Draft only

A MUTUAL RECOGNITION MODEL AGREEMENT

Sung Heun Ha (Rama)

January 2024

COMPONENTS FOR MR MODEL AGREEMENT/ARRANGEMENT

Organization arrangement

Legal arrangement

Technical arrangement

- Components
  - (1) an international or regional stakeholder which governs the rule or provides principles for a cross-border mutual recognition scheme,
  - (2) ownership of recognition requirements,
  - (3) mutual or multilateral implementation bodies implementing such scheme or guideline,
  - (4) the object of recognition,
  - (5) a legal instrument or a guideline set or agreed upon by participants,
  - (6) an execution method for recognition,
  - (7) a mechanism to maintain trust among participants,
  - (8) Official control purpose or private transactions
  - (9) technical standards or guidelines.

MR MODEL A: PEER TO PEER RECOGNITION

1. Definition

- **"Addressee"** of a Data Message or an Electronic Record means a person who is intended by the Originator to receive the Data Message or Electronic Records but does not include an intermediary who sends, receives, stores, or provides other service with respect to the Data Message or Electronic Record on behalf of the Originator or Addressee.
- **"Adopted Protocol(s)"** means the accepted method(s) for the interchange of Data Messages or Electronic Records based on the standard for the presentation and structuring of the transmission of Data Messages or Electronic Records, as may be agreed from time to time in writing between the Parties. The Adopted Protocol(s) is identified in the Technical Annex.
- "**Acknowledgement Receipt**" means the acknowledgment of receipt of a Data Message or Electronic Record
- "**Electronic Record**" means a record generated in digital form by an Information System, which can be:- (a) transmitted within an Information System or from one Information System to another and (b) stored in an Information System or other medium.
- **"Data Log"** means the complete record of information interchanged between the Parties and between the Parties and the Subscribers, including without limitation: (i) the content of messages sent by Subscribers to their respective service providers (including any digital signatures of the Subscribers, encryption or other security applied to the Subscribers' messages); (ii) the Data Messages or Electronic Record (including time and date stamps); and (ii) digital signatures attached to such Data Messages or Electronic Record.
- "**Originator"** of a Data Message or an Electronic Record means a person by whom, or on whose behalf, the Data Message or Electronic Record purports to have been sent or generated before storage, if any. Still, it does not include an intermediary who sends, receives, stores, or provides other services with respect to the Data Message or Electronic Record on behalf of the Originator or Addressee.
- **"Parties"** means the parties to this Agreement, and "Party" means any of them as the context dictates.
- "**Receiving Party**" means a Party who receives a Data Message or Electronic Record sent by the Sending Party.
- "**Sending Party**" means a Party who sends a Data Message or Electronic Record to a Receiving Party.
- **"Technical Annex"** means the technical annex attached to this Agreement, which sets forth the specifications agreed upon by the Parties for certain technical and procedural requirements

2. Scope and Technical Annex

- The purpose of this Agreement is to establish an appropriate and effective framework for the facilitation of cross-border trade data exchange and mutual recognition among the Parties
- This Agreement governs the electronic transfer of Data Messages or Electronic Records between the Parties, and the implementation of related support procedures by the Parties. Except as expressly provided, this Agreement does not govern any other relationships between the Parties, contractual or not, in the context of which the Data Messages or Electronic Record are communicated.
- The Parties agree to adhere to the Technical Annex attached hereto which sets forth the specifications agreed upon by the Parties for certain technical and procedural requirements. In the event of a conflict between the terms of this Agreement and the Technical Annex, the Parties shall endeavour to resolve the conflict having regard to the intent of the Agreement, and if said conflict cannot be so resolved, the terms of this Agreement shall prevail.

3. Communications and Operations

- The Parties agree to communicate Data Messages or Electronic Records in accordance with the Adopted Protocol(s) established for the electronic transmission of Data Messages or Electronic Records between the Parties
- Each Party shall implement, test and maintain their respective equipment, software and services necessary to effectively and reliably transmit and receive Data Messages or Electronic Records.
- The Parties shall specify in the Technical Annex the methods of communication, including the requirements for telecommunication or the use of the third party.
- Link or protocol failure detected by a Party shall be notified to the designated representatives of the Party who is responsible for the link or protocol for resolution. The Party responsible for resolving the link or protocol failure shall endeavor to rectify the said failure as soon as possible.

4. Mutual Recognition (or MR ANNEX)

- The Parties agree that the validity of the communicated Data Messages or Electronic Records in accordance with the Adopted Protocol(s) established for the electronic transmission between the Parties equals that of the paper messages or records, whereby the latter is still acceptable as common trading documents.
- The Parties reserve the right to verify the authenticity of the communicated Data Messages or Electronic Records in accordance with their respective domestic laws and regulations

5. Security of Data

- Each of the Parties shall take all such appropriate steps and establish and maintain such procedures to ensure that as far as reasonably practicable Data Messages, Electronic Records and Data Log are properly stored, are not accessible to unauthorized persons, are not misused, lost, altered or destroyed without any necessary authorization or instructions from the owners thereof, and are capable of being retrieved only by properly authorized persons.
- Each of the Parties shall ensure that any Data Message or Electronic Record containing confidential information as designated by the Originator and/or Sending Party is maintained by the Receiving Party in confidence and is not disclosed to any unauthorized person or used by the Receiving Party other than for the purposes of the business transaction to which it relates.

6. Transmission and Authenticity of Message

- All Data Messages or Electronic Records must identify the Originator, Sending Party, Receiving Party and Addressee(s) and must include a means of verifying the authenticity of the Data Message or Electronic Records whether through a technique used in the message or record itself or by some other means provided for in the Adopted Protocol. (or in the Technical Annex)
- Upon receipt of a Data Message or Electronic Record, the Receiving Party shall authenticate the message or record in accordance with the procedures set out in the Technical Annex.
- The Parties agree to apply any special protection to the Data Messages or Electronic Record by //encryption or other// agreed means as set out in the Technical Annex for the purposes of transmission of the message or record between the Parties.

