



Contribution to Indecon Research on the Opportunities and Impacts of Digital Trade

Submission by Chambers Ireland and ICC Ireland

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About Chambers Ireland and ICC Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

The International Chamber of Commerce (ICC) is the institutional representative of 45 million companies in more than 170 countries, making it easier for businesses to trade internationally. We believe in the power of the private sector to change the world for the better and are uniquely positioned to ensure the voice of businesses, large and small, is heard where it matters most. We leverage private-sector expertise and insights to deliver practical solutions to interconnected challenges, providing products and services that enable trade and directly address the real challenges faced by businesses operating internationally. Uniquely amongst business organisations globally, ICC has Observer Status at the UN¹, facilitating addressing matters involving trade and other matters globally². In addition to its work at the UN, the ICC works closely with the OECD, WTO, WCO, COP meetings and other critical global organisations.

Extensive global research and generic recommendations to implement change has already been undertaken by ICC and the primary thrust of our response is to direct you to the most relevant outputs to assist your research.

¹ <https://www.un.org/en/about-us/intergovernmental-and-other-organizations>

² <https://www.un.org/en/about-us/about-permanent-observers>



Our Network has pledged to advocate for and support the advancement of the United Nations Sustainable Development Goals (SDGs). Accordingly, we use the Goals as a framework to identify policy priorities and communicate our recommendations. While we have a particular focus on five of the goals encompassing decent work and economic growth (SDG 8), sustainable cities and communities (SDG 11), Gender Equality (SDG 5), Industry, Innovation and Infrastructure (SDG 9) and climate action (SDG 13)³, many of our recommendations apply to multiple Goals.

In the context of this paper, Industry, Innovation and Infrastructure (SDG 9) is the most relevant goal⁴ but further digitalisation of trade will impact across several other Goals.

³ The Chambers Ireland SDGs. Available at: <https://www.chambers.ie/policy/sustainable-development-goals/chambers-ireland-sdgs/>
⁴ <https://www.itu.int/en/mediacentre/backgrounders/Pages/icts-to-achieve-the-united-nations-sustainable-development-goals.aspx>



Key Points

- We welcome the desire to increase digitalisation of trade.
- We fully support the work of our global organisation, the ICC, to progress this on a global basis. This paper points heavily to research already conducted and progress made in other jurisdictions.
- It is important that Ireland becomes a leader in this sphere to retain our global competitiveness ranking. Many of our direct competitors are significantly more advanced as demonstrated in the UNCITRAL Model Law on Electronic Records (MLETR) tracker⁵.
- While we do not address them specifically in this paper, areas such as AI and Cybersecurity will need to be comprehensively addressed in tandem with any digitalisation program.
- Many of the documents discussed relate to trade finance such as Letters of Credit. ICC's sense is that Trade Finance is underutilised in Ireland but the reasons are not obvious. It may be that SMEs trading largely with the UK were historically happy to trade on open account terms. Digitalisation may improve opportunities for additional forms of finance as SMEs seek to broaden their horizons to the EU Single Market or and utilization of the EU's FTA network.
- The WTO Moratorium on e-commerce transactions must remain in place or, preferably, be put on a permanent footing.

⁵ https://www.dsi.iccwbo.org/_files/ugd/8e49a6_c49ba4c876854604b7ac5758529fc148.pdf

The COVID-19 pandemic exposed the global trading system's continued reliance on physical documentation. One key roadblock in the transition to paperless trade is the lack of recognition in domestic legal systems of electronic transferable records (ETRs). As a policymaker, there are key steps that can be taken to unlock the benefits of trade digitisation.

A solution already exists in the form of the UNCITRAL Model Law on Electronic Records (MLETR).

MLETR aims to enable the use of ETRs both domestically and across borders, by recognising the legal validity of ETRs that are functionally equivalent to their paper-based counterparts.

MLETR was developed by Working Group IV of the United Nations Commission on International Trade Law, through an inclusive and deliberative process between 2011 and 2016.

