INDUSTRY ADVISORY BOARD

The International Chamber of Commerce (ICC) is the institutional representative of more than 45 million companies in over 100 countries. ICC's core mission is to make business work for everyone, every day, everywhere. ICC aims to promote international trade and investment as vehicles for inclusive growth and prosperity.

ICC | INTERNATIONAL CHAMBER OF COMMERCE
The world business organization

ICC DIGITAL STANDARDS INITIATIVE

Compliance Statement

The fundamental objective of the International Chamber of Commerce, founded in 1919, is to further the development of an open world economy with the firm conviction that international commercial exchanges are conducive to both greater global prosperity and peace among nations, Whereas all the activities of the International Chamber of Commerce, whether of a policy or technical nature, aim:

•to promote international trade, services and investment, while eliminating obstacles and distortions to international commerce;
•to promote a market economy system based on the principle of free and fair competition among business enterprises;
•to foster the economic growth of developed and developing countries alike, particularly with a view to better integrate all countries into the world economy;

In line with the ICC constitution (https://iccwbo.org/constitution/) the ICC DSI and ICC IAB promote a market economy system based on the principle of free and fair competition among business enterprises. Competition laws — also known as Antitrust or Trade Practices laws in some countries — are rules on how companies should compete in the markets where they operate. The purpose of these laws is to promote and safeguard undistorted and fair competition — and to punish business conduct that undermines innovation and harms consumers.

Danger areas which all members must be familiar with include activities associated with Cartels and collusion, restrictions in horizontal and vertical agreements and any abuses of a position of dominance or market power. Practically this translates to a zero tolerate towards any price fixing engagements, market sharing or customer allocations, bid rigging, production shutdown agreements or output limitations and collective agreements to boycott markets or practices.

Participation in ICC DSI or ICC IAB related activities is voluntary to members. The IAB will be governed by its charter and all meetings shall be recorded. If any participate believes conversations are drifting towards impermissible discussions, please inform the IAB Chairman, the DSI or the ICC General Legal Council for assistance and course correction as required. Any standard developed or adopted from another SDO (Standard Development Organization) are recommended and not mandatory standards. The IAB will focus on recommendation standards for the benefit of the ICC DSI objectives.
More information can be found: https://iccwbo.org/publication/icc-antitrust-compliance-toolkit/

Agenda

Agenda	Time (mins)	Presenter
1. Welcome and Introductions of New Members	10	Gerard Hartsink
2. Governance (Minutes, Charter Feedback)	10	Gerard Hartsink
3. Round Table #1	10	Gerard Hartsink
4. Interviews Playback	15	Hannah Nguyen
5. Round Table #2	10	Gerard Hartsink
6. Refreshed Five Year Plan	15	Oswald Kuyler
7. Round Table #3	15	Gerard Hartsink
8. Revenue Model Evolution	5	Oswald Kuyler
9. International Credit Insurance & Surety Association (ICISA)	10	Richard Wulff
10. AOB	20	Gerard Hartsink

1. WELCOME AND INTRODUCTIONS

Gerard Hartsink,
Chairman IAB

Welcome to our new members

**Mencia Bobo
SANTANDER**

**Aliyu Suleiman
DANGOTE GROUP**

**Peggy Mah
RIO TINTO**

**Benoit Cosserat
CMA CGM**

**Richard Wulff
ICISA**

2. GOVERNANCE

Gerard Hartsink,
Chairman IAB

Charter feedback

Section: Preamble
Feedback: include in the preamble the risk aspect of the digital international supply chain
Proposed amendment: add one sentence: "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."

Section: Article 6
Feedback: Please clarify the decision-making process
Considerations:
- Competition law: IAB decisions are recommendations for its members
- ICC has 45 mio corporate members from many industries
- Several IAB members are industry organizations with their own rulebooks and standards and a governance process for the approval of recommendations on legal and technical standards
- The IAB Board should respect with its recommendations the decision processes of the industry organizations

Section: Article 15
Feedback: ICC should fully fund the IAB and the DSI related activities
Considerations: Provide insight later on in the meeting.