7. Integrity of messages

- Each Party being a Sending Party shall to its best endeavours ensure that all Data Messages or Electronic Record are complete, accurate and secure against being altered in the course of transmission initiated by it.
- Where there is evidence that a Data Message or Electronic Record has been corrupted, altered or contains any technical errors or if any Data Message or Electronic Record is identified or capable of being identified as incorrect, the Receiving Party shall give prompt notice to the Sending Party of the altered, corrupted or erroneous message or record, if such notice is required or provided for in the Technical Annex. The latter shall (i) acknowledge its receipt of said notice to the former; and (ii) thereafter promptly notify the Originator that the message or record was altered, corrupted or erroneous and has not been delivered to the Addressee.

8. Confirmation of Receipt of Messages

- Where provided in the Technical Annex, a Receiving Party shall ensure that the receipt of a Data Message or Electronic Record is automatically acknowledged. The acknowledgment of receipt ("Acknowledgement Receipt") of a Data Message or Electronic Record shall follow the procedure and be in the format and of a type stipulated in the Technical Annex.
- Subject to Clause 7.1, the Receiving Party must send the Acknowledgement Receipt in respect of messages or records to the Sending Party without unreasonable delay, and in any case, within the time period, if any, for sending the said Acknowledgement Receipt as stipulated in the Technical Annex..

9. Data Ownership

- The Parties agree that all Data Messages or Electronic Records sent by the Originator shall belong to the Originator until it is duly received or deemed to have been received by the Addressee, and thereupon, the Data Messages or Electronic Records shall belong to the Originator and Addressee jointly.

10. Liabilities (?)

-

11. Audit (?)

- The Parties agree that another Party may impose any reasonable audit requirements, including internal audits, and where absolutely necessary external audits on the Services provided by any Party hereto to ascertain if the Party has duly complied with the terms and conditions.
- The relevant Party agrees to duly comply with such audit requirements, including the provision of all necessary assistance, all requested documents and information in relation to such audit, and full cooperation with the auditors in good faith. Suppose the audit reveals any non-compliance or non-observance of the terms or conditions herein or in the relevant documents referred to herein by the relevant Party in any material respect.
- Without prejudice to any remedies available to the other Parties, the relevant Party shall also use its best endeavors to rectify any non-compliance or problems found by the auditors.

12. Amendment Procedures

- The Parties may occasionally amend this MRA and any related documents, technical and procedural requirements, rules and policies in accordance with the Amendment Procedures.
- Any terms agreed between the Parties as additions or amendments to this Agreement shall only be valid if they are agreed to in writing and signed by the Parties.

13. Notices

- All notices or other forms of notifications, requests, or instruction required to be given by a Party to any other Party under this Agreement shall be in writing, delivered by hand, or sent by registered post with return acknowledgment to the address of the addressee as set out in this Agreement or to such other address as the addressee may from time to time have notified for the purpose of this clause or sent by electronic means of message transmission producing hard copy read-out, and shall be deemed to have been received:
  - if sent by registered post: 3 business days after posting, exclusive of the day of posting;
  - if delivered by hand: on the day of delivery
  - if sent by electronic means: at the time of transmission, if transmitted during business hours of the receiving instrument and if not during business hours, one hour after the commencement of the next working day following the day of transmission.

14 Force Majeure

15. Funding

- For the activities carried out under this Agreement, unless agreed otherwise, each Party will be responsible for its own expenses and will provide resources adequate to carry out its own commitments in relation to the activities hereto.

16. Intellectual Property Right

Technical Annex (MRA Committee Recommendation)

- **The Adopted Protocol** for the messages is set out in the Interconnection Specification.

- **The Technical Annex** comprises of the following documents:
  - Message Processing Specification
  - Interconnection Specification
  - Document Specification

For your reference

A MUTUAL RECOGNITION MECHANISM FOR TRADE-RELATED DATA AND DOCUMENTS IN ELECTRONIC FORM

Sung Heun Ha (Rama)

15 March 2019

WHY MUTUAL RECOGNITION IS NEEDED

WHY MUTUAL RECOGNITION IS NEEDED: TERRITORIAL ISSUE?

- Paper documents provide a primary basis and medium for sharing information related to trade activities. Relevant stakeholders of trade activities, both public and private sectors, have developed institutional systems and ways to ensure legal admissibility and public recognition of information contained in paper documents. (Notarization is practiced for the legalization of paper documents being exchanged. Courts and insurance companies accept paper documents as evidence based on such legalization to ensure the protection of rights and legitimate interests of citizens and organizations, in case there is a conflict among parties involved)
- However, it is not guaranteed that legal validity of trade-related documents and data in the electronic form created in one jurisdiction would remain valid in another jurisdiction when they are exchanged across different jurisdictions.
- Ensuring the legal validity of e-documents and legal significance of electronic interaction in general is critical at both national level (within the single jurisdiction) and transboundary level (interaction of participants acting under jurisdictions of different states).

WHY MUTUAL RECOGNITION IS NEEDED: TERRITORIAL ISSUE?

