

Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA)

Regional Workshop on Cross-Border Digital Trade for CAREC Countries

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Seoul, Republic of Korea

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Trade, Investment and Innovation Division
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Agenda

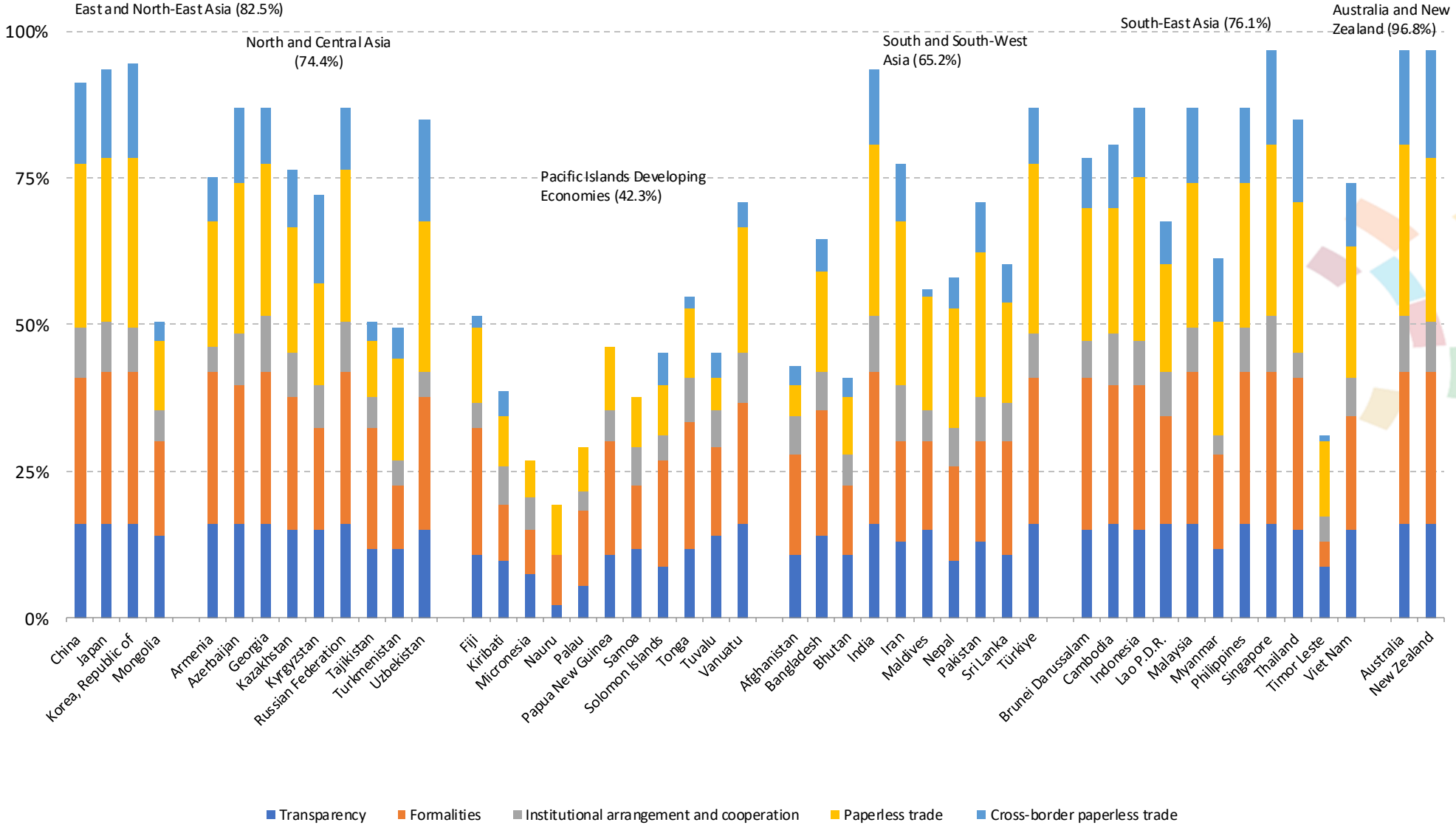
- **Background and Overview**
- **Overview of Provisions**
- **Current parties and accessions**
- **Urgency for accession to this UN treaty**
- **Deep dive: recognition of trade related documents for data**



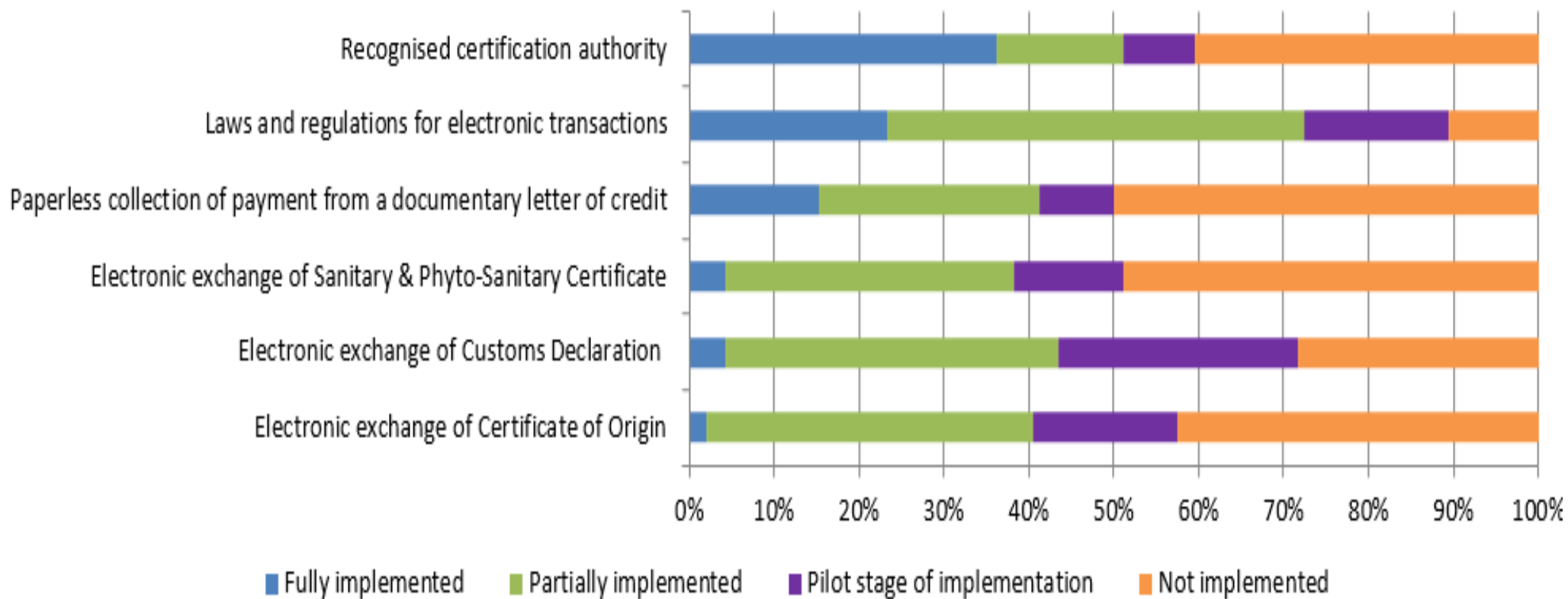
Background and Overview



Overall Implementation of Trade Facilitation Measures for countries in Asia and the Pacific