3. ROUND TABLE #1

Gerard Hartsink,
Chairman IAB

4. INTERVIEWS PLAYBACK

Hannah Nguyen
Deputy Director

Playback of IAB Survey questions

DATA: When you look at reports or analysis of your firm's business processes (or of your members' business processes), which are the areas that you are struggling to get high quality, trusted and reliable data from different business partners and suppliers (B2B) and/or for reporting (B2G) purposes in the international supply chain?

PAPER BASED DOCUMENTS: A substantial part of the international business processes are still taking place with support of paper-based documents. Where does paper produce the most friction (delay, manual work, etc.) in the supply chain of your firm's business processes (or of your members' business processes)?

SCOPE: Please specify which standards your firm (or your members) believe that should be included in the scope of the DSI program to realize this harmonization objective. Your answer may include the adoption of existing standards for the B2B and B2G business processes or the creation of new standards in cooperation with the SDO involved.

RANKING: Referring to the standards that you have just identified, please rank them.
PRIORITY: If you can put down 1 priority in the DSI's one-year plan, what would that deliverable be?
SUPPORT: Does your firm or organization have any project that you think will be valuable to contribute towards its objectives?

GAPS: Are there any gaps in the international supply chain where you think not enough attention has been paid to digitise and where you think the DSI program should be involved in?
AOB: Are there any other important considerations that you think the DSI should pay attention to?

* In the analysis that follows, we have aggregated the diverse responses received into interconnected themes and they do not correspond directly with order of survey questions.

Quality & trusted data required by various participants

Actor	Goal	Brief description of needed data
Corporates and SMEs, Banks, Freight & Logistics, Insurers	**KYC/ KYS/ AML/ Sanctions compliance**	Usually need risk side review of corporate documents, UBO, audited accounts, counterparty info.
Corporates and SMEs, Banks, Freight & Logistics, Insurers, (Air)Ports, Customs & other Border Agencies	**KYG compliance**	Need goods description, shipping detail, various transaction info (where it's going, what's the use esp. dual use goods).
Corporates and SMEs, Banks, Insurers	**ESG reporting**	Need proof of sustainability attributes (e.g., health and safety, human rights, carbon disclosure).
Corporates and SMEs, Banks, Customs & other Border Agencies	**Product Origin Attestation for duty optimization**	Need Certificate of Origin (CoO), Bill of Materials (BOM)
Corporates and SMEs, Banks, Freight & Logistics, Insurers	**Evidence title and receipt of underlying goods**	Need Bills of Lading, Warehouse Receipts
Corporates and SMEs, Banks, Freight & Logistics, Insurers	**Evidence compliance to Documentary Credit process**	Need Commercial Invoices (VAT), Bills of Lading, Packing List, Certificate of Origin, Insurance Certificate, etc.
Corporates and SMEs, Banks, Insurers	**Enable Receivables Finance and Supply Chain Finance**	Need Commercial Invoices (VAT) and other documentation
Corporates and SMEs, Freight & Logistics, (Air)Ports, Customs & other Border Agencies	**Compliance with Border Agencies procedures**	Need Bills of Lading, Commercial Invoices (VAT), Packing/Weight List, Declaration forms (Customs), relevant certificates e.g., SPS certs, Dangerous Goods, etc.
Corporates and SMEs, Banks, Freight & Logistics, Insurers, (Air)Ports, Customs & other Border Agencies	**Supply Chain Visibility**	Need updated track-and-trace data for location, status, events to monitor chain of custody and chain of ownership; to arrange resources

Where are the friction points in paper process? (1/3)