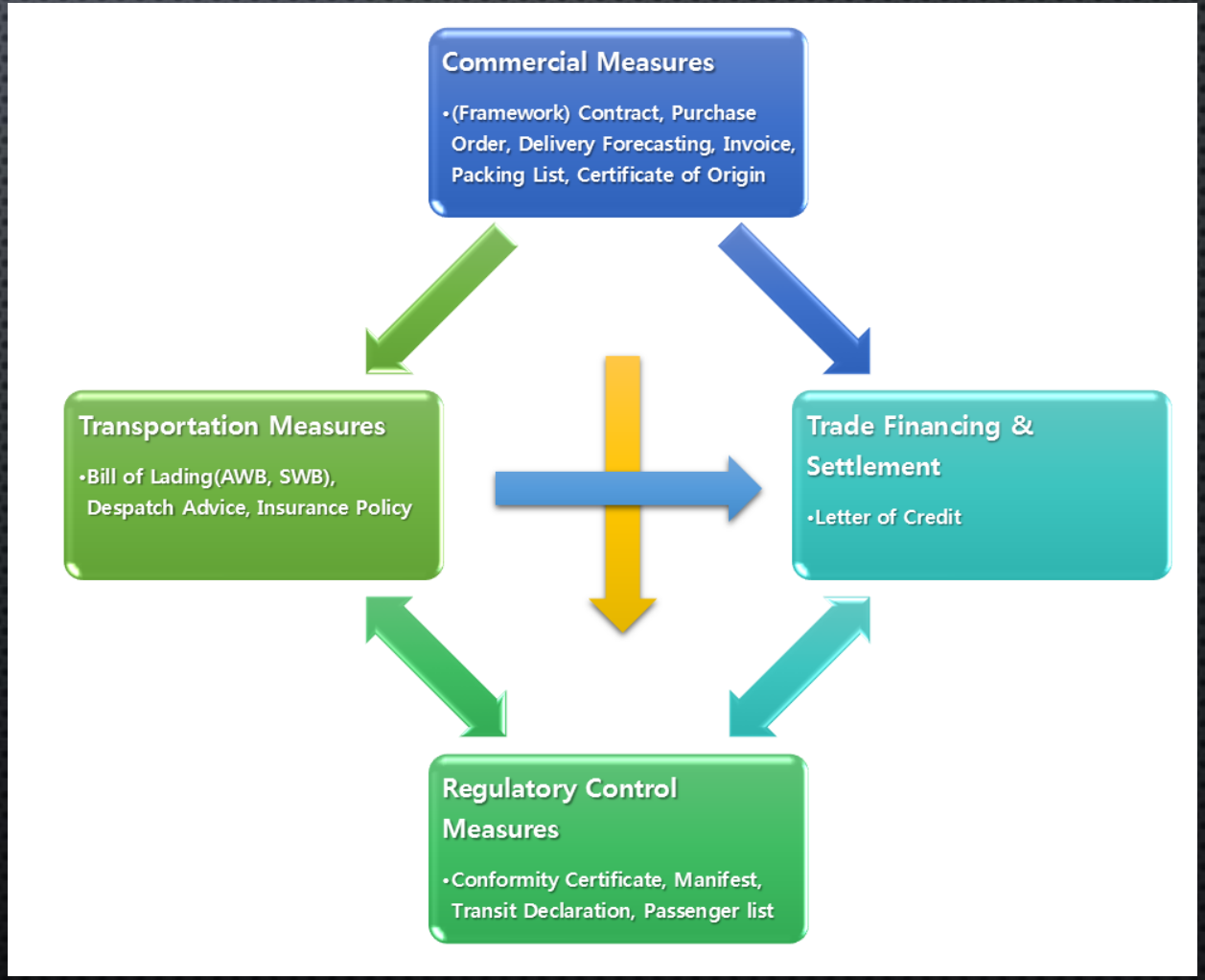
- To make the exchange of trade-related documents and data in an electronic form valid, different jurisdictions should provide a (reciprocal) recognition of the validity of such data and documents whenever they are exchanged across borders.
- Cross-border paperless trade requires a certain degree of trust. Some countries have national infrastructures to provide trusted paperless interaction in different spheres: tendering, customs declaration, single window and others. These infrastructures are usually based on national legislation and may apply different technologies. Consequently, economic operators face obstacles when they engage in paperless trade across borders.
- To give the same effect as physical transactions to cross-jurisdictional electronic transactions, a mutual recognition framework is needed, which can allow parties in different jurisdictions to exchange and recognize valid documents. A mutual recognition framework may take into account certain aspects, such as identity, authentication, authorization, and others

WHY MUTUAL RECOGNITION IS NEEDED: THE CROSS-FUNCTION OF TRADE DOCUMENTS

- Border-crossing documents and data in 4 major areas
  - Commercial Transactions
    - Offer, Counter Offer, Proforma Invoice
    - Framework contract, contract
    - Invoice, Packing List
    - (Self) Test Certificate, Manufacturing Certificate
    - Cargo Insurance (Insurance Policy) and etc.
  - Trade financing and settlement
    - Letter of Credit, Bill of Exchange and etc.
  - Transportation and related services
    - Cargo/Vessel Status information
    - In-Transit report
    - Bill of Lading, Sea Way Bill, Air Way Bill and etc.
  - Official control measures
    - Country/Certificate of Origin
    - Conformity Certificates such as Fumigation Certificate, Safety/Health Certificate and National/International Standard Certificate
    - Import/Export License/Permit and Quota
    - Customs clearance information, Advance Manifest and etc.

