



**Asia-Pacific
Economic Cooperation**

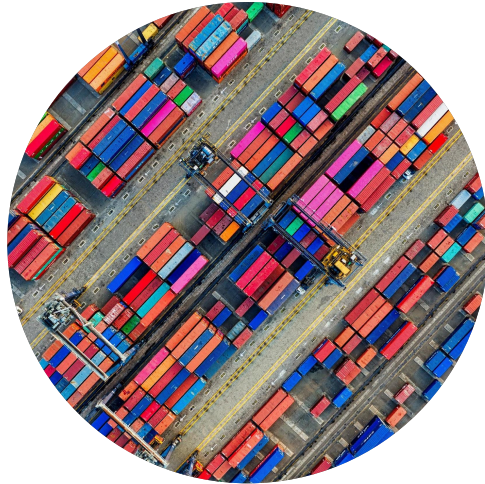
2022/CTI/A2C2/004

Supply Chain Choke Points – Private Sector Experience

Submitted by: International Chamber of Commerce



**Fourteenth APEC Alliance for Supply Chain
Connectivity Meeting
7 October 2022**



Supply Chain Choke Points – Private Sector Experience

**APEC CTI Workshop: Fourteenth Meeting
of the APEC Alliance for Supply Chain
Connectivity (A2C2)**

7 Oct 2022

About ICC Digital Standards Initiative (DSI)

Mission

The ICC Digital Standards Initiative (DSI) aims to accelerate the development of **a globally harmonized, digitized trade environment**, as a key enabler of dynamic, sustainable, inclusive growth.

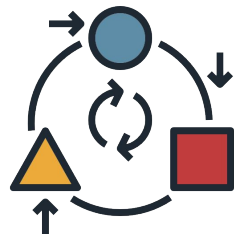
We engage the public sector to progress regulatory and institutional reform, and mobilize the private sector on adoption, implementation and capacity building.

Governance

Our Governance Board sets the strategic direction, objectives, and engagement structure of the initiative annually and comprises the following organizations:



Principles & Practices



Adapt & Apply



Convene & Collaborate

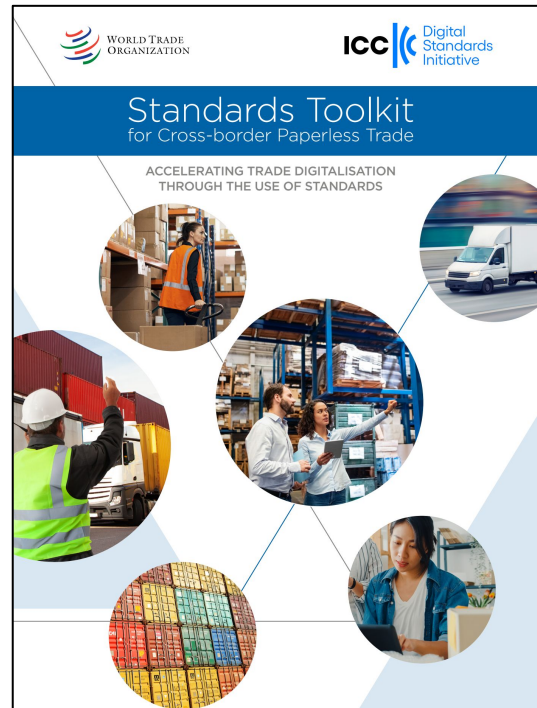


Transparency & Accessibility

What - Data standards to facilitate interoperability

Standards are key to reduce friction, costs and complexity

Global standards and protocols are needed to drive inter-operability among various platforms, reduce fragmentation and improve end-to-end integration of supply chain participants.



[Download WTO-ICC standards toolkit](#)

SECTION 1 Foundational Standards

SECTION 2 Identifier Standards

SECTION 3 Corporations and Micro-, Small- and Medium-Sized Enterprises

SECTION 4 Carriers, Freight Forwarders and Logistics Operators

SECTION 5 Customs Authorities and other Cross-border Regulatory Agencies

SECTION 6 Interoperable Digitalisation Frameworks

- **ICC-WTO Standards Toolkit for Cross-Border Paperless Trade** provides an overview of existing international standards (e.g., industry eBL standard) as a practical tool to drive interoperability.
- Ongoing dialogues need to be facilitated between governments and industry to drive further convergence, identify potential gaps (including legislative gaps) and promote interoperability across alliance groups, industry forums, standards organizations, companies, and economies.

Who - Make digital identity an essential public good

Arrive at faster, more informed decisions on whom to do business with

The ability to gain access to and exchange globally recognized digital corporate IDs is integral to establishing trust and transparency and part of an inclusive digital infrastructure for all.

The Global Business Identifier (GBI) initiative aims to develop a single identifier solution that will: improve the U.S. government's ability to pinpoint high-risk shipments and facilitate legitimate trade; create a "common language" between government and industry; and improve data quality and efficiency for identification, enforcement, and risk assessment.



Data Universal Numbering System (DUNS)

9-digit numeric and non-indicative identifier that identifies unique business establishments with library of over 200 reference data elements. Over 300 million DUNS issued worldwide.



Legal Entity Identifier (LEI)

20-digit, alphanumeric identifier with underlying reference data elements unique to a legal entity. Over 1.7 million LEIs issued worldwide.



Global Location Number (GLN)

13-digit numeric identifier with varying sets of underlying reference data elements customizable to location, function, and operations. Over 2 million companies utilize GS1 company standards, and 100 million products carry GS1 barcodes.