Use Case	Data Exchange	Data Verification	Data Consumption
KYC/ KYS/ AML/ Sanctions compliance	• Customers still fill/hand in physical documentation which generates friction. Enforcing standards on customers are difficult as it might impact the deal. • Variable formats across jurisdictions. • No golden copy, concern about data source and cybersecurity. Email security can be compromised.	• Tend to be localised, need to develop market-based databases for manual checks • Platform solution providers exist but highly fragmented • Would be good to have verification based on digital identity - needs to be either Gov driven, or industry driven (but distrust among competitors makes this hard)	• Inconsistent data models makes detecting fraud challenging. • Difficult to share info on bad actors/ suspicious parties due to privacy constraints • Complex to automate and analyze for patterns over time
KYG compliance	Inconsistent terminology. Even standardized fields allow free format.	Difficulty lies in reconciling and compiling free formatted data.	Need consistent source data to simplify OCR's ability to extract and clean data.
ESG reporting	No standardized data structure for sustainability attributes (e.g., carbon disclosure) and for the provenance of goods.	Increasing need to monitor and report on ESG impact of trades and financing. Need to sync whenever changes occur. Concern about greenwashing.	Current approach is manual and piecemeal. Complex to implement at individual transaction level, increasing cost to serve.
Product Origin Attestation for duty optimization	Certificates of Origin (CoOs) are currently designed for direct shipment of a single supplier, single customer, single destination situation. Supply chains are more complex. Need modern approaches to CoO.	Bill of Materials (BOM) needs standardization to support duty optimization (FTA/CoO Analysis, HS determination).	Different formats of CoOs, depending in issuer and specific FTAs.

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Where are the friction points in paper process? (2/3)

Use Case	Data Exchange	Data Verification	Data Consumption
Evidence title and receipt of underlying goods	Provenance of title documents is important & how to transfer it?	Need to ensure title ownership (Singularity and control). When a customer brings in physical documents, how can we verify these?	Usually remain in silos controlled by the issuer
Evidence compliance to Documentary Credit process	• Corporates sometimes struggle to get physical copy couriered in time to banks. • Banks want to receive the data directly from neutral entity/issuer rather than buyer/seller.	• Need to ensure singularity and control. • Data needs to strictly meet stipulated requirements.	• Sheer volume problem – needs to match for consistency with intended transaction, UCP and regulatory requirements. • ICC rules including ISBP and UCP rules still are very paper intensive, even with best practices.
Enable receivables finance and supply chain finance	How to undertake a robust assessment of all aspects of the underlying transaction, including data from client's supply chain partners?	Need to check the invoice copy for potential fraud and double financing. How to detect financial crimes e.g., overbilling?	Difficult to aggregate and analyze, data formats depends on issuer and country

Where are the friction points in paper process? (3/3)

Use Case	Data Exchange	Data Verification	Data Consumption
Compliance with Border Agencies procedures	• Uneven adoption of electronic consignment note – eCMR for road transport. In many countries, road transport still need paper docs to give truck drivers, esp. to enjoy preferential tariff. • Corporates and SMEs sometimes struggle to get physical copy arrived in time to customs. Pre-arrival info can be incomplete, leading to delays and costs. • Corporates, SMEs and freight/logistics need to deal with port operators and customs who often have own technology and national requirements.	• Manual cross-reference needed between declaration docs and supporting docs (come in different format – scan, electronic, paper). • Data errors can lead to costly delay and fines	Data received sometimes do not conform to the standard code sets used in international trade and transport or contain more info than necessary.
Supply Chain Visibility	Tracking visibility is poor when move across actors (ocean carriers incl. feeders, intermodal operators e.g., barges, rail and road, terminals including transshipment port, depots) and all administrative events e.g., customs release.	Fragmentation and data silos means lots of compilation and reconciliation.	It makes the coordination between all parties extremely complex to handle.