Challenges for implementing cross-border paperless trade



Source: UN Global Survey Report on Digital and Sustainable Trade Facilitation 2023

Challenges to Moving forward on Cross-border Paperless Trade



International Standards



Harmonization of legal frameworks



Capacity gaps among the parties (infrastructure & HR)



Cooperation between public and private sectors



Lack of intergovernmental coordination mechanism



CPTA: a regional solution to advance cross-border paperless trade

- Developed and negotiated by more than 25 countries between 2012 and 2016.
- A young UN treaty: it entered into force in 2021.
- But it has been growing fast: from 5 parties at the first session of the meeting in 2022 to 14 parties in 2024.



Overview of Provisions



CPTA: Contents

Preamble

Articles 1 to 16: Substantive clauses

Article 1: Objective

Article 2: Scope

Article 3: Definitions

Article 4: Interpretation

Article 5: General principles

Article 6: National Policy Framework, Enabling Domestic Legal Environment and Paperless Trade Committee

Article 7: Facilitation of Cross-border Paperless Trade and Development of national Single Window(s)

Article 8: Cross-border Mutual Recognition of Trade-related Data and Documents in Electronic Form

Article 9: International Standards for Exchange of Trade-related Data and Documents in Electronic Form

Article 10: Relation with Other Legal Instruments Enabling Cross-Border Paperless Trade

