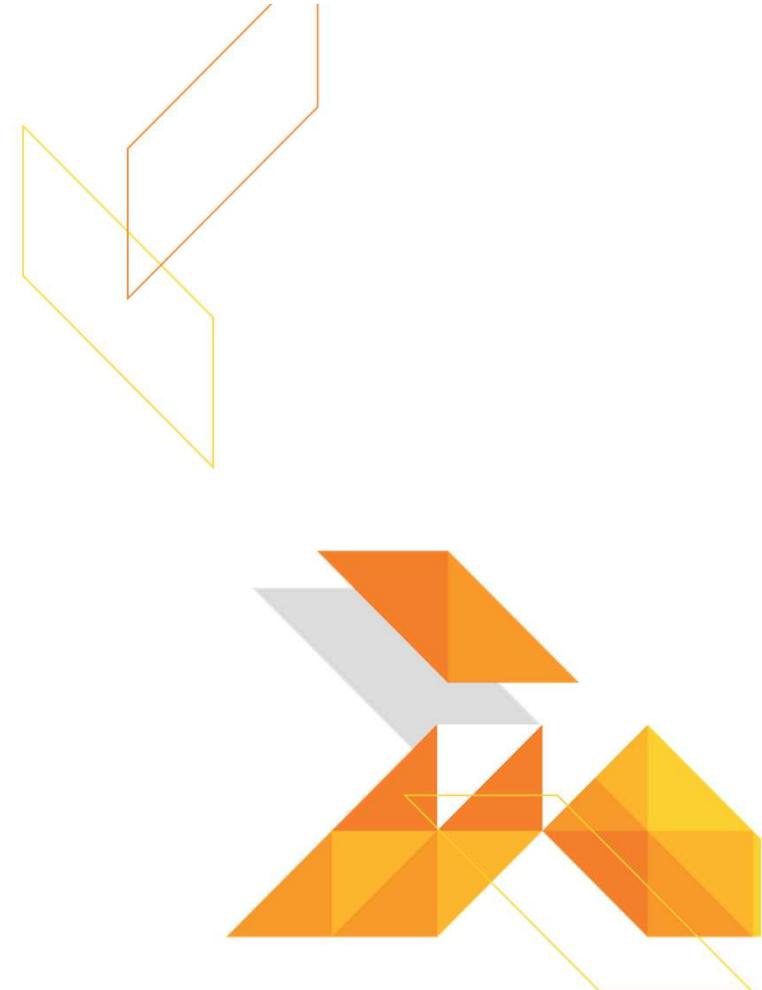




# Experience Sharing from Singapore on Digital Trade Facilitation through the Lens of Digital Economy Agreements (DEAs)

26 April 2023

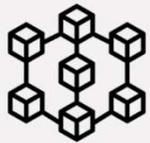


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- 1. Digital Economy Agreements**
  - 2. Digital Trade Facilitation**
  - 3. UNCITRAL and Application**

# Understanding Digital Economy Agreements (DEAs)

## Addressing New Business/Trade Realities

Digitalisation has transformed businesses as well as products and services including how they are traded and delivered.



New technologies transforming trade & supply chains



Data flows underpin the digital economy



Increased pervasiveness of artificial intelligence (AI) applications

## A New Form of International Agreement

International agreements such as our FTAs need to evolve as well to deal with new forms of products and services being traded.



Builds on E-Commerce chapters of existing FTAs



Living agreements



Flexible and modular approach

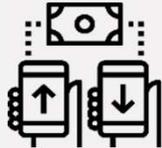
# Target outcomes

## **FACILITATE** SEAMLESS END-TO-END DIGITAL TRADE

E-Invoicing



E-Payments



Paperless trading



Domestic electronic transactions framework



## **ENABLE** OPEN & SECURE DATA FLOWS

Cross-border data flows



Location of computing facilities



Personal data protection



Open govt data & Data innovation



## **BUILD** TRUST IN DIGITAL SYSTEMS

Artificial intelligence



Cybersecurity



Online consumer protection



# 1. Facilitate seamless end-to-end digital trade

<ul style="list-style-type: none"><li>• <b>Paperless Trading</b></li><li>• <b>Domestic Electronic Transaction Framework</b></li><li>• <b>E-Invoicing</b></li></ul>	<p>Enables businesses to transact customs and commercial documents electronically and cuts down clearance/processing times leading to tangible cost-savings for businesses. Examples include</p> <ul style="list-style-type: none"><li>• customs forms,</li><li>• e-certifications for agriculture products,</li><li>• e-bills of lading, and</li><li>• e-invoicing.</li></ul>
<ul style="list-style-type: none"><li>• <b>Electronic Payments</b></li></ul>	<p>Aims to establish common disciplines in the development and administration of frameworks for efficient, safe and secure e-payments which are internationally interoperable and which support competition and innovation</p>
<ul style="list-style-type: none"><li>• <b>Custom Duties</b></li></ul>	<p>Agrees to not apply customs duties on electronic transmissions, including content transmitted electronically. This does not preclude a Party from imposing internal taxes, fees or other charges on content transmitted electronically.</p>



