ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

REPORT OF THE THIRD SESSION OF STANDING COMMITTEE OF FRAMEWORK AGREEMENT ON FACILITATION OF CROSS-BORDER PAPERLESS TRADE IN ASIA AND THE PACIFIC

UNCC and online, Bangkok
3-5 June 2024

I. ORGANIZATION OF THE SESSION

1. The third session of the Standing Committee of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific was held at UNCC, Bangkok and online, from 3 to 5 June 2024.

A. Attendance

2. The session was attended by the following States parties to the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific: 1) Azerbaijan, 2) Bangladesh, 3) China, 4) Iran (Islamic Republic of), 5) Kyrgyzstan, 6) Mongolia, 7) Philippines, 8) Republic of Korea, 9) Russian Federation, 10) Tajikistan, 11) Timor-Leste, 12) Turkmenistan and 13) Tuvalu.

3. Representatives from the following countries attended the meeting as observers: 1) Bhutan, 2) Cambodia, 3) India, 4) Indonesia, 5) Japan, 6) Kazakhstan, 7) Lao PDR, 8) Malaysia, 9) Maldives, 10) Pakistan, 11) Papua New Guinea, 12) Sri Lanka, 13) Thailand, 14) Türkiye, 15) United Kingdom, 16) Uzbekistan, 17) Vanuatu, and 18) Viet Nam.

4. Representatives from Asian Development Bank, Commonwealth Secretariat, Eurasian Economic Commission, International Chamber of Commerce, Islamic Centre for Development of Trade, Islamic Development Bank, United Nations Commission on International Trade Law, United Nations Trade and Development, World Economic Forum, and World Customs Organization Regional Office for Capacity Building attended the meeting.

B. Opening Address

5. In her opening statement, Ms. Rupa Chanda, Director of the Trade, Investment, and Innovation Division, reviewed the substantial work carried out by the Standing Committee with the support of the ESCPA secretariat since its second session. Among other work, an ad-hoc session the Standing Committee was organized virtually on 23 and 24 January 2024. The first and second meetings of the Working Group on the implementation of Article 8 of the Framework Agreement on cross-border mutual recognition of trade-related data and documents in electronic form were organized on 3 April 2024 and 23 May 2024, respectively. The key outcome of the Working Group regarding the prioritized tasks was submitted to the Standing Committee for further consideration.

C. Election of officers

6. The Standing Committee elected Ms. Mursheda Zaman, Joint Secretary, Ministry of Commerce, Bangladesh as chair and Mr. Fuad Aslanov, Head of General Department for Digital Management, The State Customs Committee, Azerbaijan as vice-chair.

D. Agenda

7. The Standing Committee adopted the agenda as shown in Annex 1.

II. ACCOUNT OF PROCEEDINGS

A. Evaluation of implementation of the tasks prioritized at the 2nd session of the Standing Committee

(Item 2 of the agenda)

8. The Standing Committee took note that an ad hoc session was held on 23 and 24 January 2024 virtually, which reviewed implementation of the tasks prioritized at the 2nd session. Therefore, the third session was a continuation of discussion of the ad hoc session.

9. A draft guide on facilitating concurrent implementation of national and cross-border paperless trade systems was introduced at the session. The Standing Committee acknowledged advancements in refining this guide since its earlier iteration discussed during the ad hoc session of the Standing Committee in January 2024.

10. A draft model agreement for bilateral and plurilateral exchange of trade-related data and documents was introduced at the session. The Standing Committee was of the view that relevant concrete examples may be useful to complement the current draft model. The Standing Committee requested the Working Group on the implementation of Article 8 of the Framework Agreement to review the draft model and submit its recommendations to the next session of the Standing Committee. It was also suggested that the UNCITRAL Model Law on the Use and Cross-border Recognition of Identity Management and Trust Services may be taken into account in carrying out this work.

11. A draft legal guide on engaging in a cross-border exchange of trade-related data and documents in electronic form consistent with regional and international laws and regulations and best practices was introduced at the session. One delegation provided detailed comments on the draft guide. The secretariat invited the delegation to provide the speech note and share the speech note with the consultant to support the consultant to further work on this guide in consultation with national experts.

