Key Question:

What are the biggest challenges facing MSMEs in e-commerce?
E-commerce ease/cost pillars

- Logistics
- Payments
- Digital Customs
- Consumer protection
- E-transaction Rules

Data transfers
Trade costs (particularly for small business)

**E-transactions:** Laws discriminating against electronic trade documents add to headaches at the border

**Paperless trade:** Declaring individual e-commerce packages is not sustainable

**Digital certificates:** Absence of e-signature rules means companies don’t have access to trust services

**Logistics:** High cost, limited options, poor range of services at the right price

**Returns:** Trade system renders expensive, not sustainable for low-value trade or small volumes

**Consumer protection:** Rules are important but significant regulatory divergence can be problematic

**Payments:** Burdensome regulatory environment can limit range of international e-payment services
# International payment supply challenges

<table>
<thead>
<tr>
<th>Type</th>
<th>Issue</th>
<th>User impact</th>
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<tbody>
<tr>
<td>Navigating divergent regulatory requirements</td>
<td>Interoperability of bank and non-bank financial service providers; differences between KYC and AML processes; difficulty of meeting licensing requirements and procedures for offering new financial services; outdated technology; inadequate infrastructure; ill-adapted consumer protection measures; stringent reserve or currency requirements</td>
<td>Payments cannot be received or withdrawn from PayPal in a number of African countries due to a range of regulatory and operational issues that make providing cost-effective e-payment services difficult, as well as limitations on the type of services e-payment suppliers may provide, or the partnerships within the national e-payment system that can be established</td>
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<td>Ability of regulatory frameworks to stay agile</td>
<td>Uncertainty among policymakers on how to deal with mobile money developments and interoperability with the financial system</td>
<td>While a significant number of countries have policies complicating the emergence of mobile money services, 12 of the 14 fastest growing such markets in 2012 had an enabling environment (GSMA, 2017)</td>
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<td>Measures limiting competition</td>
<td>Regulations requiring domestic processing or ownership of a service supply; requirements that favour local or international suppliers; specific data flow barriers or localization requirements; efforts to create local monopolies</td>
<td>Although global e-commerce offers the opportunity to sell in multiple countries, requirements to use a specific payment method can discourage market entry. According to ITC’s survey, 18% of small business respondents identified limited in-country global e-payment solutions as a top e-commerce obstacle</td>
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