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4 levels of interoperability – Key enablers vs obstacles

Level	Description	Key obstacles	Key enablers
Legal • Public law • Private law	Aligned legislation and legal meaning when paper switches to digital	• Existing SOPs require hard copies • Cross-jurisdiction differences, plus pressure from certain big trading partners for certain platforms in specific markets • Complex/unfit digital rules across platforms, industries and jurisdictions; subject to fraud and interpretation	• Public law: Legal certainty and harmonization globally (MLETR, MLES) • Private law: Common rulebooks so that everyone can operate on similar T&C, obligation and liability. • Simplified and commercialized best practices for digital workflows
Organizational	Business process integration beyond the boundaries of a single organization or industry sector	• Reluctance to share data and perceived advantages associated with it • Inconsistent data requirements and unclear input/output expectations • Reluctance to change SOP & deep-seated practise to accommodate digitised workflow and documents • Unfruitful outcomes from past digitisation attempts (e.g., eBL)	• Open appropriate access to Gov-collected data • Shared info among industry • Secure database where certain data sets can be made available based on user-controlled consent. Every field only entered once, re-usable by all authorized parties in respective processes. • Change management • Incentives design to promote switch • Capacity building
Semantic	Ensuring the same meaning of exchanged data through predefined and shared meaning of terms	• Different data models across actors and processes • Poor quality data inputs, unfit to be cross-referenced • Complex reconciliation required	• Harmonised data elements and data models for common trade docs esp. for Invoices, B/L, CoO, W/R, Packing List, etc. • Master data management (standardized data fields)
Technical	Technical end-to-end exchange of data among systems through predefined data format, structure, identity and security protocols	• Constraints by existing systems (e.g., EDI) and national requirements esp. at ports and customs • Entrenched digital islands • High cost of adoption vs volumes impacted is a challenge for most business cases. • Data protection/sharing constraints, which data is shared for what purpose • Trust and security concerns	• Technical standards for tamper-proof exchange of data born in machine-readable format e.g., APIs • Open standards enabling more choices and connectivity • Build business case for specific sectors • Robust data governance to ensure data privacy and consent management (need to know basis). • Secure sharing with high assurance authentication

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Other areas of interest – On the radar next

Area	Description	Example
IoT data	How to ensure the data is fit for purpose and easy to be exchanged automatically across systems and industry borders	Drone data now has no standard and hard to use. Many types of RFID and barcodes, not all can be read by same machine. How smart containers can enable smart contracts.
Event data in the physical supply chain	How to reliably document chain of custody and chain of ownership of physical goods and assets in real-time? E.g., cargo release (Customs)	Electronic Product Code Information Services (EPCIS) Standard to record real-world events shareable among trading partners (What, Where, When and Why).
Multiple Digital Identities of Subjects and Objects	How to ensure interoperability between different identifier frameworks from GS1, IMO, WCO-Unique Consignment Reference (UCR), BIC and LEI? How to reconcile the hierarchy of stakeholders and locations in all modes of transport and across supply chain to indicate supply chain roles, location, functions, attributes?	Example of the US Customs and Border Protection (CBP) who is evaluating their PoC which identifier(s) (GLN, LEI, DUNS) will be chosen for their Global Business Identifier Initiative.
Liability and insurance	How do we enable liability coverage in a digital world?	Coverage of the International Group of P&I Clubs on liabilities in respect of the carriage of cargo under electronic systems
Cross-jurisdictional/ cross-sectoral difference	There will be diversity in some of the standards used in different jurisdictions. Can we have best practices or frameworks that enable the bridging of these standards?	Example is UN/CEFACT, OASIS in e-Invoice. IMO Compendium to harmonize data models of ISO, WCO and UN/CEFACT.

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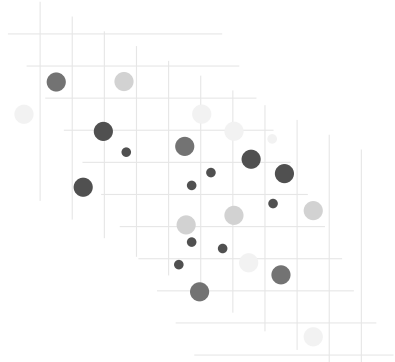
5. ROUND TABLE #2

Gerard Hartsink,
Chairman IAB

6. REFRESHED FIVE YEAR PLAN

Oswald Kuyler,
Managing Director

Five Foundational Pillars For Execution

Key Data Elements for Trade

Know your Customer/ Supplier/ Goods/ Vessel identity, Location data, ESG Reporting Data, payment, insurance & trade finance related data