12. A draft methodology for prioritizing cross-border paperless trade processes, documents and data for pilot projects was introduced at the session. The Standing Committee noted the draft methodology as a first step that Parties may wish to take for prioritizing trade-related documents. Recommendations were made on 1) assigning varying weights to the factors considered in this prioritization; 2) adding a factor on availability of international instruments or conventions for a specific document.

13. The Standing Committee further suggested that Parties may wish to provide additional input to enhance preparation of the documents that were discussed in agenda item 2.

B. Discussion on the strategies and practical measures to accelerate the implementation of the Framework Agreement and strengthen partnerships

(Item 3 of the agenda)

14. The secretariat presented the status of implementing the collective action plan for implementing the Framework Agreement. The Standing Committee noted the substantial progress made in implementing the collective action plan, and requested the secretariat to propose an updated collective action plan in consultation with the Parties of the Framework Agreement.

15. The Standing Committee reviewed the background documents prepared by the secretariat on the status of implementing cross-border paperless trade by each Party based on publicly available information. The Secretariat invited the parties to verify and complement the information. The Standing Committee supported the systematic collection of such information to enable each Party to benchmark its progress over time and requested the secretariat to facilitate the process. It was noted that such data collection may further develop the cross-border paperless trade database.

16. The Standing Committee was informed that the Republic of Korea had submitted their national action plan before the session. The secretariat would circulate this action plan to the Parties for reference. Bangladesh shared their action plan-related information and experience to implement cross-border paperless trade. The Standing Committee recommended that each Party create or update their national plan for implementing the Framework Agreement. Parties facing challenges in developing these plans may wish to contact the secretariat for assistance in finding solutions.

17. The Standing Committee noted that Bangladesh and the Republic of Korea had submitted information on the establishment and operation of their national committee in implementing the Framework Agreement. The secretariat would circulate these documents to the Parties for reference. The Standing Committee recommended that each Party should establish and operate a national committee for implementation of the Framework Agreement, if this has not been done so. It was noted that the establishment may be done through a change in the terms of reference of a related national committee or creation of a subcommittee under it.

18. The Standing Committee took note that Bangladesh, China, Iran (Islamic Republic of), Kyrgyzstan, Mongolia, Philippines, Republic of Korea, and Russian Federation have nominated experts to the Working Group on the implementation of Article 8 of the Framework Agreement. The Standing Committee invited the remaining Parties to nominate experts to the Working Group when ready, emphasizing that Parties could nominate experts from government, research institutions, think tanks, academia, and the business sector.

19. The Standing Committee was informed that two Working Group meetings had been held in Samarkand and online, in conjunction with the Asia-Pacific Trade Facilitation Forum, on 3 April 2024, and online on 23 May respectively. The Standing Committee, in principle, agreed that the Working Group should carry out the recommendations as follows, subject to availability of resources and human capacity, and report to the Standing Committee every three months on the progress made:

- **Recommendation 1:** the Working Group may define the deliverables for a mutual recognition arrangement under Article 8 of the Framework Agreement (CPTA). The two options that the Working Group has identified during meetings in April and May are (1) a binding regional mutual recognition agreement for all CPTA parties and/or (2) recommendations and guidelines for bilateral or sub-regional mutual recognition arrangements among CPTA parties.
- **Recommendation 2:** the Working Group may identify cross-border trade documents for mutual recognition arrangements. The selection of the documents should be based on certain criteria to be identified by the Working Group and followed by developing a prospective model for the business process of prioritized trade documents employing business process reengineering principles. In the long term, the Working Group may review whether such mutual recognition arrangements may be applicable to all cross-border trade documents. Among promising long-term solutions, mutual recognition of e-signatures may be considered by the Working Group in the first place.
- **Recommendation 3:** the Working Group may develop an international legal framework for a transboundary trust environment (TTE) functioning under CPTA to facilitate cross-border mutual recognition ensuring trust and legal validity of electronic trade documents exchanged between CPTA parties. The legal framework should define the legal status of Trusted Third Parties (TTPs), requirements for an equivalent level of reliability, and provisions for compliance with international information security standards. In addition to the legal framework, the Working Group may develop technical conditions for TTE functioning and a model cross-border agreement between national TTPs.