The model law can be found here:

https://uncitral.un.org/en/texts/ecommerce/modellaw/electronic_transferable_records

A progress tracker for MLETR, monitoring the known progress of UN Member States can be found here.

https://www.dsi.iccwbo.org/files/ugd/8e49a6_c49ba4c876854604b7ac5758529fc148.pdf

Legal Reform

A more specific paper pointing to how to reform antiquated systems and laws to create an enabling legal environment for paperless trade, adopting or aligning to the UNCITRAL MLETR is linked below. This paper was largely developed in the UK and therefore should have close compatibility with Ireland based on our shared Common Law system.

Creating a Modern Digital Trade Ecosystem – practical guide to legal reform to enable electronic transferable records and optimize cross-border trade:

https://www.dsi.iccwbo.org/files/ugd/0b6be5_0934506fada643a197d5f727413c4389.pdf?index=true



In addition, the UK has introduced an Electronic Trade Documents Bill:

<https://bills.parliament.uk/bills/3344>

We also understand that the UK is making significant progress working with Commonwealth countries to progress this agenda:

https://www.dsi.iccwbo.org/files/ugd/0b6be5_231dbf296d6346a5bfee1bee90c5a09c.pdf?index=true

Our UK colleagues have also prepared this business case for G7 members which contains useful information:

https://www.dsi.iccwbo.org/files/ugd/0b6be5_c8f1719de362441f8277fcdf49240d86.pdf?index=true

Other Relevant Information:

The next paper gives a very comprehensive analysis of key trade documents and process maps together with approaches to digitalise:

Key Trade Documents and Data Elements – Digital Standards Analysis and Recommendations

https://www.dsi.iccwbo.org/files/ugd/8e49a6_2d93b2f219cf404ab91bafd028e31fcc.pdf#msdyntrid=n_XKsrxRVk0R5Kp2UJG5MoRSzNboDSQZPCJzmjgA-K4

More information on The ICC Digital Standards Initiative:

Recent innovations to digitise the global trading system have had the unintended consequence of fragmenting the market and the platforms used by several industries of the international supply chain and public sector agencies. There is a clear need for a trusted, independent and neutral body to lead the effort to connect digital islands.

Hosted by the International Chamber of Commerce (ICC), the Digital Standards Initiative is committed to promoting policy coherence and harmonising digital trading standards for the benefit of businesses, governments, and people everywhere. Working with established standard-setting bodies and international organisations, the ICC Digital Standards Initiative will



drive greater adoption of existing standards and create new frameworks to unify digital trade processes.

Key challenges facing trade digitalisation identified include:

- Lack of coherent standards for developers, executives and policymakers
- Legal uncertainty regarding the acceptance of digital trade documentation
- Unclear requirements for foundational trade standards
- Insufficient standards to simplify blockchain and non-blockchain based integration
- Platform rule books that hinder cross-platform title document exchange and utilisation

For an overview of existing standards that could help drive adoption, identify potential gaps, and promote interoperability, a copy of The Standards Toolkit for Cross-Border Paperless Trade is attached.

Further analysis of SDG impact:

We attach a deeper summary analysis prepared by our colleagues at in the ICC UK as Appendix 1.

We also include a separate report prepared by ICC and Boston Consulting in 2021 to galvanise discussion on the need for definitions of sustainable trade and sustainable trade finance.

The e-commerce moratorium:

An extract from my letter to An Tánaiste, in his then role as Minister for Enterprise, Trade & Employment of 7 June 2022 is a good summary of the position as we continue to see it – undoubtedly there will be further updates in advance of MC13.

Dear Tánaiste,

In advance of the WTO MC12 this month I would like to re-iterate the importance of the Moratorium on Customs Duties being extended, as set out in my letter to you of 23 November 2021 and a copy of which is attached together with an up to date briefing from our global organisation, the International Chamber of Commerce.

We believe the moratorium needs to be renewed by way of a consensus agreement – otherwise the door will be left open for governments to begin experimenting with unilateral tariffs on everything from software, e-books, and cloud services to the data underlying streaming services. We understand that a small but



growing number of countries are willing to let the current agreement lapse which would introduce great uncertainty on cross border transactions in the digital economy.

ENDS