



GOVERNANCE CHARTER INDUSTRY ADVISORY BOARD

DIGITAL STANDARDS INITIATIVE

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Preamble

The ICC Digital Standards Initiative (DSI) will work towards the ambitious aim of establishing a globally harmonized, digitized trade environment. The value of which will translate to increased resilience in trade finance and supply chain processes increased productivity for participants, enablement of new services at scale, enablement of UN Sustainability Goals*, and leverage technology to reduce the global trade finance gap. In its recommendations, the DSI will take into account the operational risks (such as counterparty risks, compliance risks, cyber-risks) to ensure secure transactions and prevention of fraud for the international supply chain.

The initiative will leverage an inclusive consultation approach with industry groups, companies, and technical experts.

DSI will resolve critical path challenges at scale by:

1. We are unifying digital standards efforts across alliances, industry forums, standards development organizations (SDOs), companies, and government agencies of countries into a global approach.
2. Advocate for legal harmonization through strategic trade nations and trade routes to deploy UNCITRAL's MLETR (Model Law on Electronic Transferable Records)
3. Create rulebook(s) to ensure interoperability between digital trade between platforms. DSI will create a rulebook for adoption and utilization by platform owners. Rulebooks provide a framework for members to perform a trade, creating interoperability between platform owners and with government agencies.
4. Create cross-industry standardization: Development and seeding of data standards, information models, governance model standards and semantics required for greater inclusion and scale for processes that reach multiple industries (example: identity standards of subjects and objects).
5. Create Industry-specific standards: Development and Seeding of information models, governance model standards, and semantics required for greater inclusion and scale within a particular industry.
6. Create trade ecosystem platform standards: Development and Seeding of standards for data information exchange, API gateways, platform model governance, and communication protocols. These standards will reduce the cost and complexity associated with one-to-one platform integration projects today and enable one too many integration frameworks, reducing cost and increasing participation.

Article 1 | Name and Duration

Industry Advisory Board (IAB) operational under the ICC DSI Project, operated from the ICC Regional Office, ICC Asia incorporated in Singapore. The IAB is not limited in duration.

Article 2 | DSI Strategy and Implementation of Purpose

The DSI Governance Board (DSI GB) sets the strategic DSI direction and intent and has annual reviews.

The IAB operates under the oversight of the DSI GB.

The IAB enables the capability to engage senior stakeholders within a neutral governed venue to contribute towards standards endorsement, standards development and standard adoption.

The IAB has cross-regional, cross-industry representation (with full implementation concluded in 2021).

Article 3 | DSI Applicable law

The laws of Singapore shall apply to any matter not covered by the provisions of this Charter.

The applicable law of SDOs (Standard Development Organization) for SDO standards recommended will be respected.

Article 4 | Governance Structure

The DSI GB supports the tactical engagement structure via the two Advisory Boards - the IAB and the Legal Reform Advisory Board (LRAB), the appointment of Chairs, approval of IAB members, aligning of outcomes to strategic objectives, aligning funding to engagement requirements.

The IAB Chairman reports to the DSI GB:

- A chairperson will chair the IAB
- A vice-chairperson can be nominated by the IAB Chair if required for approval by the IAB

IAB Board:

- All major industries of the supply chain should be represented in the IAB
- The IAB is limited to 30 members, excluding the Chair position
- Up to 10 supply chain parts, industries or agencies can be represented
- Board members will be nominated by each industry working group (after the first IAB) and approved by the Governance board

IAB Working Groups:

- The IAB may create industry-specific working groups or forums and as required
- Working groups or forums have terms of reference to be approved by the IAB
- Industry-specific working groups may have six up to a max of 10 members
- Working Group members should work for a company within that industry or work for an alliance (association) representing that industry

Article 5 | Competencies and functions

The IAB will orient its competencies and functions towards the proliferation of fit for purpose trade digitization standards across the different industries and regions of the world. The IAB will have the following competencies and functions:

- Construction of working groups as required
- Assessment of use cases requiring standards
- Selection and endorsement of standards as and when required
- Development of standards either by the ICC or by SDOs as needed

- Advocacy for the adoption of standards
- Gathering of adoption statistics from members and other industry participants

Article 6 | Decision making

Due to the nature of paperless trade-related standards, the decision making for selection and endorsement of standards requires a multi-layered approach. Simplifying the process to a single decision making process will impact the efficiency at which the IAB operates and the effectiveness of its endorsements.

