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KEY POINTS

ANZ thanks the Australian Government for the opportunity to provide our views on a national trade reform agenda driven by the Simplified Trade System (**STS**) Implementation Taskforce (**Taskforce**). Australia has a strong trading economy and we welcome the Government's initiatives in making the sector more efficient through innovation.

ANZ is Australia's largest financier of cross-border trade. To assist the Taskforce in developing the STS, in this submission we provide some insights into the trade system we have gained through our interactions with our customers.

In January 2022, ANZ made a detailed submission to the Taskforce, with three key suggestions for the strategic development of Australia's trade sector:

1. Establish a domestic trade single window (**TSW**) platform that is interoperable with other trade platforms, leveraging scalable distributed ledger technology (**DLT**) and underpinned by globally accepted filing and legal standards.
2. Continue to support or increase domestic and international projects in standards-setting and data-sharing, including work on the multi-jurisdictional legal recognition and enforceability of digital documents and signatures.
3. Continue to support research, testing, and adoption of emerging technologies in trade, including blockchain DLT, artificial intelligence and machine learning, internet-of-things sensors, and tokenisation of trade assets into non-fungible tokens on the blockchain.

In this submission we respond to selected questions from the Taskforce's recent consultation paper, while reiterating the above key suggestions. Our detailed responses are set out below.

ANZ would welcome providing the Australian Government with ongoing support and consultation in developing these initiatives.

HIGH-LEVEL VISION FOR THE FUTURE OF CROSS-BORDER TRADE POLICY

Q1. Does the high-level vision for the future of cross-border trade align with the needs of business? What would you prioritise or emphasise? Are any components missing?

Priorities: regulatory and digital efficiencies in cross-border trade

1. The STS' high-level vision for the future of cross-border trade, which is centred on creating a simplified whole-of-government approach to trade processes, is aligned with the needs of business. The key challenges that it aims to solve are aligned with the major pain points identified in the trade financing sector:
 - **Silos between government agencies that regulate trade**, which result in duplicated processes and inconsistent requirements for the same type of trade data.
 - **Slow, costly, and inflexible paper-based trade requirements**, which result in significant administrative and compliance costs for businesses.
 - **Jurisdictional inconsistencies in filing standards and the enforceability of electronically transferable records**, which hinder the ability to achieve true digitisation of cross-border trade for all participants in the end-to-end trade journey.
2. The STS' top priorities should focus on regulatory and digital efficiencies, particularly the exploration of an Australian TSW that can provide a 'single source of truth' for businesses.

Areas for Further Consideration: A concerted effort to incentivise adoption of digitised services

3. For further consideration are the ways that the Government can incentivise adoption of new technologies and/or digital processes across the broader industry in a manner that is also time and cost efficient.
4. As new regulatory changes, platforms and digital processes are introduced, a concerted effort to help businesses stay aware of these developments and be trained to leverage new capabilities is important to help ensure that they are ready, willing, and able to adapt quickly. Further support and incentives will particularly help onboard small to medium enterprises (**SMEs**).
5. Achieving widespread adoption will help achieve a network effect in digitised cross-border trade. To effectively harness the benefits of digitised trade services, all participants in the end-to-end trade journey, including businesses and their counterparts (logistics companies, insurers, financiers etc.), need to be able to participate in the digital ecosystem.
6. If one party remains paper-based, for reasons such as onboarding cost or lack of integration with their internal systems, the benefits of digitisation for other parties may be undermined as other businesses may not see sufficient value in transitioning away from paper-based trade.
7. If the Government considers introducing timeline-based mandates to facilitate this transition, this should be consulted with and communicated to industry well in advance.

SIMPLER RULES

Q2. Which of these regulatory reforms would deliver the most practical benefits for business? Are there other reforms you would recommend we prioritise?