Article 11: Institutional Arrangements

Article 12: Action Plan

Article 13: Pilot Projects and Sharing of Lessons Learned

Article 14: Capacity Building

Article 15: Implementation of the present Framework Agreement

Article 16: Other agreements in force

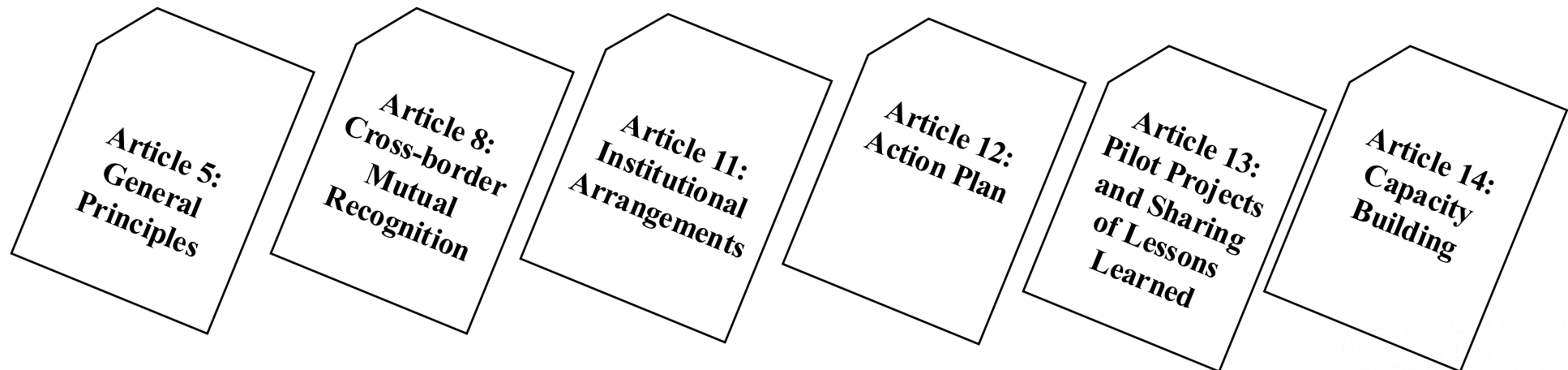
Articles 17 to 25: Final clauses



Overview of Provisions: Key Provisions

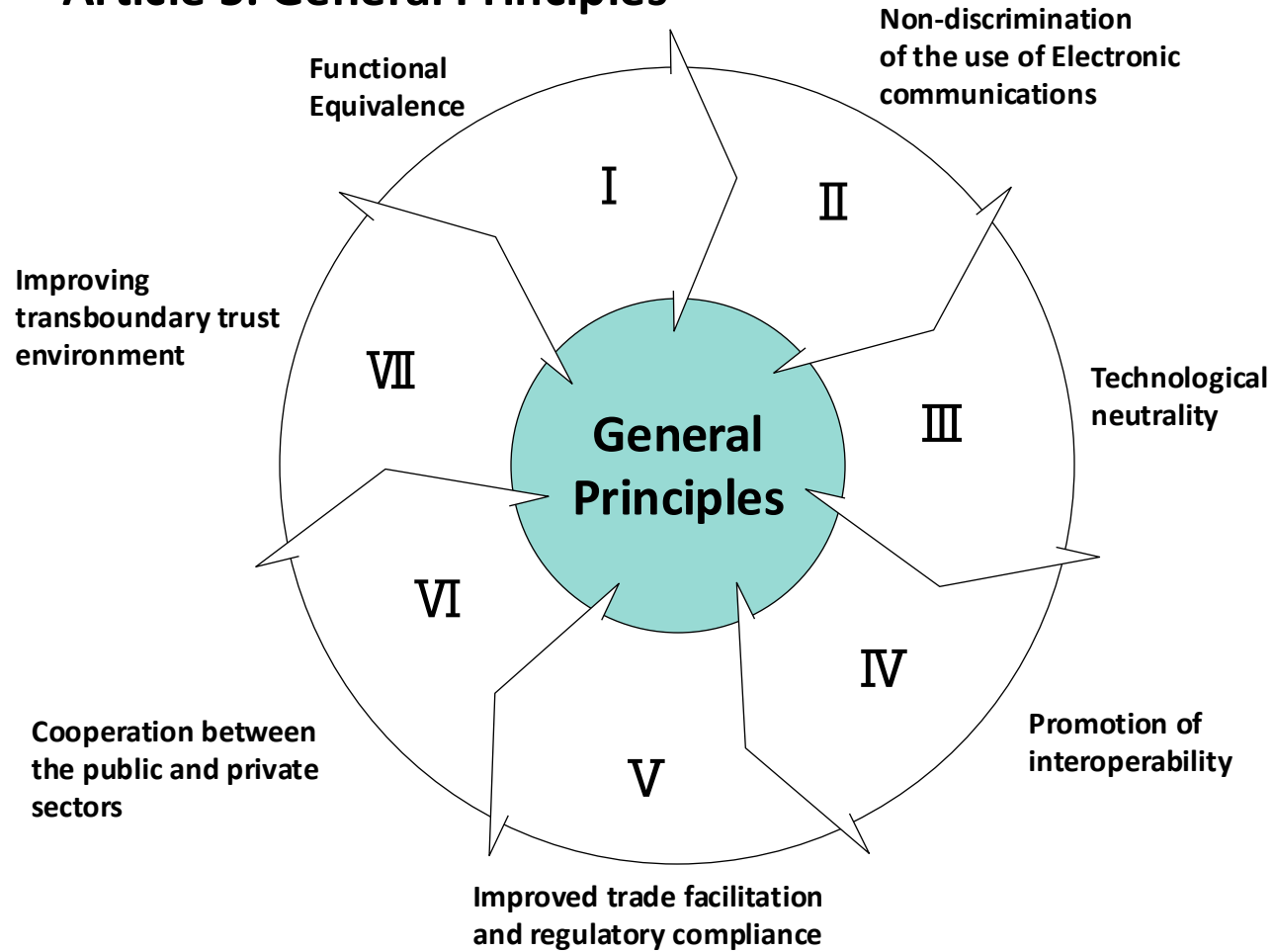
Article 1: Objective

The objective of the present Framework Agreement is **to promote cross-border paperless trade** by enabling the exchange and mutual recognition of trade-related data and documents in electronic form and facilitating interoperability among national and subregional single windows and/or other paperless trade systems, for the purpose of **making international trade transactions more efficient and transparent while improving regulatory compliance.**



Article 5: General Principles

Article 5: General Principles



Overview of Provisions: Cross-border mutual recognition

Article 8: Cross-border mutual recognition of trade-related data and documents in electronic form

1. The Parties shall provide for mutual recognition of trade-related data and documents in electronic form originating from other Parties on the basis of a substantially equivalent level of reliability.
2. The substantially equivalent level of reliability would be mutually agreed upon among the Parties through the institutional arrangement established under the present Framework Agreement.
3. The Parties may enter into bilateral and multilateral arrangements to operationalize cross-border mutual recognition of trade-related data and documents in electronic form, in a manner consistent with the principle of the transboundary trust environment and all the other general principles, provided that the provisions of these bilateral and multilateral arrangements do not contradict the present Framework Agreement.



Overview of Provisions: Action plan

Article 12: Action plan

1. The Standing Committee, under the supervision of the Paperless Trade Council, shall develop a comprehensive action plan
2. The implementation schedule for each Party shall be developed as part of the action plan based on a self-assessment of their readiness.



Overview of Provisions:

Pilot projects and sharing of lessons learned

Article 13: Pilot projects and sharing of lessons learned

1. The Parties shall endeavor to initiate and launch pilot projects on cross-border exchange of trade-related data and documents in electronic form, among customs and other regulatory agencies. The Parties shall collaborate on such pilot projects through the institutional arrangements established under the present Framework Agreement.
2. The Parties shall report to the Standing Committee on the progress of pilot projects to facilitate the sharing of experience and lessons learned and to establish a collection of best practices for interoperability of cross-border exchange of trade-related data and documents in electronic form. The exchange of experience and lessons learned would extend beyond the Parties to the present Framework Agreement, to the extent possible and as appropriate, in an effort to promote paperless trade implementation throughout the region and beyond.



Overview of Provisions: Capacity building

Article 14: Capacity-building

1. The Parties may cooperate to provide technical support and assistance to each other in order to facilitate the implementation of the present Framework Agreement.
2. The Parties may collaborate on capacity-building through the institutional arrangements established under the present Framework Agreement.
3. The Parties shall give special consideration to requests from least developed and landlocked developing countries for technical assistance and cooperation arrangements designed to assist them in developing their paperless trade capacity and in taking full advantage of the potential benefits of the present Framework Agreement.
4. The Parties may invite development partners for more effective technical and financial assistance in the implementation of the present Framework Agreement.



Overview of Provisions:

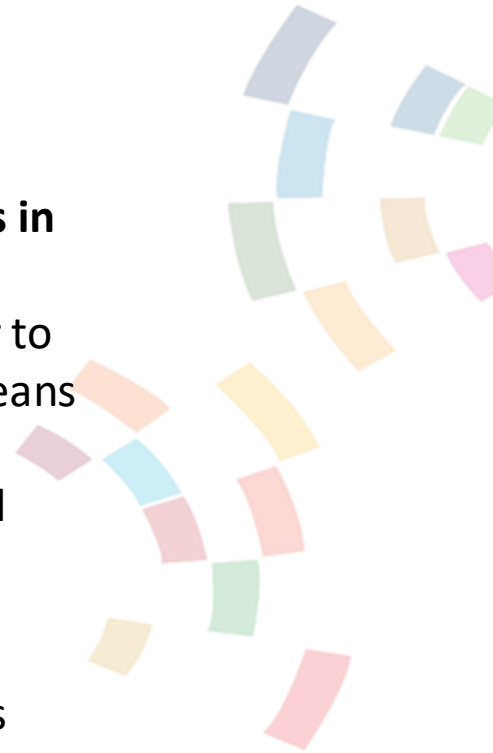
Provisions for promoting cross-border interoperability

Article 9 International standards for exchange of trade-related data and documents in electronic form

1. The Parties shall endeavor to apply international standards and guidelines in order to ensure interoperability in paperless trade and to develop safe, secure and reliable means of communication for the exchange of data.
2. The Parties shall endeavor to become involved in the development of international standards and best practices related to cross-border paperless trade.

Article 10 Relation to other legal instruments enabling cross-border paperless trade

1. The Parties may, where appropriate, adopt relevant international legal instruments concluded by United Nations bodies and other international organizations.
2. The Parties shall endeavor to ensure that the cross-border exchange of trade-related data and documents in electronic form is consistent with international law as well as regional and international regulations and best practices, as identified by the institutional arrangements established under the present Framework Agreement.



Overview of Provisions: Provision on Single Window

Article 7: Facilitation of cross-border paperless trade and development of single-window systems

1. The Parties shall endeavor to facilitate cross-border paperless trade by enabling exchange of trade-related data and documents in electronic form, utilizing the existing systems in operation or creating new systems.
2. The Parties are encouraged to **develop single-window systems** and use them for cross-border paperless trade. In developing single-window systems or upgrading existing ones, the Parties are encouraged to make them consistent with the general principles provided in the present Framework Agreement.