Decision making is governed under the following principles:

- Decisions that have a cross-industry implication (more than two industries or supply chain parts being affected) and require adoption across multiple industry borders requires the entire vote of the IAB
- Decisions with a cross-industry implication but limited to two industries require only the IAB members involved to vote. The Chair will work with both parties to determine the tiebreaker mechanism for deadlocks. The conclusion of the vote will be recorded in the IAB minutes
- Decisions requiring only a single industry will have the conclusion reported by the industry representatives to the IAB. And recorded in the IAB minutes. As a part of this recording, the following rules apply:
 - The full IAB has the opportunity to review the decision
 - All IAB members have the chance to challenge the basis for industry exclusion if required
 - A three month review period will be provided to all other IAB members before the endorsement coming into effect
- Voting rights are only allocated to IAB members
- These representatives have to either work for a company within that industry, or work full time for an alliance representing that industry. Service providers and consultants working within an industry vertical do not account as a member of the industry

Article 7 | Board Chair

The IAB Chair is elected and approved by the DSI GB. (The first Chair is recorded in Annex A).

The term of office of the Chair is 24 months with a maximum renewal of 4 terms.

The term of office starts from the date of the first IAB meeting with IAB members present.

Article 8 | Composition and profile members

It is required the Board members have appropriate seniority (C-Suite level) to perform their IAB duty with the capability of allocating resources towards the competencies and function in their organization and/or industry.

The regional balance of the Board is required for the global DSI program. The G20-FSB approach is taken as a benchmark for the regional balance principle.

The Board may have observers without voting rights.

Article 9 | Nomination and approval members

The nomination of IAB members will not be limited to any specific channel:

- Membership nominations can be submitted to the Chair for consideration
- The Chair has the right to exclude nominations that don't comply with the competencies and functions requirements as per this Charter
- The Chair has the right to endorse membership requests and submit these for approval to the DSI GB

- Approval of the DSI GB will be formally communicated by the DSI Secretariat
- IAB member companies may serve at maximum four terms of 2 years
- IAB members that are industry trade associations or public sector organizations may serve longer than four terms of two years with the explicit approval of the DSI GB

Article 10 | Member resignation

IAB members can resign at any time by submitting a written declaration to the Chair specifying when the resignation shall take effect.

Withdrawal of the IAB and the commitments associated with the position requires a 6-month notice period.

The ICC, as treasurer of the DSI, will process no refund for membership fees paid in advance.

Article 11 | Board meetings

The meetings will be convened virtually and leverage technology such as conference calls or video conference facilities:

- The IAB shall meet as often as required by either the Chair, but not less than twice a year
- Notice of meetings and agendas shall be provided to the IAB members (and to the ICC) through the DSI Secretariat two weeks in advance, with due time for review
- The IAB Chair can convene a meeting of the Board at any time, at his/her discretion
- All summaries of the IAB discussions and decisions will be recorded in the minutes of the IAB meetings, approved by the Chair
- The IAB minutes will be retained in the permanent records of the ICC
- To ensure a high level of transparency, the Board meeting minutes will be published on the DSI website

Article 12 | Secretariat

A Secretariat will support the IAB. The Secretariat will be composed of the number of staff required to administer the day-to-day operations of the IAB and is managed by the DSI Managing Director.

Article 13 | Amendment of Charter

The IAB Chair can request the DSI GB to amend the Charter. These requests require the approval of the DSI GB.

Article 14 | Dissolution

In the event of the liquidation of the DSI, its remaining assets shall be recorded within an asset register. The founding members of the DSI GB will decide on the final destination of each of the DSI assets individually. Where consensus cannot be reached, a vote of the three founding members will be taken. The IAB will be recorded as a part of this process and in consultation with the Chair either dissolved or transitioned as required.

Article 15 | Sustainable funding

The IAB will have a sustainable funding model. The objective of the funding model is to ensure that expenses incurred in operating the IAB is paid for by IAB members. IAB members are allowed to share the fee with their industry working group but are themselves account table for the fee.

The Funding model will follow industry guidelines:

Member type	Annual Membership fees
Non Profits	X
Associations	X
Corporates - Retail	X
Corporates - Commodity	X
Corporates - Financial	X
Corporates - Others	X

Article 16 | Operational Management Interactions with ICC

As a member of the DSI GB, the mission of the ICC is to uphold the governance principles of and to oversee the DSI program, in the broad public interest, in accordance with the ICC High-Level Principles. In furtherance of the mission, the ICC is to take appropriate action to protect the public interest through oversight of both the tasks of the DSI Managing Director and of the two Advisory Boards operating within the remit of the DSI. On behalf of the DSI GB the ICC defines the framework, principles, and standard under which the DSI shall operate. The ICC may request to inspect and monitor the activities of the DSI, including undertaking an on-site review, conduct hearings, request reports and other means, as well as requesting information from the Steering Committee as specified in this Charter.