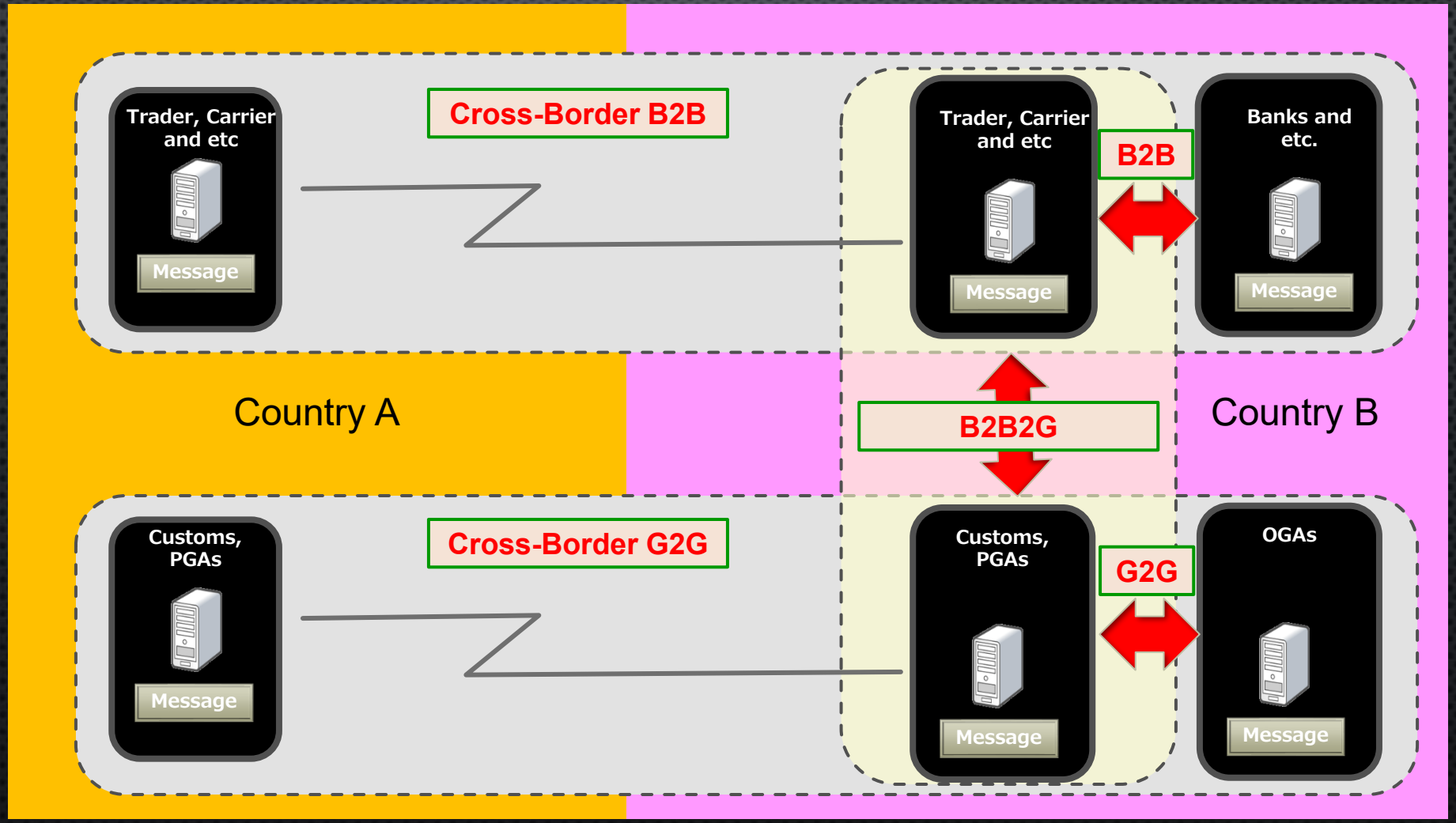
WHY MUTUAL RECOGNITION IS NEEDED:
THE CROSS-FUNCTION OF TRADE DOCUMENTS

- 4 major areas of cross-border trade documents and data
  - The trade documents created in a specific work domain are required in other work domain for other purpose.
  - **The cross-function of trade documents** make digitization of trade document more difficult and challenging implies that realization of mutual recognition of electronic messages used in multiple areas is more challenging



WHY MUTUAL RECOGNITION IS NEEDED:
THE CROSS-FUNCTION OF TRADE DOCUMENTS

- Challenge to border – crossing B2B data & documents



DEFINITION:

WHAT IS MUTUAL RECOGNITION

DEFINITIONS

- Mutual recognition is "**reciprocal recognition of the validity of trade-related data and documents in electronic form exchanged across borders between two or more countries.**"(FA article 3)
- The primary need of mutual recognition is the creation of the opportunity to exchange trade-related data and documents in electronic form across borders between different countries with different technological approaches and under different jurisdictions.
- Mutual recognition based on common principles will provide a smooth, transparent and reliable environment for trade-related data and documents in electronic form exchanged across borders.

DEFINITIONS

- Mutual Recognition Mechanism
  - To achieve mutual recognition, a mechanism to ensure a substantial level of integrity, non-repudiation, authentication, confidentiality and legal validity of electronic trade-related data and documents should be designed and implemented.
  - This mechanism may consist of
    a governance including institutional arrangement and role and responsibility of stakeholders,
    a methodology for securing trust including assessment and technical and legal framework for interoperability
    and **legal validity**.

CROSS-BORDER MUTUAL RECOGNITION APPROACHES

REVIEWED CROSS-BORDER MRA CASES

- **APEC TEL MRA**
  - the APEC Telecommunications and Information Ministers agreed to streamline APEC-wide processes for the testing and type-approval of telecommunications equipment. This landmark arrangement, the Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment (APEC TEL MRA), was the first multilateral agreement of its type in the world.
  - This arrangement is intended to streamline the Conformity Assessment Procedures for a wide range of telecommunications and telecommunications-related equipment and thereby to facilitate trade among the Parties. It provides for the mutual recognition by the importing Parties of Conformity Assessment Bodies and mutual acceptance of the results of testing and equipment certification procedures undertaken by those bodies in assessing conformity of equipment to the importing Parties' own Technical Regulations.

REVIEWED CROSS-BORDER MRA CASES

- **APEC TEL MRA**
  - Party: an APEC member economy that agrees to participate in this Arrangement.
  - Joint Committee: a committee of the APEC Telecommunications Mutual Recognition Arrangement Taskforce established for the purpose of managing the implementation of the MRA.
  - Regulatory Authority: a government entity responsible for telecommunications requirements within an Economy.
  - Designating Authority: a Government authority appointed by a Party for the purpose of designating a Conformity Assessment Body to perform Conformity Assessment Procedures under this Arrangement.
  - Accreditation Body: a body that is responsible for assessing and recognizing the specific competencies of testing laboratories and/or certification bodies in accordance with international standards.
  - Conformity Assessment Body: a body, which may include a third party or a supplier's testing laboratory, or a certification body, that is designated to perform conformity assessment to an importing Party's Technical Regulations under this Arrangement.