8. From ANZ's perspective as a global trade financier, we would prioritise the following areas within the regulatory reform roadmap in this order:
 - 1) Trust and risk
 - 2) Compliance and enforcement
 - 3) Integrated reporting
 - 4) Service standards
 - 5) Border controls
 - 6) Revenue

Q3. What is your experience in understanding cross-border trade regulation? How accessible do you find this information? How can better guidance on regulatory requirements be provided?

9. Based on our customers' experiences, we understand that it is difficult to find and understand all the relevant cross-border trade regulations, due to these factors:
 - **Regulatory information is not accessible in a single place.** As the Government has acknowledged, this information is usually spread across multiple touchpoints, which contributes to duplicative processes and inconsistent regulatory requirements for the same type of trade data or documentation requested from the customer.
 - **Information about trade regulations is not structured and presented in an easily understood way.** It is complex and difficult to read.
10. As a result, navigating trade-related regulations is an extremely costly legal undertaking for businesses. Solutions to these challenges could include:
 - **Leveraging Artificial Intelligence (AI) to help businesses navigate regulatory guidelines:**
 - Natural Language Processing capabilities in AI are being used widely for customer service, such as to respond to conversational queries in a real-time manner, while collating information from multiple sources to provide a tailored response. For example, instead of providing businesses with a largely static regulatory toolkit that leads to another set of links, AI can help automatically collate the relevant information for any specific query across multiple (pre-authorised) sources, including unstructured sources like PDFs and past customer conversations. These types of capabilities can also be deployed to assist a real live agent who is responding to an online user.
 - Depending on the way AI capabilities are deployed, valuable ongoing insights could be gained about user needs and sentiments. For example, further real-time analysis can be done on the type of queries received, to determine what areas of the law appear to present the most issues, and how that may be causing frustrations for businesses.

- **Providing live training/toolkits:**
- Periodic training sessions, such as industry talks and workshops, would greatly benefit businesses. Industry-tailored checklists that are easily available, auto-updated, and formatted in a live useable way, can also help businesses avail themselves of benefits arising from Free Trade Agreements.

Q5. What international best practices or models could be adopted or adapted to improve the cross-border trade regulatory environment?

11. The Model Law on Electronic Transferable Records (**MLETR**), as developed by the United Nations Commission on International Law, is a global framework providing legal legitimacy to the electronic transfer of trade documents, such as bills of lading and promissory notes. In 2021, the G7 countries formally endorsed MLETR in a roadmap outlining practical steps to reform domestic trade laws.
12. To align with international best practice, the Australian government could look to:
 - Adopt MLETR as a regulatory framework; or
 - Update existing regulations to capture or be on par with the key elements of MLETR.
13. The implementation of either of these options should be informed by industry feedback, and would require:
 - Active consultation and participation from the business industry.
 - Closer collaboration with governments who are proactive leaders in this space.
 - Leadership from the Department of Foreign Affairs and Trade to encourage the adoption of MLETR or MLETR-aligned standards with Australia’s trading partners.
14. So far, MLETR has been adopted by Singapore, Bahrain, Abu Dhabi Global Market, Belize, Kiribati and Paraguay. Currently, the MLETR framework has also received preliminary interest from India, strong interest from China and the Asian Development Bank, and further research and exploration from Germany, Japan and France. The **United States** has not adopted the MLETR framework but has updated their commercial code so that their legislation enables the use of most transferable documents. There are some specific documents, like bills of lading, that still require application.¹
15. Australia could consider some of the practices and models adopted by **Singapore**, which has been highly proactive in incorporating MLETR standards. Apart from adopting the MLETR framework, the Singapore Government has established TradeTrust, a digital utility that connects governments and businesses to a public blockchain network using the MLETR standards. It enables interoperability and trusted exchanges of trade documents across different trade platforms and blockchain technologies.

¹ Trade Finance Global, July 2023, <https://www.tradefinanceglobal.com/posts/status-update-mletr-adoption-in-the-g7-and-emerging-markets/#:~:text=Countries%20like%20Papua%20New%20Guinea,remains%20in%20the%20early%20stages>.