Current parties and accessions



CPTA: Parties

- 14 countries ratified/acceded (as of November 2024)
 - ✓ Azerbaijan, Bangladesh, China, Iran (Islamic Republic of), Kyrgyzstan, Mongolia, Philippines, Republic of Korea, Russian Federation, Tajikistan, Timor-Leste, Turkmenistan, Tuvalu and Uzbekistan
- Signed: Armenia and Cambodia
- Several countries undergoing domestic accession processes

CAREC parties to the Framework Agreement

- Afghanistan
- Azerbaijan
- People's Republic of China
- Georgia
- Kazakhstan
- Kyrgyz Republic
- Mongolia
- Pakistan
- Tajikistan
- Turkmenistan
- Uzbekistan



Minimum costs and obligations

- A country does not need to change their domestic laws and regulation relating to paperless trade prior to accession to the CPTA. It may wish to do so on its own priorities and resource availability after accession.
- Becoming a Party to the CPTA has no direct financial cost implications for India, except for supporting participation of national representatives in the meetings of the Paperless Trade Council and the Standing Committee, which are expected to convene at least once a year.
- Administration of the CPTA at the domestic level requires to establish or nominate a national committee on paperless trade. The designated committee could be an existing body such as the national trade facilitation committee or a single window committee/working group.

Urgency for acceding to CPTA

- The rapid expansion of the CPTA membership means that implementation of CPTA will be accelerated.
- Since many CAREC member states trade with countries outside of CAREC (as well as the CAREC members), fostering interoperability between CAREC members and external partners through the CPTA is essential.
- Join the treaty to steer the direction of regional paperless trade: an ad-hoc session of the CPTA meeting will be held in conjunction with a workshop co-hosted by Ministry of Economy and Finance, Republic of Korea and Korea Customs service on 10 and 11 December in Incheon, Republic of Korea.



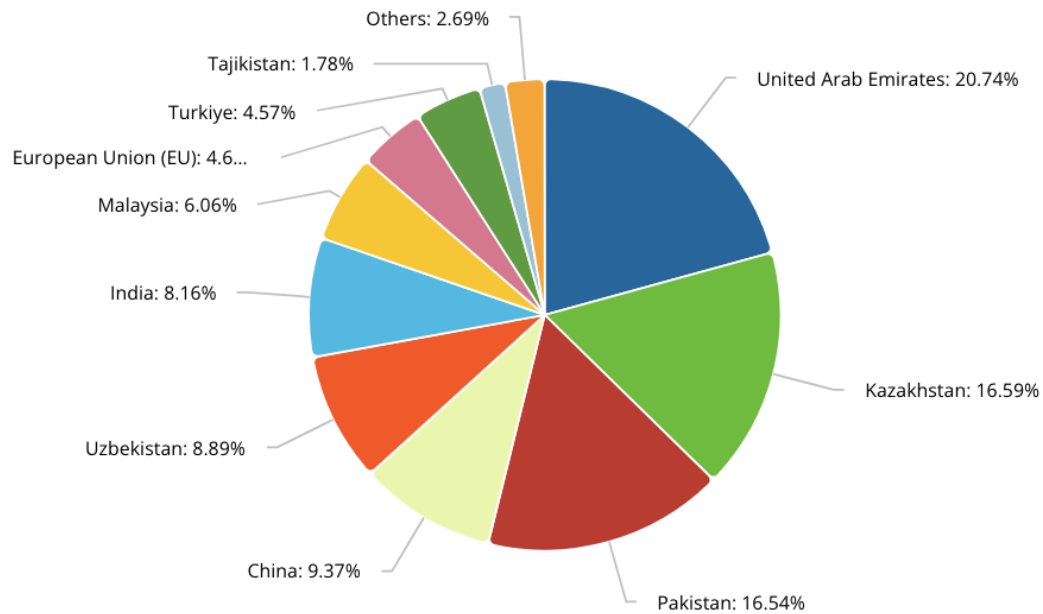
Annex: major trading partners of each CAREC member



Afghanistan

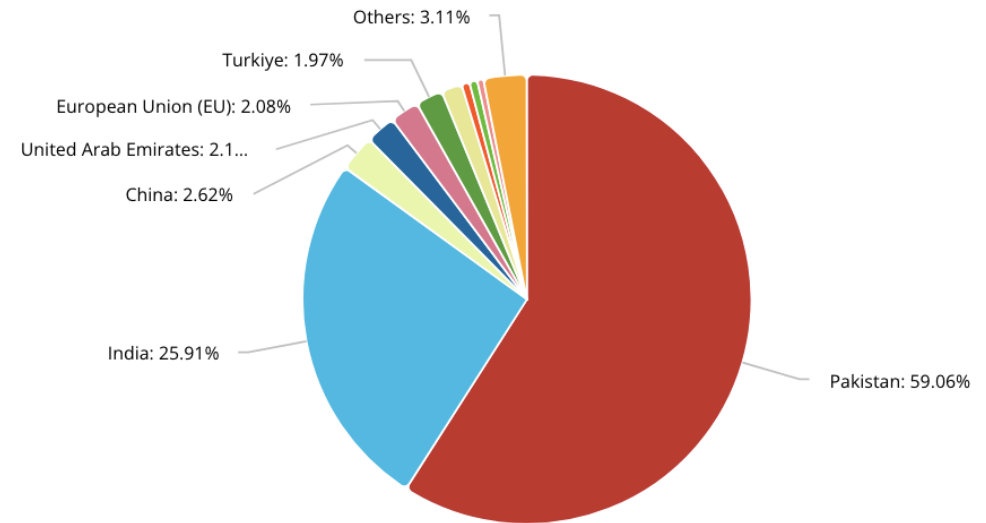
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import