Economy A

RA
DA
AB
CAB

Economy B

RA
DA
AB
CAB

Economy C

RA
DA
AB
CAB

Economy D

RA
DA
AB
CAB

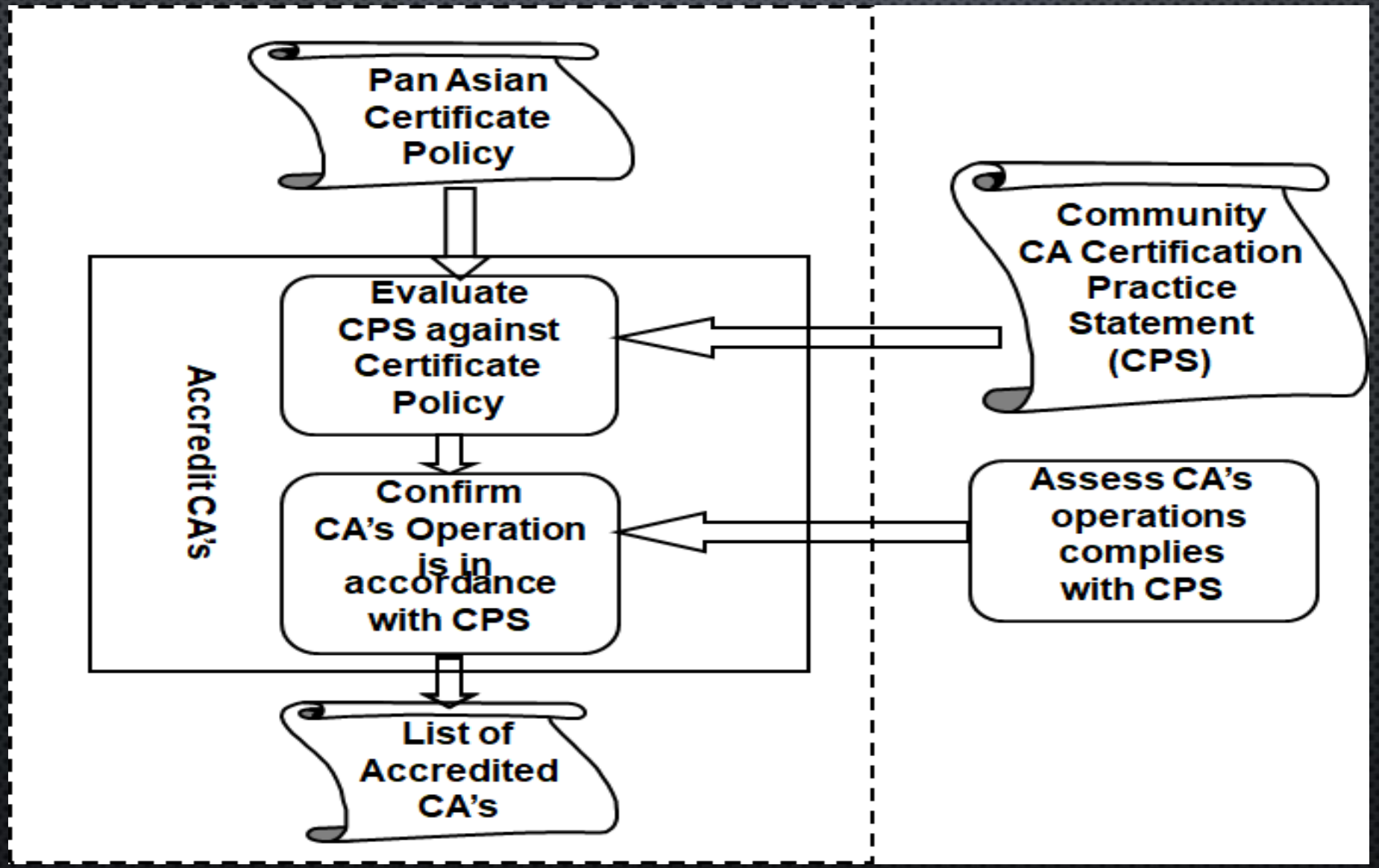
RA -- Regulatory Authority
DA -- Designating Authority
AB -- Accrediting Body
CAB -- Conformity Assessment Body

REVIEWED CROSS-BORDER MRA CASES

- ILAC (International laboratory Accreditation Cooperation) MRA
  - In 2000, the 36 ILAC's Full Members consisting of laboratory accreditation bodies from 28 economies worldwide, signed the ILAC Mutual Recognition Arrangement (ILAC MRA) to promote the acceptance of technical test and calibration data for exported goods.
  - The ILAC MRA was then extended to include the accreditation of inspection bodies. Nowadays, ILAC is the international organization for accreditation bodies operating in accordance with ISO/IEC 17011 and involved in the accreditation of conformity assessment bodies (CAB) including calibration laboratories (using ISO/IEC 17025), testing laboratories (using ISO/IEC 17025), medical testing laboratories (using ISO 15189) and inspection bodies (using ISO/IEC 17020).
  - Accreditation bodies are established in many economies with the primary purpose of ensuring that conformity assessment bodies are subject to oversight by an authoritative body. Accreditation bodies, that have been peer evaluated as competent, sign regional and international arrangements to demonstrate their competence. These accreditation bodies then assess and accredit conformity assessment bodies to the relevant standards.

REVIEWED CROSS-BORDER MRA CASES

- **PAA PKI Mutual Recognition Framework**
  - Certificate Policy (CP) prepared by the PAA Certificate Policy Authority contains the set of rules that govern the issuance and use of digital certificates, and indicate the applicability of the certificates to the communities within PAA. It specifies the Audit procedure, Revocation, Records archival and Certificate & CRL (Certificate Revocation List) Profiles, and others. PAA CP is the basis of the Mutual Recognition of Public Key Infrastructure that forms a part of conditions for periodical assessment of (accredited) CA, and each CA will need to ensure that their CPS complies with this Certificate Policy.
  - CA Recognition Agreement is an agreement between PAA Certificate Policy Authority and each Certificate Authority contracted by PAA Party in each economy. Under CA Recognition Agreement, Certificate Policy Authority recognizes that the applicant CA is a conforming or accredited CA of PAA.
  - CA and CPS (Certification Practice Statement) Recognition Procedure defines the procedure to be used by the PAA Certificate Policy Authority to give recognition to the individual Certification Practice Statement (CPS) and Certificate.
    - Terms Of Reference of CPA defines a common PAA Certificate Policy (CP), a procedure for the recognition of CPS of CA against this CP, a procedure for the change management for the CP and the recognition procedure and it also administers the recognition and changes management procedure.
    - PAA CP defines a set of rules as minimum and common criteria for recognition for use within the PAA domain and trusted by the PAA members. CPS of a CA seeking recognition by PAA is assessed against this PAA CP. PAA CP sits on top of a CPS that cover different aspects (policy, legal, operational, technical).
    - Recognition procedures of PAA CP cover initial recognition and renewal and revocation of recognition.