Enabling Paperless Trade

Q6. What is your experience with paper-based and electronic records in how you interact in cross-border trade with the Australian Government?

16. Our customers' experiences are that paper-based trade requirements lead to inefficiencies and burdensome costs.

17. Many SMEs cannot access trade finance as they are resource-constrained when complying with paper-based trade requirements. Manual handling of paper-based trade documents is also prone to error and fraud, leading to additional costs.

- According to an industry brief from the Asian Development Bank, paper-based documentary transactions such as Letters of Credit account for 50-60% of a business' operational costs. Processing Letters of Credit may involve more than 20 parties with more than 100 pages of documentation for verification and information exchange, as well as wet signatures that slow the process.²
- SMEs often face difficulty fulfilling the requirements of collateral, loan documentation, third-party guarantees, and credit and performance records – documentation that is necessary for trade finance applications.³
- SMEs often finance their cross-border trade activities through alternative methods by mortgaging their assets, tapping into internal funds, or resorting to informal financing channels such as relatives. Often, they are unable to find alternative financing, and if they can, it ends up being costlier than traditional trade financing. This restricts the quantum of cross-border trade they can participate in and reduces their profitability and competitiveness in the international market.⁴

18. The use of electronic transferable records is currently skewed towards sophisticated large enterprises who have the resources to create, apply and drive the adoption of bespoke standards for their own sector.

- For example, four of the largest mining companies in the world were able to increase the amount of iron ore carried on electronic Bills of Lading (eBLs) by 80% from 2021 to 2022 and are part of a campaign to help shippers commit to moving more commodities via eBLs.⁵ This is not the same for SMEs, where a uniform code applicable to all the relevant trade documents for their sector may not exist. Moreover, resource constraints mean it is also more challenging for SMEs generally to transition to new practices.

19. These inefficiencies and constraints contribute to the growing gap in trade finance, which has been persistently large for at least a decade. The gap has grown from an estimated \$1.5 trillion in 2018 to \$2 trillion in 2022. About 40% of this originates from the Asia and Pacific region, which accounts for 35% of global goods trade. Many SMEs are locked out from access to trade finance, and the World Economic Forum stated that this gap may widen in the following years.⁶

² ADB, December 2022, <https://www.adb.org/sites/default/files/publication/845771/adb-brief-238-digitalization-trade-and-trade-finance.pdf>

³ ADB, December 2022, <https://www.adb.org/sites/default/files/publication/845771/adb-brief-238-digitalization-trade-and-trade-finance.pdf>

⁴ ADB, December 2022, <https://www.adb.org/sites/default/files/publication/845771/adb-brief-238-digitalization-trade-and-trade-finance.pdf>

⁵ Bimco, <https://www.bimco.org/insights-and-information/general-information/20230628-ebi-iron-ore>

⁶ Trade Finance Global, <https://www.tradefinanceglobal.com/posts/the-future-of-trade-finance-is-open-and-inclusive/>

Q7. How many paper-based documents would you transfer between your business and Australian Government in cross-border trade interactions per year? On average, how much time do these processes take?

20. From our perspective as a trade financier, we estimate that ANZ interacts with an average of six paper-based documents for every trade transaction.

Q8. Are there other approaches, instead of MLETR, that would support the adoption of digital solutions and/or transference of electronic records in cross-border trade interactions with the Australian Government?

21. Please refer to our response to Q5.

Q9. What factors should the Australian Government consider if it were to adopt the MLETR? Are there inter-jurisdictional considerations that should be considered by the Australian Government in looking into whether to implement the MLETR domestically?

22. As cross-border trade involves interaction with the trade systems of multiple jurisdictions, it is important to keep in mind how Australian policies and trade platforms can support inter-jurisdictional acceptance and enforceability of electronically transferable trade documents as much as possible. For example, every cross-border trade transaction will involve a transport document that is likely to pass through multiple jurisdictions. The inability to have these documents accepted in digital form across multiple jurisdictions will hinder digitisation of cross-border trade.