Data source: UN Comtrade

export

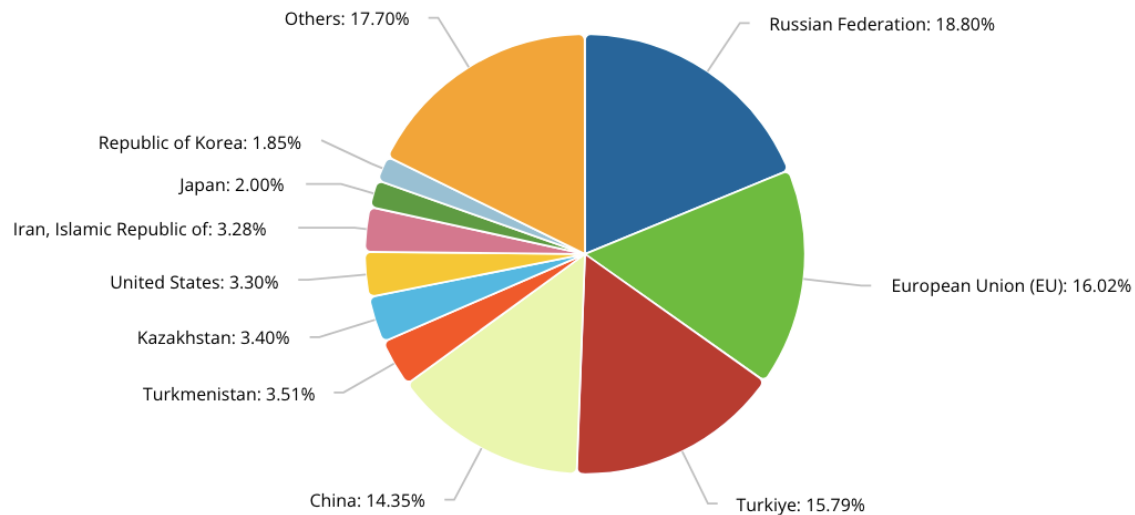


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Azerbaijan

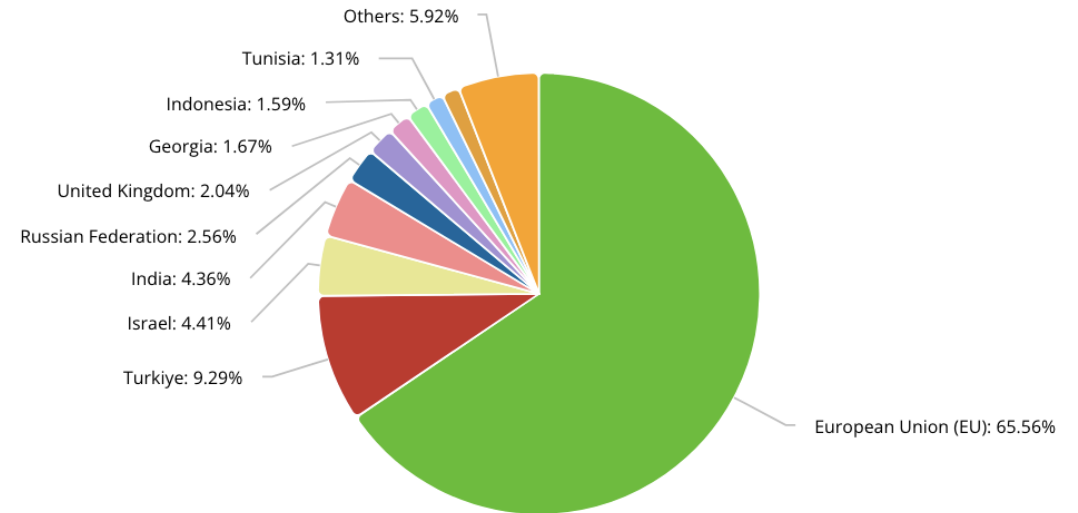
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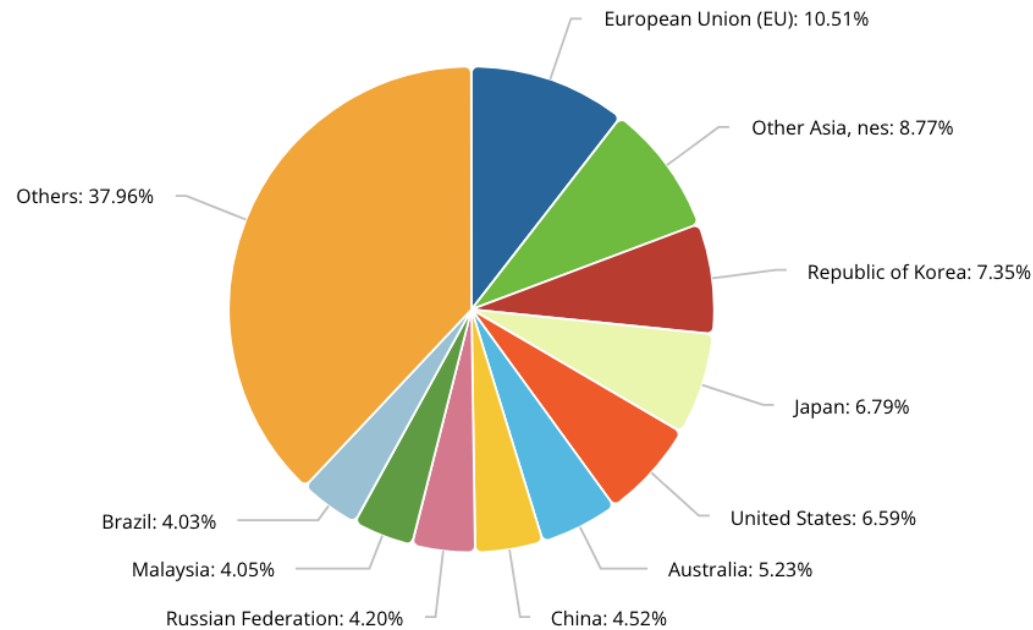


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People's Republic of China

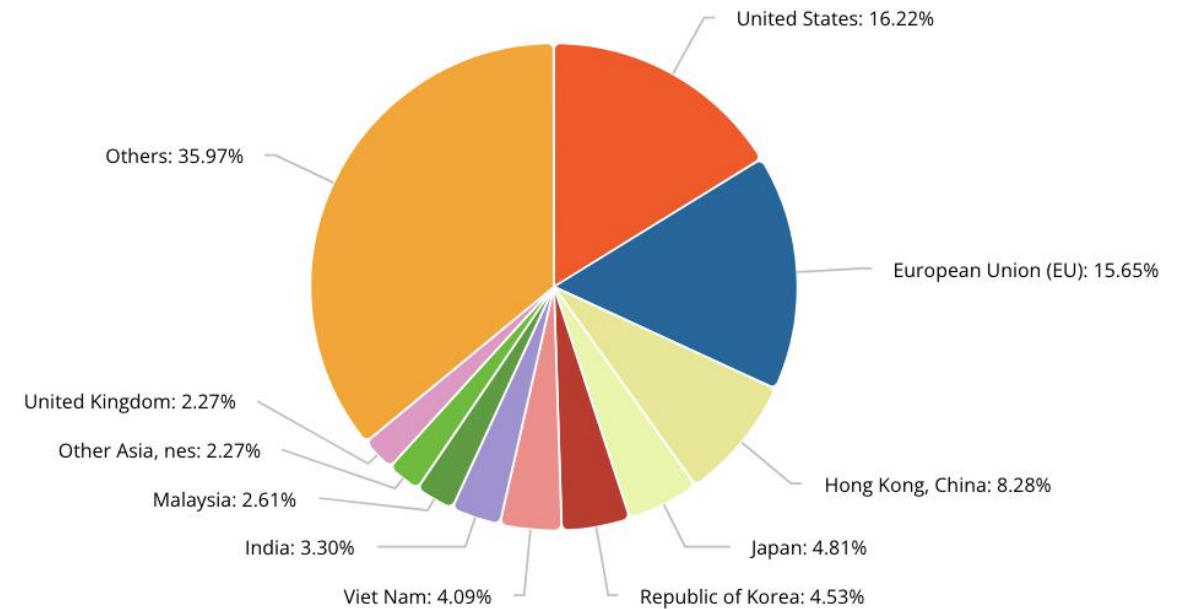
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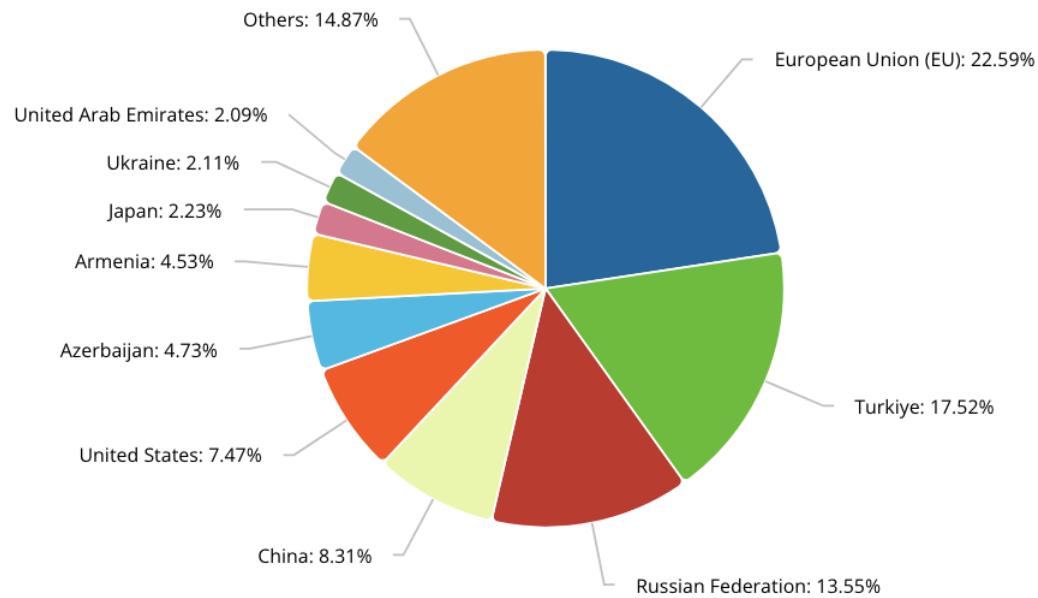


