or executive processes to become law
ENTRY INTO FORCE	Relevant law has entered into force

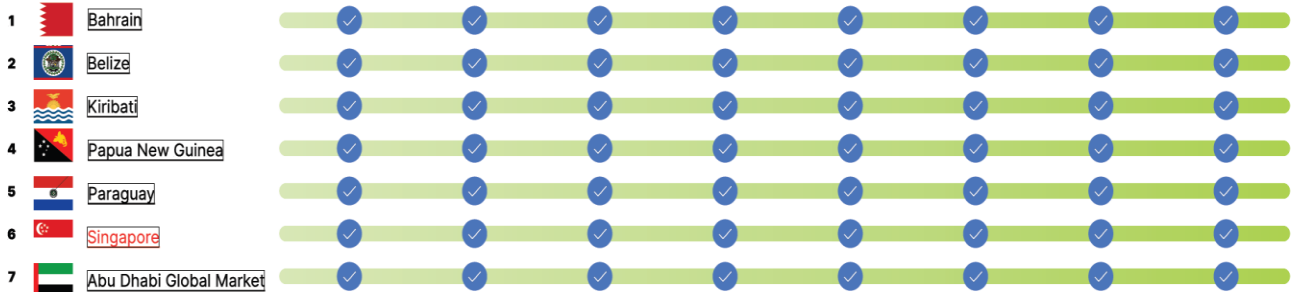


Disclaimer:  
This tracker reflects information as known to ICC DSI, stakeholders are invited to share any additional information that may be relevant to update it.

- Complete
- In Progress
- MLETR Compliant

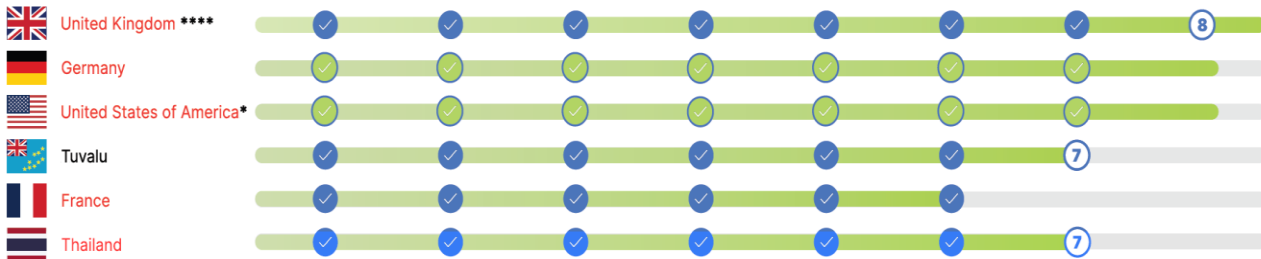
### MLETR Compatible

These are countries that have adopted legislation based on UNCITRAL texts enabling the issuance of some or all ETR.



Note: text colour in red - Advocacy effort led or contributed by ICC DSI, please contact ICC DSI for more information

### In Progress

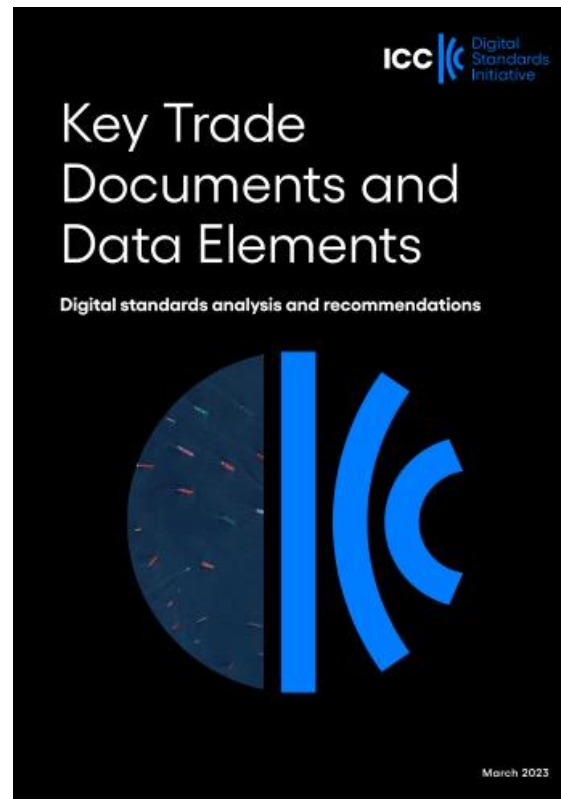


## (B) Align international standards across supply chains

Awareness of global standards and protocols are needed to drive inter-operability among various platforms, reduce fragmentation and improve end-to-end integration of supply chain participants.



