Digital Standards Initiative

Sep 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
Broadly, we aim to:

- Make trade faster, cheaper and more secure through digitization and automation.

- Enable transparency, agility and resilience in supply chains, by improving the quality, timeliness and pooling of data across the entire trade environment.

- Lower costs to serve, and bridge a persistent trade finance gap, particularly in the emerging markets*

- Mitigate the potential for fraud, tax and duty evasions, financial crime, trade-based money laundering.

- Improve sustainability in trade and trade finance by opening new ways to measure, manage & drive environmental efficiency and social inclusion.

- Provide access to new forms of metadata throughout supply chains, further enabling industries to measure and course-correct their progress toward the UN Sustainable Development Goals.

*Global Trade Finance Gap Widened to $1.7 Trillion in 2020, based on ADB 2021 Trade Finance Gaps, Growth, and Jobs Survey
Reality check

In over 90% of the trading world, trade and supply chain data is embedded in paper forms (physical or pdf), multiplied each time that goods and services cross borders before reaching the end consumer.

This data must be manually extracted, validated and entered into IT systems, most of which are not connected to each other.

The process is:
• prone to errors, discrepancies and even fraud
• time consuming and costly
• environmentally inefficient

Key obstacles to digitizing trade in businesses and supply chains*

- Countries are at uneven stages of regulatory reforms that would legalize Electronic Transferable Records (ETRs), providing legal certainty and recognition.
- Taxonomies, standards, and technologies vary widely across the trading system even where there is alignment on digitalization. Interconnection must be individually negotiated and accomplished.
- Digital networks have been created to drive common approaches and standards, and while these enable economic efficiencies, there are no established means to connect “digital islands” to one another.

*result of DSI’s industry consultation in 2021
A practical tool to navigate the standards landscape

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

→ Equip every supply chain participant with some of the most notable and widely used standards
→ Drive convergence across international supply chains
→ Promote genuine interoperability for paperless trade processes

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Engaging stakeholders through Industry Advisory Board

Operating under the oversight of the Governance Board, the Industry Advisory Board and its Working Groups has a cross-regional and cross-industry representation, bringing together leaders with diverse backgrounds and experiences who share a passion for solving key challenges facing trade digitization efforts.
Legal Reform Essential to Achieve ICC DSI Vision

THE SOLUTION: MLETR

The UNCITRAL Model Law on Electronic Transferable Records (MLETR) creates an enabling legal environment for paperless trade. It:

- provides an international framework to align national laws and enable the legal use of electronic documents of title (electronic transferable records or “ETRs”) both domestically and across borders;
- builds on the principles of non-discrimination against the use of electronic means, functional equivalence, and technology neutrality underpinning all UNCITRAL texts on electronic commerce;
- enables the use of all technologies including registries, tokens and distributed ledgers;
- was drafted in a multi-year, inclusive and transparent process by the United Nations Commission on International Trade Law, a subsidiary body of the UN General Assembly with a mandate to further the progressive harmonization and modernization of international trade law.
Engaging public sector with Legal Reform Advisory Board

Operating under the oversight of the Governance Board, the Legal Reform Advisory Board enables DSI to engage senior stakeholders across industry associations, intergovernmental organisations, multilateral development banks and regional economic communities to scale and progress regulatory and institutional reform.
Current state of play

Jurisdictions that adopted UNCITRAL Model Law on Electronic Transferable records (MLETR)

- Bahrain, 2019
- Singapore, 2021
- ADGM, Feb 2021
- Kiribati, Sep 2021
- Belize, Sep 2021
- Paraguay
- Papua New Guinea

Jurisdictions considering alignment (MLETR adoption or consistency)

- United Kingdom
- Thailand
- Trinidad & Tobago

As of Aug 2022