

Cross-border Paperless Trade

Role of private sector and development partners

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Modeling for B2B and Compliance

What kind of a cross-border transaction model can help traders improve efficiency and flexibility in their business while supporting regulatory compliance?

The International Chamber of Commerce proposes Continuous Transaction Controls (CTCs) model. CTCs concept can help Member States design business-friendly cross-border paperless trade data exchange models.

What are CTCs?

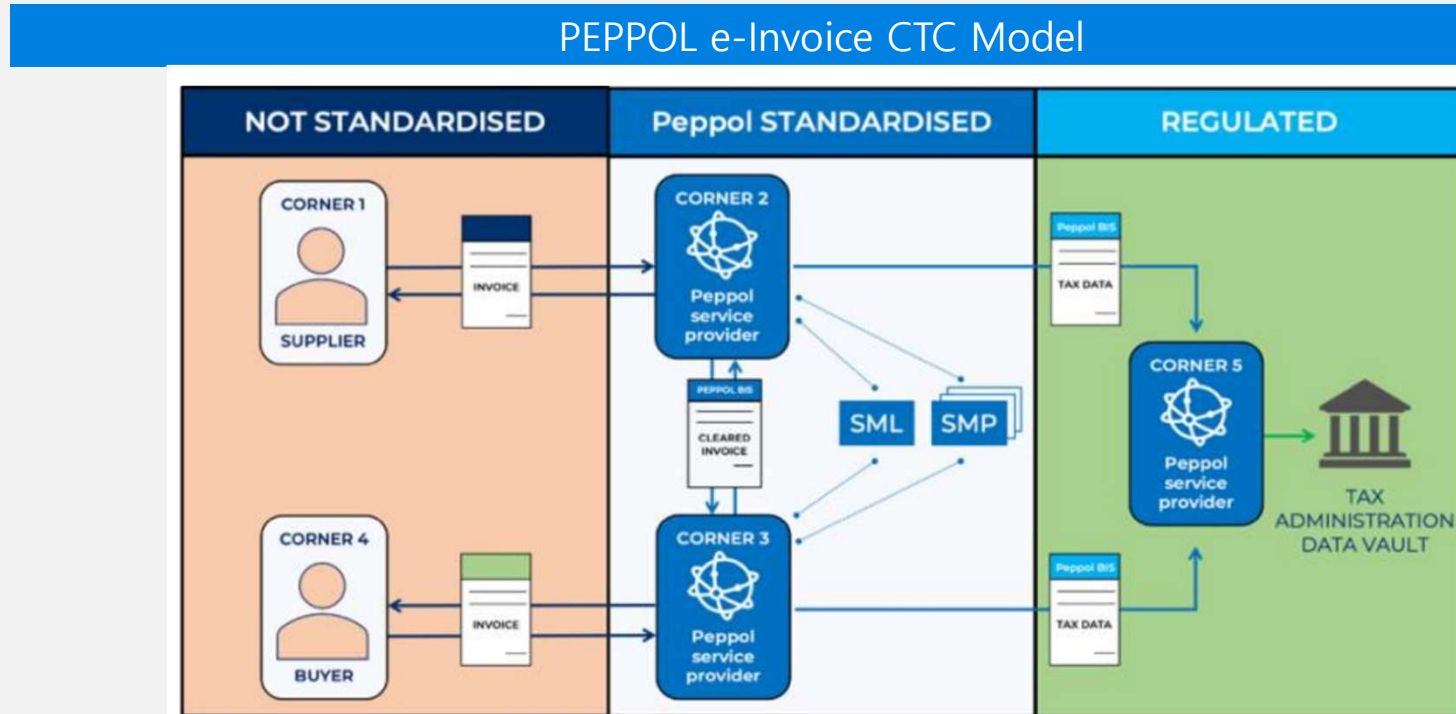
Continuous Transaction Controls (CTCs) enable law enforcement agencies, such as tax administrations, to collect data associated with business activities that are relevant to the exercise of their function. Such data is obtained directly from business transaction processing and/or data management systems, in real-time or near-real-time.

(from ICC Continuous Transaction Control (CTCs) Practice Principles)

Case of CTC

01 Modeling for CTCs

Peppol e-Invoice CTC is designed to provide a non-discriminatory, repeatable and modular scheme that can be deployed using existing technology and infrastructure in multiple jurisdictions in a harmonized way, enabling improved indirect tax controls for both domestic and cross-border operations



From PEPPOL CTC Model

U2

Review CBPT Database and learn lessons

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"ALL happy families resemble one another, but each unhappy family is unhappy in its own way" (Anna Karenina)

When choosing the priority for the CBPT project, reviewing and studying previous projects and services is crucial. Visit <https://www.digitalizetrade.org/> for more information.

Implications and recommendations from the interim Steering Committee Work Groups can also be beneficial (i.e., Analysis of Trade Process and [Reference Map for CBPT](#)).

One of the key findings during the WG is that the success of the CBPT project is highly affected by the number of message types, technical assistance from international development partners, and the existence of cross-border legal arrangement such as international conventions or free trade agreements among the implementing parties.

Market penetration	Public and Private	Process changes	No. of message types	Technical assistance	Legal framework	Number of Project cases
Low (1)	1.64	2.36	2.42	1.36	1.43	14
Middle (2)	2.00	3.00	1	3.00	2.00	2
High (3)	1.81	2.81	1.57	2.00	2.31	16

U3

Align the domestic legal framework with international legal frameworks

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The biggest obstacle in facilitating CBPT is a domestic legal framework that does not accept Electronic equivalents. Readiness assessment by a 3rd party is strongly recommended to ensure objectivity. Align the domestic legal framework with selected international legal frameworks and best practices as part of a national policy framework.

To ensure consistency with international conventions and model laws;

- Agency level - Secure legal authority to exchange electronic data and messages with other countries. Identify exceptional cases that do not allow electronic equivalence in the administration process.
 - Customs Act, foreign trade Act, and other Acts related to trade-related agencies such as quarantine agencies, standard conformity agencies, port authorities, and other paperless trade system operators.
- National level – Recognition of domestic and foreign electronic equivalence (electronic data and messages and digital signatures).
 - Electronic transaction act, e-signature act, and other e-commerce and security-related acts

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Implications

- (Role of a service provider)

A cross-border paperless trade process is one in which regulatory controls are added to the commercial transactions of goods and documents across borders.

As seen in Peppol's e-Invoicing case, the Service Provider can act as a bridge of the CTC scheme in commercial transactions. The private sector can enrich the scope of cross-border digital trade as a value-added service provider as well as a catalyst.

- (Role of development partners)

A cross-border paperless trade framework is a multi-national legal, technical, and semantic interoperability arrangement.

Development partners shall help establish regional cross-border paperless trade blue-print, road map and action plans. The plan shall incorporate three layers of legal, technical and semantic interoperability framework for cross-border digital trade

Thank you for your attention

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