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Georgia

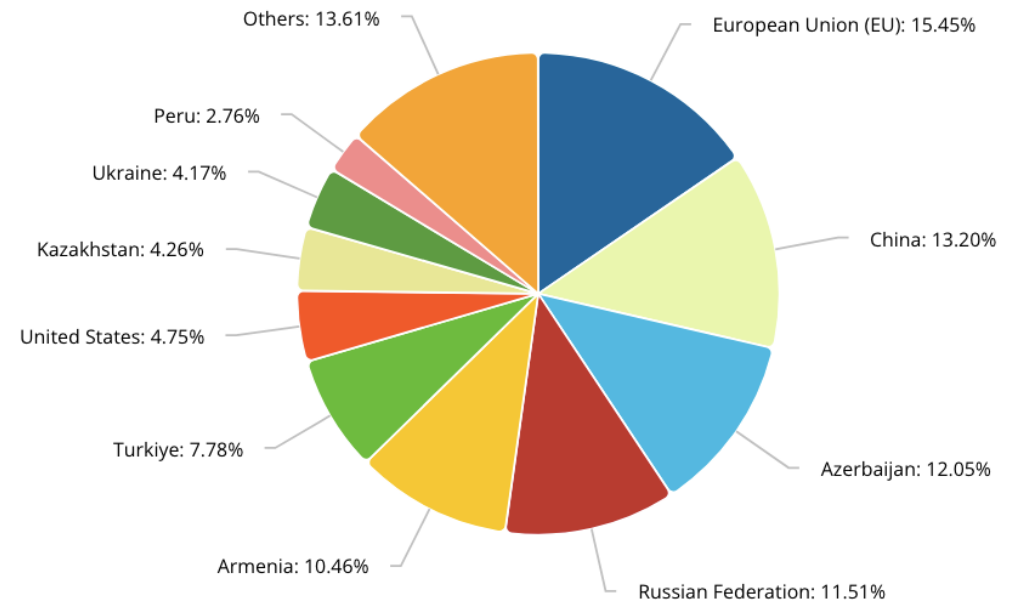
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import



