



ICC CENTRE FOR DIGITAL TRADE & INNOVATION LAUNCHES PREPARATIONS FOR UK TRADE TO GO DIGITAL

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Summary

- The Electronic Trade Documents Bill enters Parliament this week marking one of the most significant changes to the way we trade in centuries. The Bill will remove all legal requirements for commercial trade documents to be handled on paper, generating £225 billion in efficiency savings, £25 billion in SME trade growth and £1 billion new trade finance.
- Switching from paper to digital documents will provide more transparency to help businesses, consumers, and governments make more informed choices on the products and suppliers they choose while making international trade faster, simpler and cheaper for all involved.
- Teesside-based C4DTI has begun work with Singapore's Infocomm Media Development Authority, the UK's Department for Digital, Culture, Media and Sport, and the Department for International Trade to test and connect digital trade systems between Singapore and the UK, starting with electronic bills of lading. The aim is to operationalise the new UK-Singapore Digital Economy Agreement, implement international standards identified by the DSI and the WTO in the recently published Standards Toolkit for Cross-border Paperless Trade and establish a model digital trade corridor that enables more SMEs to trade at lower cost.
- To help prepare the market for digitalised trade systems, C4DTI is launching a package of new services:
 1. A national campaign in partnership with Ubisecure and the Global Legal Entity Identification Foundation (GLEIF) to promote the adoption of Legal Entity Identities (LEIs), the widely recognised and standardised organisation identifier. These will enable companies to speed up due diligence checks, reduce fraud and efficiently track secure transactions of goods and finance.

2. 2 training courses in partnership with the Institute of Export and International Trade to help companies handle digital documentation and use LEIs effectively.
3. The C4DTI Needs Accelerator in partnership with Deloitte and Plexal, helping stimulate cross-sector innovation by working with companies to identify opportunities to solve their trade challenges and co-creating digital trade solutions.
4. A technical assistance programme for low to middle income countries in partnership with the Centre for Applied Sustainable Transition Law (CASTL) to accelerate legal reform. The first project will work with a partner country in the ASEAN region and will be funded by FCDO.

The Electronic Trade Documents Bill will change the game for cross border trade transactions and finally enable companies to remove archaic paper processes and scale technology solutions across global supply chains. The Bill fits into the broader work that the UK is pioneering to encourage great eTR adoption through its FTA program and is also a cornerstone to promoting a more sustainable trading system. A digitalised system will generate real time, transparent data for decision makers.

At present, trade suffers from fragmented, unconnected systems and billions of paper documents which results in an overly complex system, unnecessary delays and high trade costs, especially for SMEs who feel the pain of inefficiency the most. This acts as an unnecessary barrier and disincentive for SMEs who are looking to trade overseas. A typical paper-based transaction can involve 27 documents and 35 government agencies causing a wait of up to three months and imposing a cost as much as £80,000¹ on those involved. Today, less than 1% of bills of lading are handled in digital form with 188 countries requiring all commercial trade documents to be on paper.

With economic growth a top priority and public finances stretched in the wake of the pandemic, digitalisation offers a profound opportunity to remove trade barriers and promote greater resilience across global supply chains. The ICC Digital Standards Initiative (DSI) is expecting the momentum created under its Legal Reform Advisory Board (LRAB) to accelerate the progress of incorporating legal harmonisation into the framework of the World Trade Organization's Joint Initiative on E-Commerce, the G20, the European Union, the Commonwealth and the African Continental Free Trade Area, to name a few. The DSI targets to secure 100 governments' commitment to embark on this legal reform journey in the next 2 years. The UK government is successfully

negotiating ground-breaking commitments through its FTA programme including the UK-Singapore Digital Economy Agreement and G7 Ministerial Commitment in 2021.

All of this requires support from industry to adopt new solutions and implement new legal, standards and rules frameworks now in place. The DSI-WTO Standards Toolkit for Cross-border Paperless Trade is now freely accessible in 8 global languages to help companies and government agencies adopt available legal and technical standards to accelerate the digitalisation of trade processes. Services launched by the C4DTI will provide critical help to companies seeking realise the benefits of these standards within a more seamless, transparent and sustainable trading system.

This progress comes as the C4DTI opens its new office based at Teesside University in Middlesbrough. The office will be shared with the Institute of Export and International Trade and provides an ideal collaborative environment for academia, industry and government to catalyse projects and drive innovative and develop innovative solutions.

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“We know from the evidence that there are terrific economic gains to be made for trade if companies digitalise systems and remove paper but this is not something that will happen overnight. That is why the C4DTI has been established, to align efforts across government and the private sector and accelerate transformation across the trade system. Trade plays a huge role in the global economy so digitalisation is vital to establishing a more sustainable system. Real time transactional data will enable us to gather far richer, more insightful information to help us track and monitor the flow of sustainable goods and finance across the system. This is simply not possible if information is held on paper documents. - **Chris Southworth, Secretary General, ICC United Kingdom**

“The Electronic Trade Documents Bill is a vital development for the improvement of the efficiency and sustainability of international trade. The bill would place electronic trading documents on the same legal footing as paper documents and enable businesses to move from paper-based to digital-based transactions. This will have a considerably positive impact on costs, duration and environmental impact of customs and border processes and an overall improvement of efficiency for trade administration costs. The IOE&IT is already helping deliver the government’s 2025 UK Border Strategy with the ecosystem of trust pilots and supporting with industry engagement on the single trade window. This Bill is an essential part of creating a world leading

border system and encouraging more trade.” - **Marco Forgione, Director General, Institute of Export & International Trade**

“Digitalising trade is good for the economy, the environment, and will lead to increased efficiencies and greater inclusion. We hope that the passage of the UK Electronic Trade Documents Bill will be quick and act as a catalyst for other countries to reform their laws. We welcome the opportunity to partner with C4DTI on a technical assistance programme to accelerate legal reform in this area, in particular adopting MLETR aligned laws for low- and middle-income countries to grow their trade opportunities.” - **John L Taylor, Co-Founder and Director, CASTL**

“The need to accurately identify, authenticate and trust organisations is essential if we are to realise the full potential of the digital economy. Over 2m organisations already have Legal Entity Identifiers to help with financial transactions. but this is the tip of the iceberg of the greater global economy...We applaud the ICC and its partners for its digitalisation education initiatives, especially by bringing attention to the benefits and necessity of the LEI for modern business. We look forward to supporting ICC members with the adoption the identifier.” - **Simon Wood, CEO, Ubisecure**

Editor’s Note

The ICC Centre for Digital Trade and Innovation is an ICC United Kingdom-led, global initiative based in Teesside in the North-East of England. Launched in April 2022 as a public, private partnership, its mission is to accelerate the digitalisation of UK trade and promote the adoption of interoperable legal, standards and rules frameworks.

ICC United Kingdom is the UK representative office of the International Chamber of Commerce, the largest world business organisation representing 45 million companies in 100 countries. ICC’s mission is to promote inclusive, sustainable and green trade. Its rules underpin \$25 trillion of global trade.

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