Driving a future for digital trade in financial services

# ROADMAP

A communication tool for policy makers

**VERSION 1.0** 



### POLICY DRIVERS

Increase access to trade finance (unleash SME working capital)

Align regulatory frameworks (remove barriers/scale up solutions)

Replace cumbersome documentation with technology (cut unnecessary bureaucracy/cost)

Modernise & improve rules, processes & systems (enable digital-led trade growth)

BILLION

documents circulating
in trade system

(Source: World Bank)

1998
WTO Ecommerce
Governance
Framework

\$1.5 TRILLION trade finance gap

15% cost each shipment is paperwork (Source: Maersk)

### THE ROADMAP TOWARDS DIGITAL TRADE IN FINANCIAL SERVICES

Industry

Companies, finance institutions

TODAY 2020 202

#### STANDARDISATION

- Align cross border inputs, documentation internal processes & systems
- > Adopt e-BL e-LICE BPO

#### **AUTOMATION OF TRADE**

> Adoption of new technology results in reduction in costs increasing access to finance

#### **INTEROPERABILITY**

- Test new technologies blockchain, IoT, cloud
- Deliver new, cheaper, faster, more accessible trade finance solutions

#### **ONE STOP SHOPS**

 Integrate solutions for customs, documents, trade finance

ICC

#### **RULES & STANDARDS**

- Establish, review and modernise digital rules and standards for transactional trade finance (15% trade
- Introduce new digital rules and standards for 'open' account trade finance (85% trade)

#### BEST PRACTICE

 Establish a repository of best practice to promote paperless trade i.e through Global Alliance for

#### ICC SMART CONTRACTS

> ICC develops and maintains open set of smart industry

#### **VOICE OF NON-BANK STAKEHOLDERS**

 Establish a forum for corporates, fintechs, shippers, insurers, alternative providers of trade finance, WCC WTO, UNCITRAL, regulators

#### PII OTS

Agree standards in pilot industries and trac corridors

### Government

National governments, inter-governmental institutions, regulators

#### **REGULATION**

- > Apply an evidence based, regulatory regime for the treatment of low risk trade finance (capital allocation) to reduce unnecessary bureaucracy
- > Adopt UNCITRAL Transnational Model Laws on ecommerce namely Electronic Transferable Records to harmonise regulatory frameworks by 2025
- > Fulfil UN FAO IPPC ePhyto Hub project obligations replace paper with digital certification for all food imports across 181 countries
- > Fulfil 2013 WTO Trade Facilitation Agreement obligations simplifying/digitising customs procedures across 164 countries
- > Secure WTO Ecommerce Agreement by 2020 establish a common rulebook for digital trade across 70+ markets
- > Accept digital documentation for cross border trade
- > Pilot innovative new regulatory frameworks that enable digital trade i.e. Hong Kong fintech corridor, Financial Conduct Authority Sandbox

#### **IMPLEMENTATION OF SINGLE WINDOWS**

- > Enable industry-government interaction
- > Standardise all digital documentation

## ENABLING DIGITAL TRADE; 8 Point Action Plan for Governments

ICC Roadmap for digital trade in the financial services

DIGITAL IMPORT/EXPORT DOCUMENTS	
1	Accept verifiable PDFs of documents for import/export across all Government Departments
2	Allow paperless Certificates of Origin
3	Fulfil UN Food & Agriculture Organisation IPPC ePhyto Hub project obligations Replace paper with digital certification for all food imports
REGULATION	
4	Adopt UNCITRAL ecommerce legislation namely Model Law for Electronic Transferable Records by 2025  Align cross border legal frameworks
5	Fulfil 2013 WTO Trade Facilitation Agreement obligations Simplify cross border customs bureaucracy across 159+ countries
6	Secure a 70-90 country wide WTO eCommerce Agreement by 2020  Provide a common rule book on a sufficient scale to drive innovation
7	Implement an evidence based, regulatory regime for the treatment of low risk trade finance, including reduced capital allocation requirements for digital trade instruments  Reduce unnecessary red tape and bureaucracy
SYSTEMS	
8	Implement Single Window Standardized information and documents for all import, export, and transit-related regulatory requirements

### 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.



The world business organization

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