Reducing the cost of engaging in cross-border trade

Q13. How can we reduce the cost of cross-border trade administration?

23. Cross-border trade administration is costly due to:

- Process inefficiencies from paper-based transactions (see response to Q6).
- Duplicated paper-based processes and inconsistent requirements for the same type of trade data when complying with regulations. As stated, the siloed and complex way in which regulations are presented to businesses contributes to major administrative delays and costs, making it challenging for SMEs to successfully navigate all requirements. While these requirements are important to ensuring the integrity of cross-border trade, SMEs experience administrative challenges that have flow on impacts on their accessibility to trade finance. In 2021, an Asian Development Bank brief stated that more than 70% of banks considered Know-Your-Customer (KYC) and anti-money laundering (AML) requirements as the biggest hindrance to the provision of trade finance.⁷
- Information silos and asymmetry further raises financing costs as businesses pay more to compensate for unknown risks.

24. As acknowledged by the STS, ways in which the above costs can be reduced include:

25. Enabling the electronic transfer of trade documentation / paperless trade:

⁷ ADB, December 2022, <https://www.adb.org/sites/default/files/publication/845771/adb-brief-238-digitalization-trade-and-trade-finance.pdf>

- The STS found that 36% of regulations mandate the use of paper and do not allow for flexibility in how they are implemented by users. However, the impact of the Covid-19 pandemic catalysed the temporary acceptance of key trade documents in electronic format, including those relevant to applications for trade finance and indemnities. These practices should continue as they are able to significantly reduce time and costs associated with paper-based trade, while providing greater transparency and traceability of documents in supply chains.
- The Asian Development Bank estimated that paperless trade facilitation brings \$600 billion of annual savings in trade costs globally, reducing paperwork by 95% and physical trips needed to comply with these processes by 86%.

26. Supporting financial crime compliance:

- Many technologies such as blockchain DLT and AI, are already being used to support financial crime-related screening and compliance in cross-border trade – reducing administrative costs and delays for businesses.
- For example, blockchain is being used to track the provenance of goods across an end-to-end supply chain, providing real-time transparency and a ‘tell us once’ model for all parties on the network. AI and machine learning capabilities are being used to ingest the data recorded on blockchain, as well as other trade-related datasets, to generate advanced predictive analytics. This can help efficiently detect a broad range of risks and discrepancies, including those related to KYC, AML and sanctions, while alleviating the burden on SMEs to produce ongoing paperwork.
- By enabling the electronic collection of trade data from businesses, the Government can then use those datasets for financial crime detection. With the consent of businesses, the datasets can be made accessible to authorised financial institutions to help detect financial crime risks in real-time. This helps mitigate delays, costs, and compliance requirements that businesses are expected to satisfy during trade finance applications.

27. Creating a trade single window

- An Australian TSW would be one platform to service all government-related trade applications and documentation. It would also allow all parties in Australia to exchange their trade information digitally, such as import and export permits, certificates of origin, and bills of lading.
- A key feature in the platform’s design should be interoperability and integration with other trade platforms, government agencies, business and community systems, both domestic and international. Through coordination between public service agencies, public and private sector cooperation, and intergovernmental partnerships, an Australian TSW platform could be linked to key regulators as well as other enablers including:
 - Australian customs, law enforcement, biodiversity regulators, tax, and statistics bureaus.
 - The domestic NPP network and PEPPOL e-invoicing services.
 - Authorised financial institutions who provide additional trade-related services.
 - Overseas trade platforms, such as those developed by the Singapore and Hong Kong governments, or multinational databases developed by fintechs, logistics companies, and trade consortiums.

28. These above initiatives, which provides businesses with a 'tell-us-once' model to the electronic submission of trade documentation, will be able to significantly increase the speed of trade and reduce costs for trade transactions. It will also enable financiers to increase the availability of trade financing, often a cheaper form of credit, to SMEs who may not have been able to comply with paper-based trade requirements.

