



# GOVERNANCE CHARTER LEGAL REFORM ADVISORY BOARD

DIGITAL STANDARDS INITIATIVE



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## Preamble

The ICC Digital Standards Initiative (DSI) works 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 and enablement of new services at scale that will contribute to achieving the UN Sustainable Development Goals and reducing the global trade finance gap.

The initiative deploys an inclusive and consultative approach with companies, development banks, industry groups, intergovernmental organisations, and technical experts.

### **DSI will resolve critical path challenges at scale by:**

1. Unifying digital standards efforts across alliances, industry forums, standards development organizations (SDOs), companies, and government agencies of countries into a global approach.
2. Advocating for legal harmonization in strategic trade nations and trade routes through adoption of model laws, such as UNCITRAL's MLETR (Model Law on Electronic Transferable Records)
3. Creating rulebook(s) to ensure interoperability between digital trade 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. Creating cross-industry and industry-specific 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. Creating 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

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

## Article 2 | DSI Strategy and Implementation of Purpose

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

The LRAB operates under the oversight of the DSI GB.

The LRAB provides a platform to engage and convene senior stakeholders, within a neutral governed venue, to contribute towards legal harmonization to create an enabling legal environment for cross-border paperless trade.

The LRAB has cross-regional representation.

## Article 3 | DSI Applicable law

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

## Article 4 | Governance Structure

The DSI GB supports the activities of the DSI by exercising oversight over the two Advisory Boards – the Industry Advisory Board (IAB) and the LRAB through the appointment of Chairs to the LRAB; approval of LRAB members; alignment of LRAB projects to DSI strategic objectives; and alignment of funding to engagement requirements.

The LRAB Chairs report to the DSI GB. Two Co-Chairs will chair the LRAB. If required, one or more Vice-Chairs may be nominated by the LRAB Co-Chairs, for approval by the DSI GB.

The LRAB may be composed as follows:

- Representatives of appropriate seniority from the following Eligible Entities: multilateral development banks, intergovernmental organizations, regional economic communities, ICC national committees and industry associations
- The LRAB is limited to 30 members, excluding the Co-Chair positions.
- Board members will be nominated by each Eligible Entity and approved by the Governance board.

LRAB Project Working Groups:

- The LRAB may create Project Working Groups as required.
- Project Working Groups have terms of reference to be approved by the LRAB, which may focus on, as example, legal reform projects in developed and developing country jurisdictions and standard-setting activities.
- Project Working Groups may have up to a maximum of 10 members.

## Article 5 | Competencies and functions

The LRAB shall orient its competencies and functions towards the promotion and implementation of legislative frameworks that contribute towards the establishment of a globally harmonized, digitalized trade environment.



The LRAB has the following competencies and functions:

- Assessment and selection of model laws for promotion.
- Construction of Project Working Groups as required.

## **Article 6 | Decision making**

Decision making is governed under the following principles:

- Assessment and selection of model laws for promotion will be decided by consensus.
- Projects will be selected by simple majority vote.
- Project Working Group composition will be approved by simple majority vote.
- All other decisions will be decided by consensus.
- Voting rights are only allocated to LRAB members.

## **Article 7 | Board Chair**

The LRAB Chairs are elected and approved by the DSI GB. (The inaugural Co-Chairs are recorded in Annex A). The term of office of a Chair is 24 months with a maximum renewal of 4 terms. The term of office starts from the date of the first LRAB meeting with LRAB members present.

## **Article 8 | Composition and profile members**

It is required that Board members have appropriate seniority (principal or number two) to perform their LRAB duty with the capability of allocating resources towards the competencies and function in their organization and/or industry. Regional balance of the Board is required for the global DSI program. The Board may have observers without voting rights.

## **Article 9 | Nomination and approval members**

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

- Membership nominations can be submitted to the Co-Chairs for consideration
- The Co-Chair has the right to exclude nominations that don't comply with the competencies and functions requirements as per this Charter
- The Co-Chairs have 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.

## **Article 10 | Member resignation**

LRAB members can resign at any time by submitting a written declaration to the Co-Chair specifying when the resignation shall take effect. Withdrawal from the LRAB and the commitments associated with the position requires a 3-month notice period.

## **Article 11 | Board meetings**

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

- The LRAB shall meet as often as required by the Co-Chairs, but not less than twice a year.
- Notice of meetings and agendas shall be provided to the LRAB members (and to the ICC) through the DSI Secretariat two weeks in advance, with due time for review.
- The LRAB Co-Chairs can convene a meeting of the Board at any time, at their discretion
- All summaries of the LRAB discussions and decisions will be recorded in the minutes of the LRAB meetings, approved by the Co-Chairs.



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

## **Article 13 | Amendment of Charter**

The LRAB Co-Chairs 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 LRAB will be recorded as a part of this process and in consultation with the Chair either dissolved or transitioned as required.

## **Article 15 | Funding**

Day-to-day management expenses of the LRAB will be drawn from DSI and ICC budgets. Project Working Groups will be funded by a mix of in-kind contributions and development assistance from interested Board members.

## **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 standards 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.



## **Annexure A| Legal Reform Advisory Board**

Chris Southworth, ICC United Kingdom (Secretary General) (Co-Chair)

Valentina Mintah, ICC Executive Board Member (Co-Chair)