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export

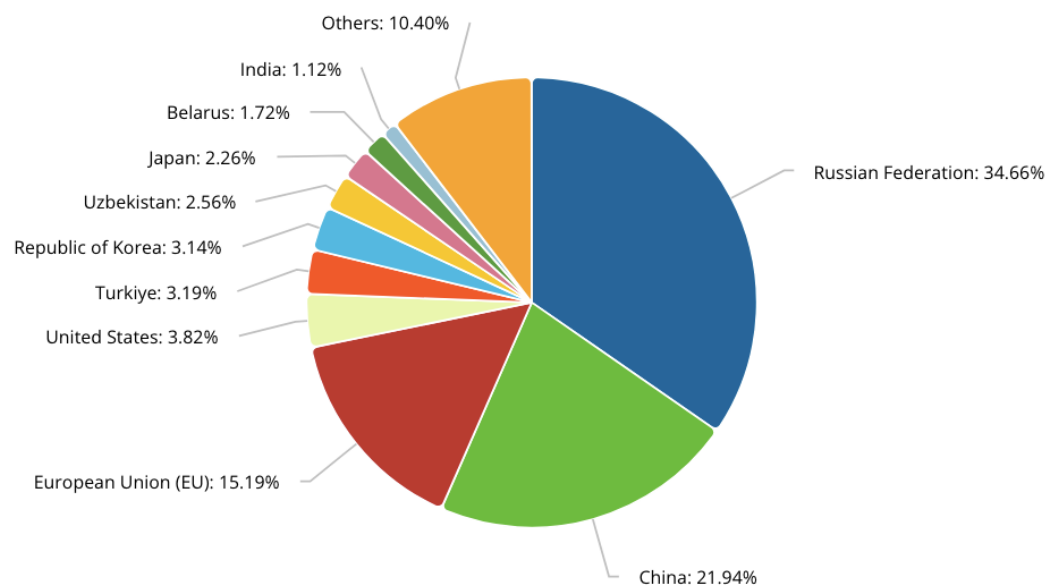


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Kazakhstan

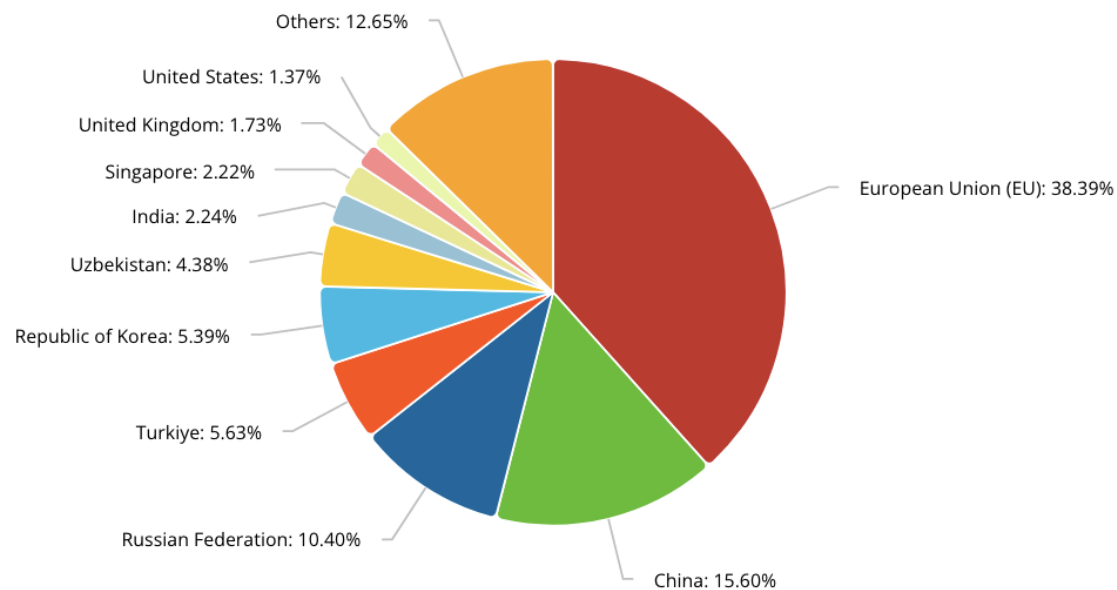
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import



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export

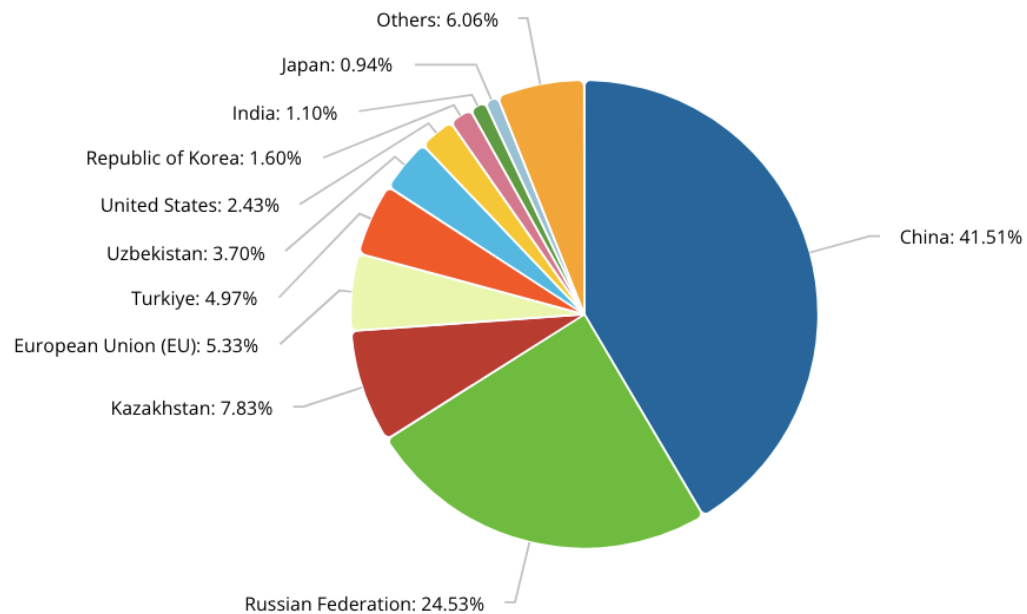


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Kyrgyz Republic

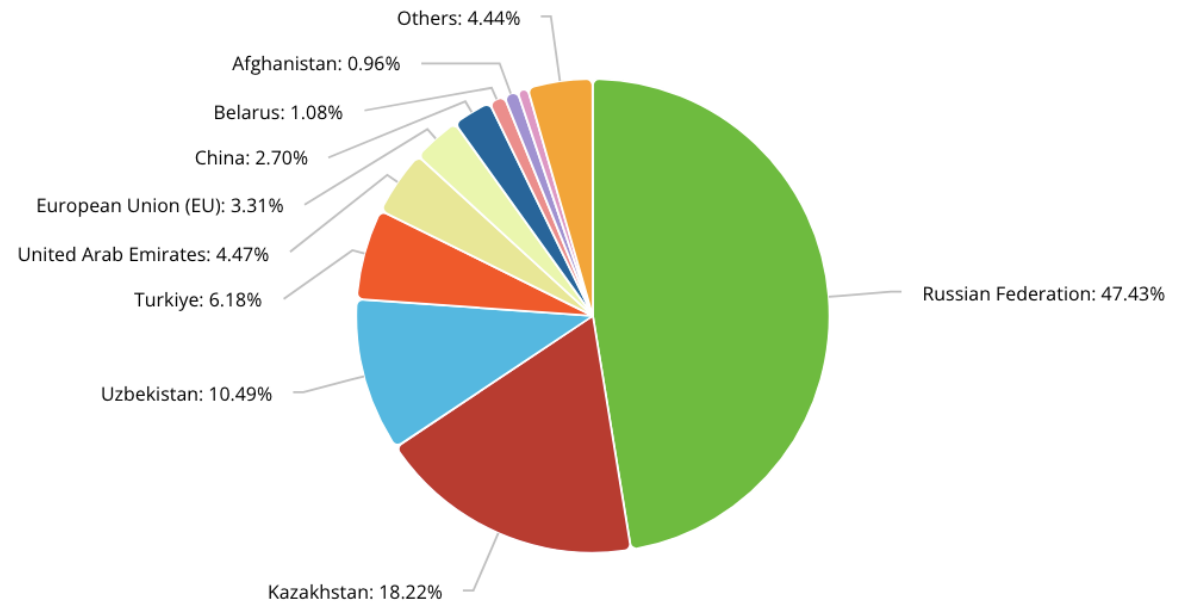
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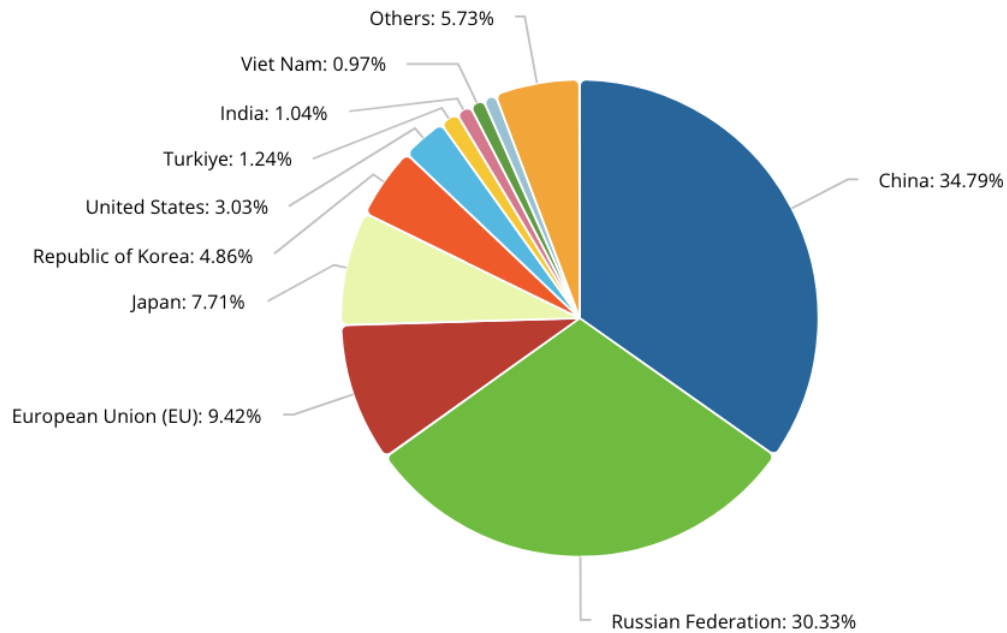