- Corporate digital identity (ID) has the potential to reduce the risks and costs of doing business.
- U.S. Customs and Border Protection (CBP) is launching a Global Business Identifier (GBI) Evaluative Proof of Concept (EPoC) which aims to determine a single identifier solution that will uniquely discern main legal entity and ownership; specific business and global locations; and supply chain roles and functions.

How - Focus on experimentation, learning by doing

Smart use of pilots and regulatory sandboxes to uncover best practices

Emerging issues such as interoperability between platforms and data protection in cross-border data flows are best tackled through practical pilots and sandboxes to test hypotheses, gather learning points and develop policy guidance.

Australia and Singapore's blockchain trial shows promising results for reducing transaction costs

18 August 2021

Australian Border Force (ABF), the Infocomm Media Development Authority of Singapore (IMDA), and Singapore Customs, along with industry participants, have concluded a blockchain trial to prove trade documents can be issued and verified digitally across two independent systems, reducing cross-border transaction costs.

The blockchain trial was initiated as part of the Australia-Singapore Digital Economy Agreement to make cross-border trade simpler between the two countries. The trial successfully tested the interoperability of two digital verification systems – the ABF's Intergovernmental Ledger (IGL) and IMDA's TradeTrust reference implementation.

The trial demonstrated Australia's capability in issuing high integrity digital trade documents that can be instantly authenticated, provenance traced, and digitally processed. QR-codes embedded with unique proofs are inserted into digital Certificates of Origin (COO), enabling immediate verification for authenticity and integrity of the document when scanned or machine-read.

IMDA and PDPC launch Singapore first Privacy Enhancing Technologies Sandbox as they mark decade-long effort of strengthening public trust



Maritime and Port Authority of Singapore (MPA)

40,995 followers

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The **Maritime and Port Authority of Singapore (MPA)** launched a call-for-proposal to bring together industry players and solution providers to develop and pilot eBL solutions, leveraging recent technology and legislation developments.

Collaboration and capacity building are key

Leverage industry expertise, innovation and experience to accelerate

[Resource Hub for Policymakers](#)
to unlock benefits of trade digitization

[Certificate in Digital Trade Strategy](#)
online course (Coming Soon!)

Digitalizing Trade in Asia Needs Legislative Reform

- Legislative gaps impede the digitalization of trade.
- Digitalization makes global trade and supply chains more robust, supports economic growth, and job creation and closes financing gaps for micro, small, and medium-sized enterprises (MSMEs).
- Adoption of the Model Law on Electronic Transferable Records (MLETR), developed by the United Nations Commission on International Trade Law (UNCITRAL), would address the problem. Only five jurisdictions have taken the step to date: Bahrain, Belize, Kiribati, Singapore, and the Abu Dhabi Global Market.
- Widespread adoption of the MLETR holds the promise of increased efficiency, consistency, and coherence in the modernization and harmonization of legislation on electronic commerce.
- The time for legislative reform is now: the expected benefits will contribute to post-coronavirus disease (COVID-19) pandemic economic recovery.

INTRODUCTION

This report identifies country-level legislative gaps that inhibit the digitalization of trade in three economic country groupings in Asia: the Association of Southeast Asian Nations (ASEAN),¹ the Central Asia Regional Economic Cooperation (CAREC) Program,² and the South Asia Subregional Economic Cooperation (SASEC) Program.³ It provides a snapshot of developments and opportunities for legal reform to enable the digitalization of transferable records.

ASEAN, CAREC, and SASEC member states are encouraged to

- adopt the UNCITRAL MLETR, and
- accede to the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific.

In partnership with the International Chamber of Commerce, Enterprise Singapore, and the Asian Development Bank (ADB), the International Chamber of Commerce (ICC) Digital Standards Initiative (DSI) was launched in 2020. The DSI is focused on establishing

"Universal standards will connect existing digital islands and enable market forces to improve customer experience. As a leading and neutral voice in the industry, it made sense to bring this project under the umbrella of ICC. This will allow the ICC DSI to lead and coordinate efforts in developing standards and protocols to digitise trade."

— John W. H. Denton AQ, ICC Secretary General

a globally harmonized, digitized trade environment. It envisions digital standards that enable seamless digital trade throughout the trade ecosystem, with end-to-end interoperability for exporters, shippers, ports and customs authorities, logistics providers, financiers, and importers.

This will translate into enhanced resilience in trade finance and supply chain processes, increased productivity, the introduction of new services at scale, and the advancement of the United Nations (UN) Sustainable Development Goals (SDGs). This initiative will leverage technology to reduce the global trade finance gap, particularly among MSMEs.

¹ ASEAN is a regional grouping comprised of Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam.
² CAREC is a regional grouping comprised of Afghanistan, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, the People's Republic of China, Tajikistan, Turkmenistan and Uzbekistan.
³ SASEC is a regional grouping comprised of Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka.

ICC INTERNATIONAL CHAMBER OF COMMERCE The world business organization

ADB

ICC INTERNATIONAL CHAMBER OF COMMERCE The world business organization

ICC Digital Standards Initiative

CREATING A MODERN DIGITAL TRADE ECOSYSTEM

PRACTICAL GUIDE TO LEGAL REFORM TO ENABLE ELECTRONIC TRANSFERABLE RECORDS AND OPTIMISE CROSS-BORDER TRADE

- Reducing Cost & Complexity
- Driving Economic Growth
- Enabling SME Participation
- Promoting Financial Inclusion
- Reducing Carbon Footprints



"In today's increasingly digitalised world, going digital is no longer a nice to have, it is a must have"

Emmanuelle Ganne, Senior Analyst, Economic Research Department, WTO

ICC Digital Standards Initiative

ICC Academy