Key Trade Document types

CoO, Commercial Invoice (VAT), Warehouse Receipts, Packing Lists, Bills of Lading, Declaration Forms (Customs), Insurance Certificates, Customs Bonds, etc.
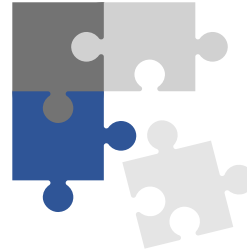
Trusted Technology Environment

Verifiable Credentials, Authentication, Digital Signatures, Data exchange between supply chain actors (B2B, B2G, G2B).

Modernized Rules for Trade

Private sector:
EUCP, URDTT, P&I Rulebook adaptation to interoperable world. Preferential and non-preferential CoO rules. Technical standards for ETRs.

Public sector:
MLETR
MLES

Seeding Digitization

Private sector:
Business cases to drive adoption. Seeding adoption.

Public sector:
Facilitate systems in Seaports, Airports and Land Border crossing points; Customs and other Gov agencies to address modern trade challenges.

All stakeholders:
Education and Training, communications

How does this translate to a Five-year plan

2021 Focus points

FINDING STANDARDS IS DIFFICULT
No single view of trade processes and standards.

OUTDATED REGULATION
Legal uncertainty regarding acceptance of digital trade documentation.

PRIVATE LAW BARRIERS
Interoperability challenges in legal title management and liability frameworks.

TRADE STANDARD ADOPTION GAPS
Limited clarity on foundational standards, limited activity to bridge standard gaps.

COSTLY TECHNICAL INTEGRATION
Limited standards to simplify blockchain and non-blockchain based integration.

2022 Deliverables

FINDING STANDARDS SIMPLIFIED
- Global Standard Map (Supply chain component part based)
- Educational Products
- Measure adoption

MLETR AWARENESS MAINSTREAMED
- Legal reform board operationalised
- Efficiency improvements on MLETR advocacy
- 3 additional trade nations MLETR enabled.

RULEBOOKS, PRACTICES AND FRAMEWORKS
- EUCP, URDTT and EURC
- CoO Rules
- Carrier rulebooks

DATA ELEMENTS AND DOCUMENT STANDARDS:
- Identity standard translation framework
- +/- 80 standard data fields for trade defined
- Foundational ESG data elements defined
- CoO, WR, PL, EBL and Invoice standards harmonised.

INTEROPERABILITY ENABLEMENT
- Business Cases for adoption
- API Standards for data exchange

2026 Ambition

STANDARDS UTILISATION IMPROVED
Solutions leverage foundational standards for trade related data and processes.

MLETR ADOPTION IN PROMINENT TRADE ROUTES: Functional equivalence for electronic records to their physical counterparts enabled in a minimum of 15 additional countries.

GLOBAL RULES FOR DIGITAL ENABLED
Rules and Practices enabling global trade processes to be digitised and leveraged in appropriate instruments and contracts.

DEMATERIALISATION
Standards enable the digitisation of end-to-end supply chain processes in a technology agnostic landscape among MLETR enabled trade corridors.

DECENTRALISED CONNECTIVITY
Efficient and trusted exchange of information between ports, carriers, banks, border agencies, importers and exporters.

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7. ROUND TABLE #3

Gerard Hartsink,
Chairman IAB

8. REVENUE MODEL EVOLUTION

Oswald Kuyler,
Managing Director

Sustainable Revenue 2026

ICC DSI charter and engagements are not limited to ICC membership only. DSI works with members from other associations and companies who aren't members of any. Other ICC initiatives require membership (example banking commission). Similarly, our sustainable revenue model is designed to support only the IAB activities. Objective is to work with IAB members to solidify a workable model by end of Q2 2022 which can go into effect Q4 2022.

