DIGITAL TRADE ROADMAP

Digital Trade in Financial Services
A Communication Tool for Policy Makers

VERSION 1.0
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

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OUTDATED LAWS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

We need to:

- Digitize the flow of information in trade
- Reduce the cost of capital
- Update and align laws and regulations
- Develop digital standards
- Increase financial inclusion
- Revise legal framework
- Interoperate between systems

The Roadmap for Digital Trade in Financial Services
**GOVERNMENT:** 8 steps for unlocking national digital trade

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

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

4. Test 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
**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
THE INTERNATIONAL CHAMBER OF COMMERCE

is the world’s largest business organisation with a network of over 6 million members in more than 100 countries. We work to promote international trade, responsible business conduct and a global approach to regulation through a unique mix of advocacy and standard setting activities — together with market-leading dispute resolution services. Our members include many of the world's largest companies, SMEs, business associations and local chambers of commerce.

We make business work for everyone, every day, everywhere.