Pan Asian Certificate Policy
Community CA Certification Practice Statement (CPS)
Accredit CA's
Evaluate CPS against Certificate Policy
Confirm CA's Operation is in accordance with CPS
Assess CA's operations complies with CPS
List of Accredited CA's

REVIEWED CROSS-BORDER MRA CASES

- **Authorized Economic Operator MRA**
  - Under the **WCO Safe Framework**, Customs enter into bilateral Mutual Recognition Agreement on AEO(Authorized Economic Operator).
  - The Authorized Economic Operator (AEO) is defined as **a party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national customs administration as complying with WCO or equivalent supply chain security standards**.
  - Individual Customs enter into MRA-AEO with its counterpart Customs so that AEO could be recognized by other Customs under MRA.

LESSONS FROM EXISTING CROSS-BORDER MUTUAL RECOGNITION APPROACHES

9 ATTRIBUTES IDENTIFIED

- (1) an international or regional stakeholder which governs the rule or provides principles for cross-border mutual recognition scheme,
- (2) a legal instrument or a guideline set or agreed upon by participants,
- (3) an ownership of recognition requirements,
- (4) mutual or multilateral implementation bodies implementing such scheme or guideline,
- (5) the object of recognition,
- (6) an execution method for recognition,
- (7) a mechanism to maintain trust among participants,
- (8) Official control purpose or private transactions
- (9) technical standards or guidelines.

9 ATTRIBUTES IDENTIFIED

- (1) an international or regional stakeholder which governs the rule or provides principles for cross-border mutual recognition scheme,
  (who lead the direction)
  - In most multilateral recognition scheme, there is a governing body which is responsible for the development of and maintaining recognition scheme. However, their role and responsibility are case sensitive. Some bodies control the details of recognition implementation including execution method and trust mechanism while some bodies merely provide only guidelines or principles for participating members.

9 ATTRIBUTES IDENTIFIED

- (2) a legal instrument or a guideline set or agreed upon by participants,
  - Most mutual recognition scheme has either an international, regional or bilateral agreement or a guideline set or agreed upon by governing body(ies)

9 ATTRIBUTES IDENTIFIED

- (3) an ownership of recognition requirements, (who set the rule?)
  - A stakeholder(s) which has a right to set the mutual recognition criteria and requirements (such as the specific competencies or conformity to security or quality requirements). The owner does not have to be a stakeholder governing cross-border recognition scheme.

9 ATTRIBUTES IDENTIFIED

- (4) mutual or multilateral implementation bodies implementing such scheme or guideline,
  - The stakeholders which implement mutual recognition process and system by the agreement or guideline.
  - Implementation body could be the owner of recognition requirements

9 ATTRIBUTES IDENTIFIED

- (5) the (target) object of recognition, (what to recognize?)
  - A mutual recognition can be achieved through direct or indirect recognition method.
  - For example, notarization is one method of direct recognition on a document. In case of APEC TEL MRA, it is a testing laboratory and certification body not the test result report nor a Certificate. By recognizing the issuing body, the documents issued by the certified bodies are being indirectly recognized in the MRA country(ies).

9 ATTRIBUTES IDENTIFIED

- (6) an execution method for recognition, (how to conduct)
  - The recognition can be made by the different method. A designation and accreditation are the common execution methods

- (7) a mechanism to maintain trust among participants, (how to maintain)
  - Operating and maintaining the trust is more important than initial implementation of mutual recognition. A mechanism to maintain trust among participants is highly depending on a legal instrument that the mutual recognition is based on.

9 ATTRIBUTES IDENTIFIED

- (8) Official control purpose or private transactions
  - Whether the main purpose is for official control or for private business transactions
- (9) technical standards or guidelines.
  - In some case of mutual recognition scheme provides technical standards and guidelines

POSSIBLE MODELS OF CROSS-BORDER MUTUAL RECOGNITION MECHANISM

CONSIDERATIONS FOR FA MRA

- Governance
  - (1) Whether to govern the Cross-Border Mutual Recognition (CBMR) rule or to provide principles for CBMR scheme and (3) an ownership of recognition requirements
  - (2) Whether to have a strong central legal instrument or to provide a guideline(s)
  - Shall the FA establish a central governing rule and hold the ownership of recognition requirements (like the case of PAA MRA)
    or allow autonomy of the Individual member states for the ownership of recognition requirements (Like the case of APEC TEL MRA)?

CONSIDERATIONS FOR FA MRA



Shall the Member States establish a central overseeing body wi th a strong rule and hold the ownership of recognition require ments (like the case of PAA MRA)
→ Tight Mutual Recognition Agreement under FA

or allow autonomy of the Individual member states for the ownership of recognition requirements (Like the case of AP EC TEL MRA)?
→ Loose Mutual Recognition Arrangement under FA

Mutual Recognition Agreement

Framework Agreement

CONSIDERATIONS FOR FA MRA

Loose Governance

Shall the Member States establish a central overseeing body wi th a strong rule and hold the ownership of recognition require ments (like the case of PAA MRA)
→ Tight Mutual Recognition Agreement under FA

or allow autonomy of the Individual member states for the ownership of recognition requirements (Like the case of AP EC TEL MRA)?
→ Loose Mutual Recognition Arrangement under FA



CONSIDERATIONS FOR FA MRA

- Recognition scheme
  - (5) What to recognize, (4) by who, (6) how to execute and (7) how to maintain the trust
  - Shall the FA define the object of the CBMR as a data or electronic messages or an entity which can generate, exchange or relay a data or electronic messages (or electronic certificate for signature)?
  - Shall the FA appoint an (either regional or national) accrediting body(or bodies) to execute and control CBMR scheme
    or let individual entity (or its data or electronic messages) be recognized directly without prior-accreditation procedure

CONSIDERATIONS FOR FA MRA



- **Designation**

'Designation'
is the mechanism appointing an entity (or entities) by responsible government authority for the purpose of exercising certain authority or implementing certain government policies and regulations

For example, designated entity can either accredit a 3rd party for its cross-border electronic data / documents exchange or perform the exchange by itself

CONSIDERATIONS FOR FA MRA



- **Accreditation**

'Accreditation'
is the preferred mechanism for identifying competent bodies to implement certain government policies and regulations and comply with required credentials