Timeline:	2021	2022	2023	2024	2025	2026
Current Seeding:	2021	2022	2023			
Industry Advisory	2021	2022	2023			
Legal Reform	2021	2022	2023			
Education	2021	2022	2023	2024	2025	2026
Core (Legal, Marketing, Web)	2021	2022	2023	2024	2025	2026

Option A

Member Type	Quantity	Annual	Total
Non Profits	10	$-	$-
Associations	5	$-	$-
Corporates - Retail	5	$4 000,00	$20 000,00
Corporates - Commodity	5	$18 000,00	$90 000,00
Corporates - Financial	5	$18 000,00	$90 000,00

Option B

Member Type	Quantity	Annual	Total
Non Profits	10	$-	$-
Associations	5	$-	$-
Corporates - Retail	5	$4 000,00	$20 000,00
Corporates - Commodity	5	$35 000,00	$175 000,00
Corporates - Financial	5	$35 000,00	$175 000,00

9. International Credit Insurance & Surety Association (ICISA)

Richard Wulff,
Executive Director

10. AOB

Gerard Hartsink,
Chairman IAB

2022 IAB meetings proposal
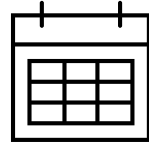
Quarterly IAB meetings

17 February 2022
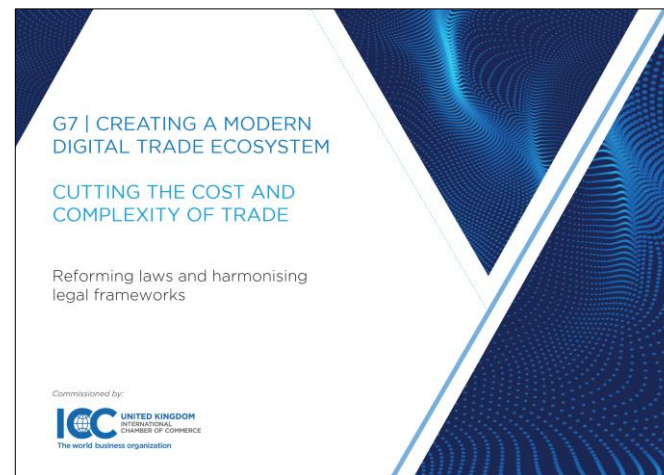
18 May 2022

18 August 2022

17 November 2022

Global Annual Forum for rules-based organizations and SDOs

2022 Q2 – Inaugural

Focus workshop series

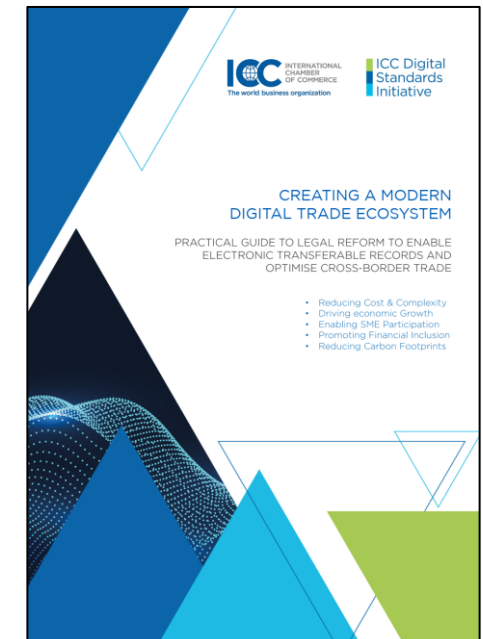Public event

Regional rotation (Asia, Europe, Americas)

Resources

G7 | Creating a Modern Digital Trade Ecosystem – Cutting the cost and complexity of Trade

Digitalizing Trade in Asia Needs Legislative Reform

Practical Guide to Legal Reform to enable electronic transferable record and optimize cross-border trade

Resources

Reconceiving the global trade finance ecosystem

Our report launches on 18 November.
Register for your free copy now.
https://bit.ly/tradefin2021

Foundational Principles & Priorities of the ICC Commission on the Digital Economy