Q14. How can information on the tariff concession system be more accessible and what are the opportunities to simplify the tariff concession system?

29. Many businesses are not aware that there is a tariff concession system. Some businesses who are aware do not know where to find further information about it. As part of the STS' digitisation initiatives and exploration of a TSW, there are opportunities to address this by having information about tariff concessions in the same platform as all trade-related processes. As previously mentioned, the information should be presented through an easily navigable and intuitive interface, with the potential support of AI capabilities, as well as regular training and information sessions held for businesses.

MODERN DIGITAL SYSTEMS AND PROCESSES

Trade Single Window

Q18. What global best-practice examples of digital improvements might be relevant in the Australian context?

30. New technologies that could bring transformative improvements to cross-border trade are already available. Some of the top technologies being utilised in trade digitisation and innovation include blockchain distributed ledger technology, artificial intelligence and machine learning, internet-of-things sensors, and tokenisation of trade assets. They are often used in combination with other emerging capabilities. Below are examples demonstrating how they are being leveraged and integrated into existing or new systems.

Blockchain DLT for automation and real-time asset tracking

31. Exploration of blockchain applications in trade is strongly aligned to the Australian Government's 2020 National Blockchain Roadmap. Working groups already exist to research blockchain applications in supply chains, credentialing, and reduction of business compliance processes. There is also a grants program for pilots related to innovations in these sectors.⁸ The Australian government could expedite the adoption of blockchain in the trade sector as part of the National Blockchain Roadmap.
32. The tokenisation of trade assets as non-fungible tokens (NFTs) on blockchain, is a commonly explored application in trade and supply chain management. As blockchain-based data-sharing platforms become popular, NFTs are being used as immutable digital receipts to show proof of ownership or 'possession' of important documents such as bills of lading, invoices and certificates of origin, making the processing of documents much faster and easier.
33. It would also be possible to tokenise the trade assets or shipments themselves into NFTs so that they can be used as a form of collateral. Meanwhile, data on their provenance, originality

⁸ DFAT, April 2021, <https://www.dfat.gov.au/about-us/publications/trade-and-investment/business-envoy-april-2021-digital-trade-edition/australias-blockchain-roadmap>

and ownership are all recorded on the blockchain, enhancing trade transparency.⁹ It would be valuable to further study the risks and benefits of tokenisation as applied to trade.

34. As an example, in March 2022, the Australian Federal Government and several collaborators, including ANZ, conducted a world-first pilot to automate the payment of excise tax to the Australian Taxation Office along a supply chain of alcoholic spirits. The pilot, which was based on a blockchain DLT platform, has the potential to vastly simplify tax and compliance administration during trade, streamlining the business processes of the entire spirits industry, while also recovering at least \$45 million lost in tax revenue annually.¹⁰ Key elements of this pilot could be scaled or reapplied to other trade sectors and processes.
35. Globally, the Covid-19 pandemic has accelerated the adoption of blockchain for the secure issuance and exchange of trade documents digitally. It has now become the technology of choice for TSW platforms and other platforms that involve multiple enterprises and high volumes of data. Users of blockchain-based platforms for trade-related activities will continue to grow.
36. In particular, the use of blockchain-based 'smart contracts' to automate processes based on pre-set conditions is likely to result in many applications across other industries. For example, they are being used to automate transactions and transfers of tokenised assets when triggered by an event that has occurred off-chain (in the physical world). Currently, the potential of smart contracts remains largely untapped, and first movers are likely to gain an advantage among the market.