For example, accreditation can be given to cross-border electronic data / documents exchange facility(s) or gateway(s) which can prove their competence

※ The accreditation scheme requires hierarchy of overseeing mechanism (assessing and recognizing) and the accreditation process determines the technical competence and integrity of organisations that offer paperless trade services or gateway services for cross-border exchange of electronic data and documents

CONSIDERATIONS FOR FA MRA

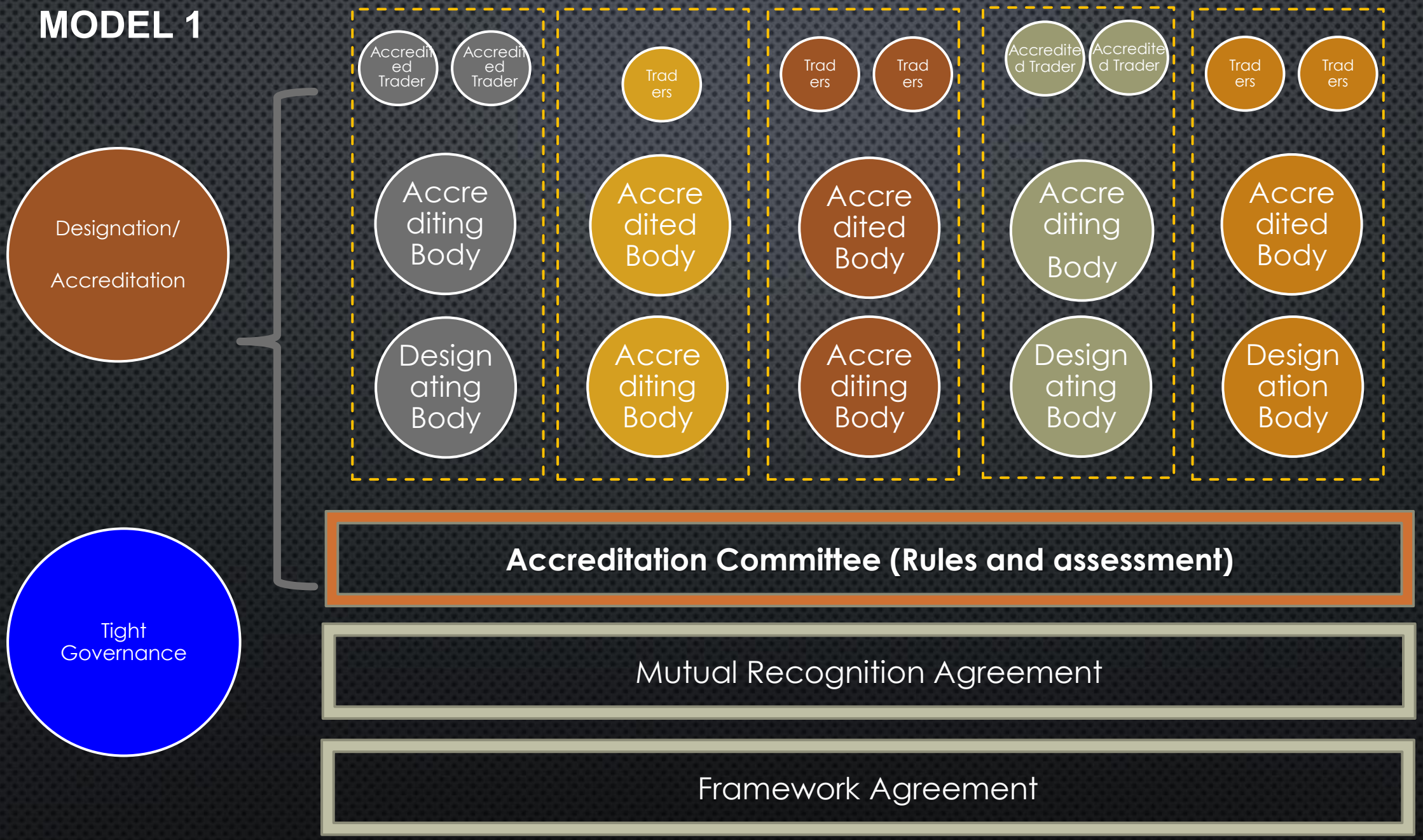


- **Peer to Peer Recognition**

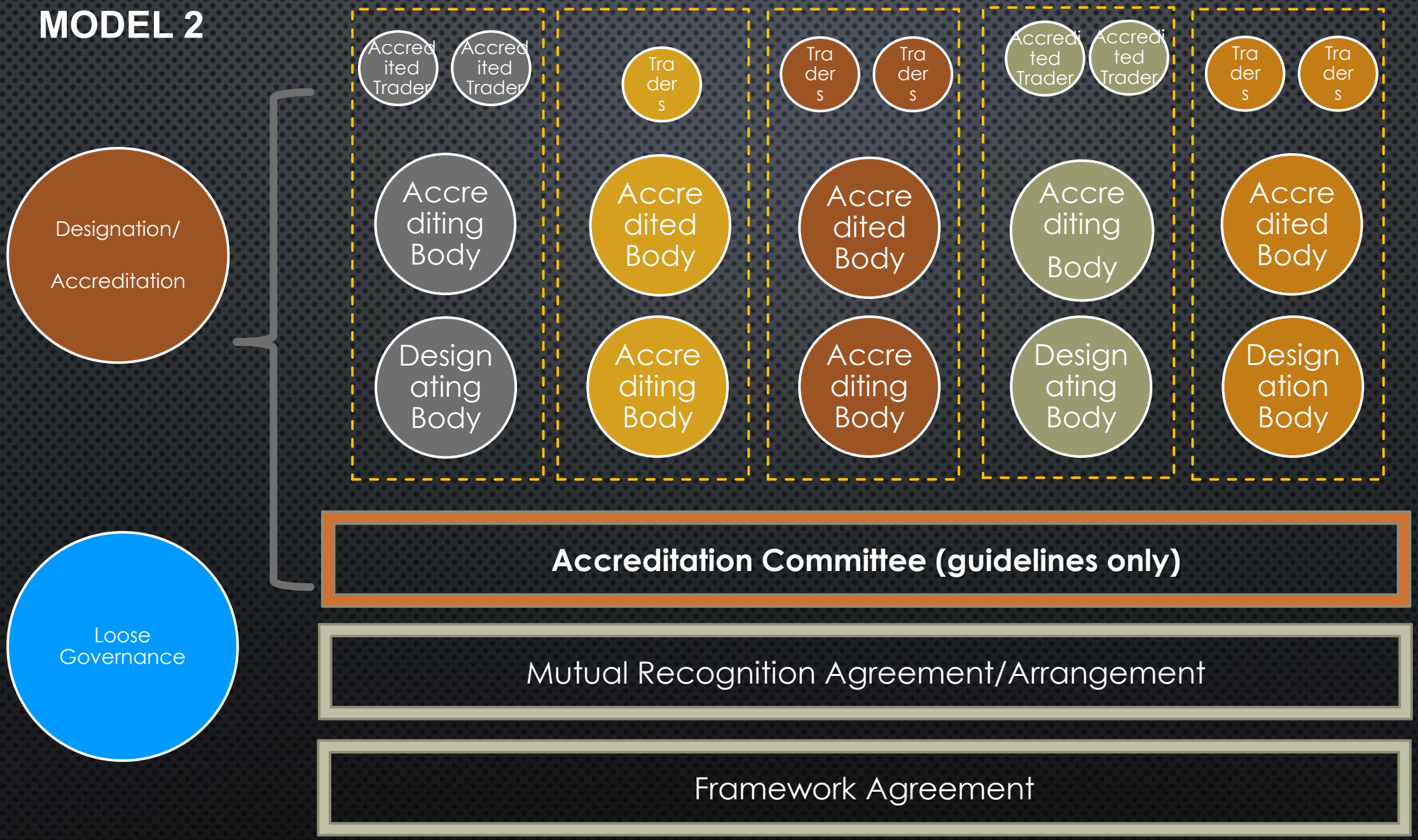
Conventional bilateral agency to agency cooperation mechanism among trusted agencies to exchange electronic data and messages