[WTO-ICC Standards Toolkit](#)



[Digital standards and data elements analysis for key trade documents](#)

[A vision for the trade ecosystem based on verifiable, transitive trust](#)



# (C) Grow ecosystem through capacity building & education



ICC INTERNATIONAL CHAMBER OF COMMERCE ESCAP MOVING FORWARD TOGETHER ADB

WEBINAR SERIES ON  
**ACCELERATING CROSS-BORDER  
PAPERLESS TRADE FACILITATION**

[Webinar series on Accelerating cross-border paperless trade facilitation \(with UNESCAP, ADB and others\)](#)



MLETR Capacity Building workshops

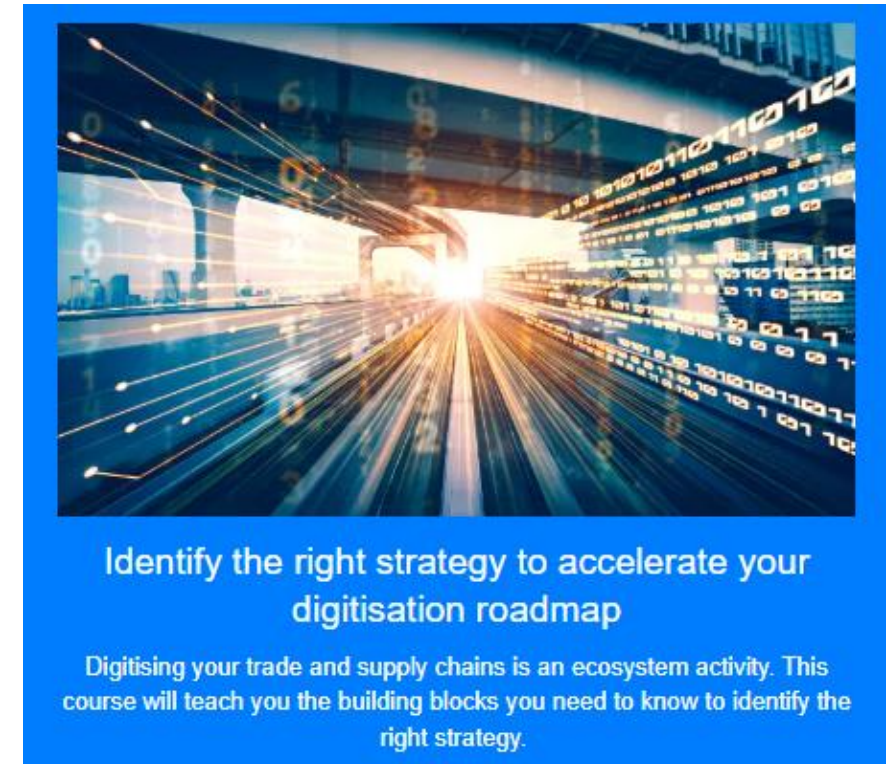


Ministry of Foreign Affairs of the Republic of Armenia United Nations UNCITRAL

**THE IMPACT OF INTERNATIONAL HEALTH CRISIS ON  
LEGAL INFRASTRUCTURE FOR TRADE**



数字经济国际规则创新与在线争议解决  
Digital Trade, Data Flow and Dispute Resolution in the Digital Economy  
国际研讨会  
International Seminar



Identify the right strategy to accelerate your digitisation roadmap

Digitising your trade and supply chains is an ecosystem activity. This course will teach you the building blocks you need to know to identify the right strategy.

[Certificate in Digital Trade Strategy online course \(with ICC Academy\)](#)



# Where to go from here?

The 4 billion pieces of paper that circulate in the global supply chain can soon be a thing of the past, if all countries commit to...

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Cohesive digital  
trade policies

Sustained action  
towards standards  
adoption

Continuous  
investments in  
capacity building at  
all levels



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## Shape the future of global trade - join us!

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