Other examples of blockchain being used in trade

37. Lygon

- ANZ Bank has incorporated blockchain technology for trade through a joint venture with Scentre Group, Westpac Bank, Commonwealth Bank and IBM to establish 'Lygon', a blockchain-based platform that enables issuance of standardised, digital bank guarantees.
- By shifting paper-based guarantee issuance to Lygon, we can achieve a much more sustainable method of trade financing, where onboarding of clients can be completed in less than 15 minutes, and the time taken to issue the guarantee is reduced from 1 month to 1 day – the first time blockchain has been used in the Australian banking sector in a live, real-world application. Lygon will also enable the digitisation of other guarantees including those that support building construction, leases, and environmental guarantees.¹¹

Artificial Intelligence (AI) and Machine Learning (ML)

38. AI and ML are increasingly being used to automate processes in trade and supply chain management, and to generate predictive analytics that can help support supply chain resilience. A 2022 IBM survey showed that 47% of Chief Supply Chain Officers have introduced new automation technologies within the last two years, and that they're using AI to help monitor and track performance.¹²

⁹ Global Trade Review, July 2021, <https://www.gtreview.com/news/fintech/nfts-in-trade-finance-the-next-frontier-or-bad-idea/>

¹⁰ KPMG, March 2022, <https://kpmg.com/au/en/home/media/press-releases/2022/03/world-first-australian-blockchain-pilot-revolutionises-100-year-old-tax-system-29-march-2022.html>

¹¹ Australian Financial Review, February 9, 2021, <https://www.afr.com/companies/financial-services/scentre-anz-create-first-digital-bank-guarantee-with-lygon-blockchain-20210209-p570uu>

¹² IBM, September 2022, <https://newsroom.ibm.com/2022-09-20-IBM-Study-Supply-Chain-Leaders-Are-Investing-in-AI-and-Automation-to-Navigate-Supply-Chain-Uncertainties-and-Improve-Sustainability>

39. According to a McKinsey report, successfully implementing AI-enabled supply chain management has enabled early adopters to improve logistics costs by 15 percent, inventory levels by 35 percent and service levels by 65 percent, compared with slower-moving counterparts.¹³ Examples of companies currently using AI and ML for supply chains include Amazon, Renault, and FedEx and DHL, who are now building their own supply chain simulation software.¹⁴

- Examples of how AI and ML are being applied in cross-border trade include:
 - Providing demand forecasting across multiple products and geographies.
 - Predicting risks and disruptions to the supply chain beyond tier one and two suppliers.
 - Stress-testing complex supply chains via AI simulations and then advise how to address vulnerabilities and protect against trade credit risk/trade credit contagion.
 - Facilitating 'smart logistics' by automating and optimising transportation, warehousing, distribution, and B2B2C/B2C delivery, in response to real-time developments.
 - Analysing customer behaviour or identify suspicious and anomalous behaviour.

40. In the public sector, many governments are integrating AI capabilities into the delivery of government services. As an example, South Korea is planning to hyper-scale the adoption of AI to establish a 'Digital Platform Government (DPG) Hub' – a one-stop service for government administration that will:

- Connect around 17,000 different IT systems.
- Be implemented with both private and public data and services.
- Streamline services across all government agencies.
- Grant private sector API connectivity into the hub to support the creation of innovative services for the public.
- Eliminate the need for document submissions for administrative services by 2026 and achieve an estimated annual cost saving of up to USD 1.54 billion.¹⁵

41. If a TSW were established in Australia, the datasets that it collects would be critical to enabling the AI and ML capabilities listed above, driving further digitisation and modernisation across the trade sector. As seen in the South Korea example, availability of government-collected data can support additional innovations from other parties, including by other government agencies or a third-party service provider.

42. As such, technical interoperability between an Australian TSW and other systems is a crucial design consideration. The seamless exchange of trade data between different systems will address the existing issue of siloed information and lay the foundation for further innovation in trade resilience, risk-monitoring, and automation.