※ The **peer to peer recognition process** is to agree upon some level of security and service and access the technical competence and integrity of organisations each other

MODEL 1


Designation/
Accreditation
Tight
Governance
Accredited Trader
Accredited Trader
Accrediting Body
Designating Body
Traders
Accredited Body
Accrediting Body
Traders
Traders
Accredited Body
Accrediting Body
Accredited Trader
Accredited Trader
Accrediting Body
Designating Body
Traders
Traders
Accredited Body
Designation Body
Accreditation Committee (Rules and assessment)
Mutual Recognition Agreement
Framework Agreement

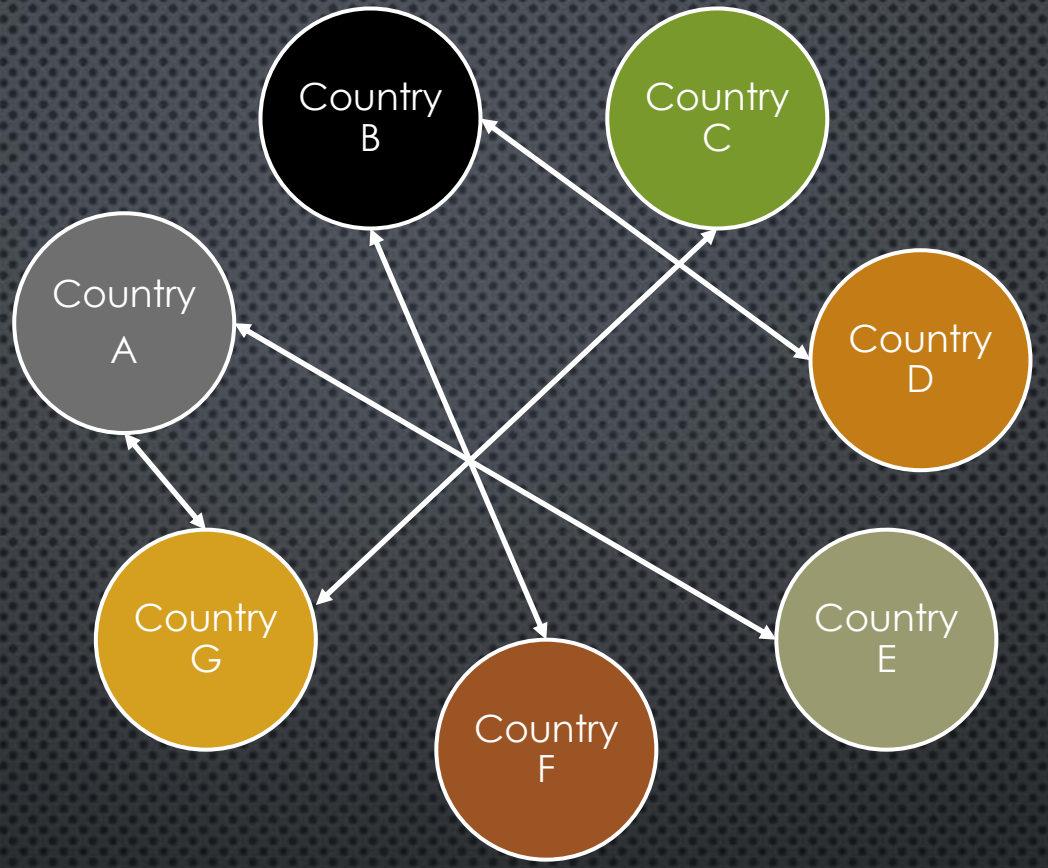
MODEL 2


Designation/
Accreditation
Loose
Governance
Accredited Trader
Accredited Trader
Accrediting Body
Designating Body
Traders
Accredited Body
Accrediting Body
Traders
Traders
Accredited Body
Accrediting Body
Accredited Trader
Accredited Trader
Accrediting Body
Designating Body
Traders
Traders
Accredited Body
Designation Body
Accreditation Committee (guidelines only)
Mutual Recognition Agreement/Arrangement
Framework Agreement

MODEL 3

Peer to Peer

Loose Governance



Mutual Recognition Arrangement

MRA Committee (Recommendations only)

Framework Agreement

THANK YOU

Sung Heun HA (Rama)