20. The Standing Committee reviewed the work carried out by the International Plant Protection Convention (IPPC) ePhyto Solution and the experiences of some Parties in exchanging documents with their trading partners. The Standing Committee encouraged the Parties to identify pragmatic and innovative solutions to initiate cross-border paperless projects and highlighted that such projects should be in line with international recommendations and standards.

21. The Standing Committee acknowledged the importance of partnership and encouraged the development partners and the Parties of the Framework Agreement to consider sharing information on any new projects or initiatives every three months. Representatives from the International Chamber of Commerce, United Nations Commission on International Trade Law, World Economic Forum, and World Customs Organization Regional Office for Capacity Building shared their work related to implementation of the Framework Agreement.

C. Date and venue of the next regular session

(Item 4 of the agenda)

22. The Standing Committee agreed for the secretariat to organize its fourth regular session in Bangkok on 9-11 June 2025, back-to-back with the fourth session of the Paperless Trade Council to be held at the same venue on 12-13 June 2025.

23. Furthermore, the Standing Committee agreed for the secretariat to organize its fifth regular session in Bangkok on 8-10 June 2026, back-to-back with the fifth session of the Paperless Trade Council to be held at the same venue on 11-12 June 2026.

24. The Republic of Korea informed the Standing Committee that the Republic of Korea would host a forum on paperless trade in December this year. The Forum will be held in conjunction with an ad hoc session of the Standing Committee.

D. Other matters

(Item 5 of the agenda)

25. China presented a proposal to seek the support of the Parties of the Framework Agreement for establishing an Asia-Pacific Alliance for Electronic bill of lading. The Proposal was circulated to the Parties of the Framework Agreement by the secretariat.

E. Adoption of the Report

(Item 6 of the agenda)

26. The Standing Committee adopted the report of its third session on 5 June 2024.

Annex 1.

Third Session of the Standing Committee of the Framework Agreement on Facilitation of Cross-Border Paperless Trade for Asia and the Pacific

United Nations Conference Center, Bangkok

3-5 June 2024

Monday, 3 June 2024

1200-1300 hours		**Registration**
1300-1315 hours	Item 1	**Opening of the meeting** (a) Opening remarks (b) Election of officers (c) Adoption of the agenda
1315-1430 hours	Item 2	**Evaluation of implementation of the tasks prioritized at the 2nd session of the Standing Committee** Further to the ad-hoc session of the Standing Committee held on 23 and 24 January 2024, this session will review the key reports/guidebooks prepared. (a) A draft guide to facilitate concurrent implementation of national and cross-border paperless trade systems. (b) A draft model memorandum of understanding and service-level agreement to be used by parties at the bilateral and multilateral levels. (c) A draft legal guide on engaging in a cross-border exchange of trade-related data and documents in electronic form consistent with regional and international laws and regulations and best practices. (d) Discuss how to prioritize cross-border paperless trade processes, documents and data for pilot projects.
1430-1445 hours		Break
1445-1630 hours	Item 3	**Discussion on the strategies and practical measures to accelerate the implementation of the Framework Agreement and strengthen partnerships**

(a) Review of the key collective action plan implementation
(b) Review of status of cross-border paperless trade of the Parties of the Framework Agreement
(c) Review of national action plans of the Parties of the Framework Agreement in advancing national and cross-border paperless trade
(d) Discussion on strengthening institutional settings to implement the Framework agreement
(e) Discussion on prioritization of the tasks of the Working Group on mutual recognition
(f) Innovative/pragmatic solutions in advancing cross-border paperless trade (such as IPPC ePhyto solution)
(g) Strengthen partnership in advancing cross-border paperless trade

Tuesday, 4 June 2024

1300-1500 hours	Item 3	**cont'd** Any remaining matters regarding agenda (a) to (g) under agenda item 3 will be discussed
1500-1515 hours		Break
1515-1530 hours	Item 4	**Date and venue of the next regular session**
1530-1630 hours	Item 5	**Other matters**

Wednesday, 5 June 2023

1400-1600 hours	Item 6	**Adoption of meeting report including the key recommendations to be presented to the 3rd Paperless Trade Council**