¹³ McKinsey, April 30, 2021, <https://www.mckinsey.com/industries/metals-and-mining/our-insights/succeeding-in-the-ai-supply-chain-revolution>

¹⁴ MIT Technology Review, October 2021, <https://www.technologyreview.com/2021/10/26/1038643/ai-reinforcement-learning-digital-twins-can-solve-supply-chain-shortages-and-save-christmas/>

¹⁵ Pulse News Korea, June 2023, <https://pulsenews.co.kr/view.php?sc=30800028&year=2023&no=476233>

Internet-of-Things (IoT) sensors to track goods in real-time

43. IoT sensors are being installed at various points along the physical supply chain to provide real-time tracking of the status of raw materials, goods in transit, and inventories. This data could then be fed into a blockchain platform, trigger certain actions via smart contracts, and be used by AI and ML processes to generate advanced analytics, creating an even higher level of end-to-end supply chain visibility, connectivity, and efficiency.
44. Leading trade service companies and start-ups have now moved beyond initial trials and proof-of-concepts and are actively rolling out IoT sensors at the farm, factory, cargo and/or warehouse, to gather data for customers. In combination with blockchain and AI, this data can be used to enhance trust and visibility across the product life cycle, as well as create real-time 'digital twin' simulations to generate additional insights and forecasts.
45. Banks are actively looking to support and invest in this technology, which could open up more opportunities for trade financing and lead to greater customisation of trade financing services across different industries.

Q19. What are the priority improvements from a whole-of-government digital services perspective you would see delivering early benefits to business?

46. ANZ believes that the establishment of a domestic TSW platform will be the best solution to many of the key challenges listed above. By providing a trusted platform for government-related trade documentation and integrating with systems where trade data can be easily shared and reused for different purposes, businesses will see greater incentive and commercial benefit to sign-up as a user of the platform, as compared to the initial costs or effort of onboarding.
47. As a prerequisite to trade digitisation, we also believe that a priority improvement that would deliver impactful benefits to businesses early on, is ensuring the acceptance and enforceability of electronically transferable trade documentation with other jurisdictions, especially Australia's major trading partners. Businesses need to be able to confidently rely on electronic transferable documents if they are to transition to a digitised trade ecosystem.
48. As an example, electronic bills of lading have very low adoption rates – about 0.3% to 1.2% of all bills of lading were in electronic form in 2020 and 2021 respectively. This was attributed to the lack of legislation and technical interoperability that enables cross-border recognition.¹⁶

Please also see our answer to Q1.

Entity Management and Digital Identity

Q20. Do you or your business currently use services like myGovID for digital identification?

No.

¹⁶ ADB, December 2022, <https://www.adb.org/sites/default/files/publication/845771/adb-brief-238-digitalization-trade-and-trade-finance.pdf>

Q21. How might use of digital identification in cross-border trade interactions impact your business?

49. As a global trade financier, ANZ believes that having digital identification can be a significant enabler to expediting and expanding the availability of trade financing to SMEs.

CROSS-BORDER TRADE DATA SHARING

Q22. Does the Framework reflect your views of how the Australian Government should approach improvements to the collection and use of cross-border trade data?

50. The current framework has a strong focus on data collected about the physical goods being traded. One area that should be reflected in more detail is commercial data that accompanies the movement of goods, such as financial data, logistics data, origination data and insurance data. These data elements are also critical parts of the trade journey, as restrictions around the cross-border electronic transfer of commercial data ultimately slows the physical movement of goods. Therefore, to support a holistic digitisation of cross-border trade, the data sharing framework should include a focus on digitising the relevant commercial data.

Q23. Are there benefits or concerns with the sharing of data collected by trade agencies beyond government to facilitate trade (e.g. with foreign governments or third parties that facilitate trade, such as financiers)?

51. In order to obtain the full benefits of digitised trade, governments need to share trade data cross-border with numerous other public and private sector agencies, including border force agencies, financiers, logistics service providers, and more. Upholding information security and consent from businesses to use trade data for multiple purposes, will be an important part of the Australian Government's data collection process.

52. Beyond the facilitation of trade, more holistic and efficiently collected trade data can provide significant benefits to the anti-money laundering and counter-terrorism financing space, which currently lacks visibility into specific trade-related data that can help identify trade-based money laundering.

ENDS