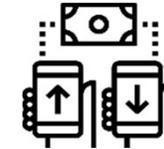
# 1. Facilitate seamless end-to-end digital trade



## Paperless trading, Domestic electronic transactions framework, E-invoicing

**Enables businesses to transact customs and commercial documents electronically and cuts down clearance/processing times leading to tangible cost-savings for businesses. Examples include**

- customs forms,
- e-certifications for agriculture products,
- e-bills of lading, and
- e-invoicing.



## Electronic payments

**Facilitates cross-border payments by aligning standards (e.g. adoption of ISO20022) by:**

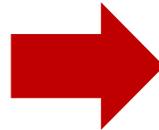
- Encouraging use of open “application programming interfaces” (APIs) by third party payment providers, allowing for interoperability and for fintech/small payment firms to innovate;
- Encouraging use of digital identities for cross-border authentication.

# Benefits for Micro, Small and Medium Enterprises

**FACILITATE**  
SEAMLESS END-TO-END  
DIGITAL TRADE

**ENABLE**  
TRUSTED  
DATA FLOWS

**BUILD**  
TRUST IN  
DIGITAL SYSTEMS



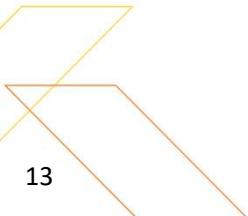
**Benefits include:**

- **Reduced costs for businesses**
- **Increased efficiency**
- **Strengthens consumer trust**
- **Increased business competitiveness and market penetration**



## Deep Dive on Regulatory Support in Digital Trade Facilitation

- **E-Transactions:** Promoting international frameworks such as the UNCITRAL Model Law on Electronic Commerce of 1996 (MLEC) and the UNCITRAL Model Law on Electronic Transferable Records (MLETR).
- **Paperless Trading:** Supported by the Networked Trade Platform (NTP) which allows us to link up with trade partners' systems to exchange data directly. Trade documents such as preferential certificates of origin can be sent directly to counterparts for overseas customs. This helps traders reduce the lag from documentation delays, mitigates risks and provides greater certainty for trade transactions.
- **Electronic Invoicing:** Established a nation-wide e-invoicing framework, InvoiceNow which is based on Peppol, an international and standards-based open framework for e-invoicing.





## UNCITRAL on E-Commerce and Electronic Transferable Records

- Singapore's very own Electronic Transactions Act was closely based on the UNCITRAL Model Law on Electronic Commerce.
- Singapore is also one of the first few countries who signed onto the UNCITRAL Model Law on Electronic Transferable Records.

- Document will not be denied legal effect, validity or enforceability solely on the grounds that it is in electronic form.

Non-discrimination



- Criteria under which electronic communications may be considered equivalent to paper-based documents

Functional equivalence



- Provide for the coverage of all factual situations irrespective of the technology or the medium used

Technological neutrality





# Trade Trust and UNCITRAL Model Law on Electronic Transferable Records (MLETR)

## Legal Perspective

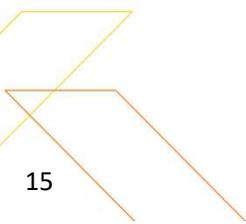


- Gives legal recognition to the use in electronic form of documents that underpin trade logistics and financing
- Examples include bills of lading, bills of exchange and promissory notes

## Business Perspective



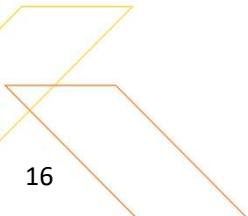
- Enabler of modern business practices based on technologies that seamlessly exchange, analyse and reuse data.
- Allows migrating the myriad of discrete paper-based documents into a single electronic record that contains all information related to a particular commercial transaction.





## Some guiding questions for discussion:

- Could Members share their experiences/best practices and challenges faced in trade digitalisation?
- What benefits can trade digitalisation bring to MSMEs and women led businesses?
- What are Members' experiences with UNCITRAL Model Laws on E-Commerce and Electronic Transferable Records?



Thank you.



Link:  
<https://www.mti.gov.sg/Improving-Trade/Digital-Economy-Agreements>