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Mongolia

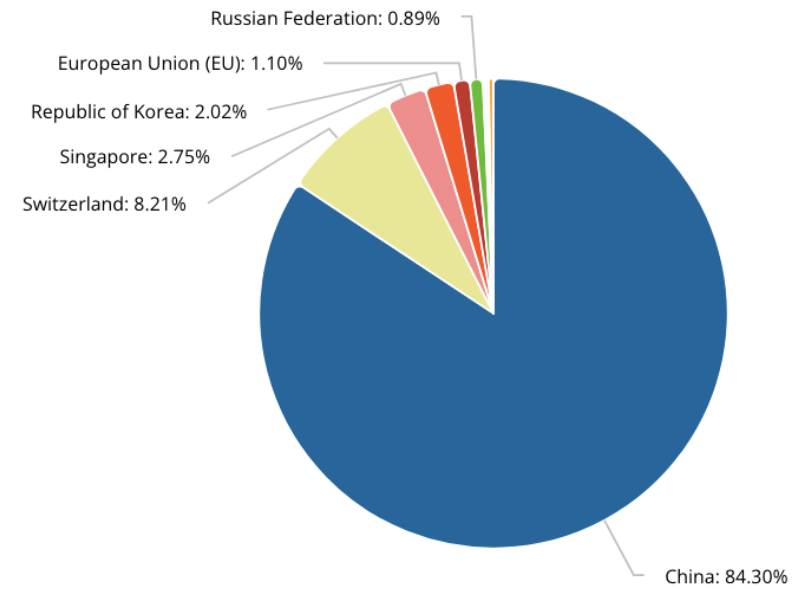
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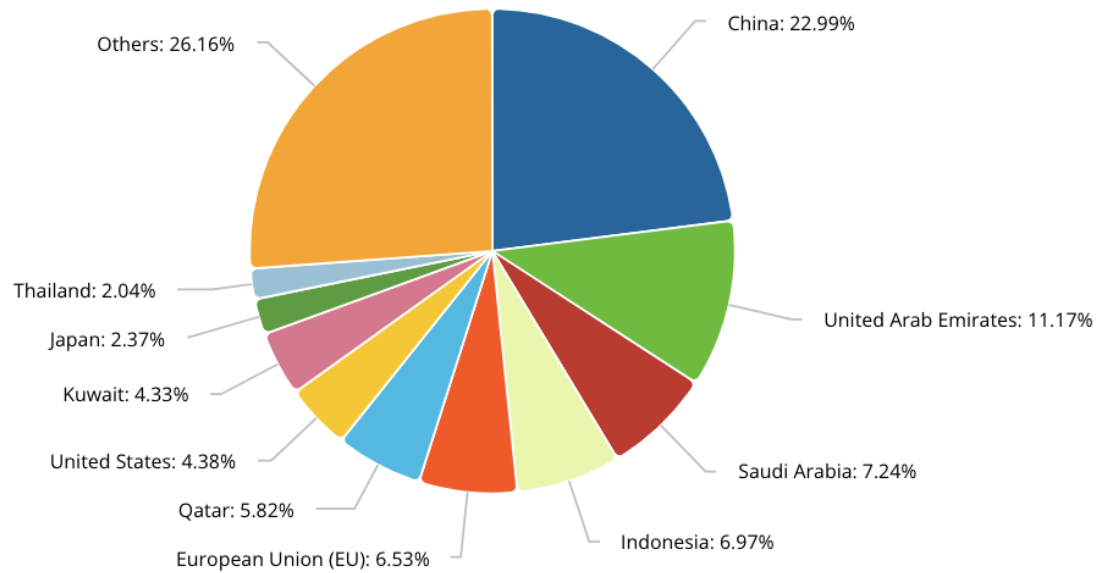


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Pakistan

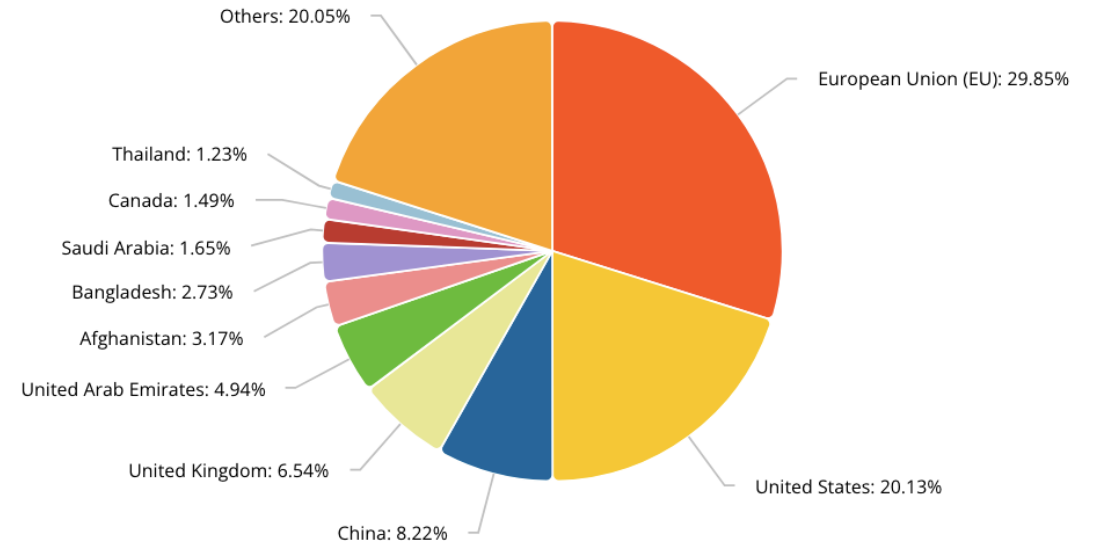
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import



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export

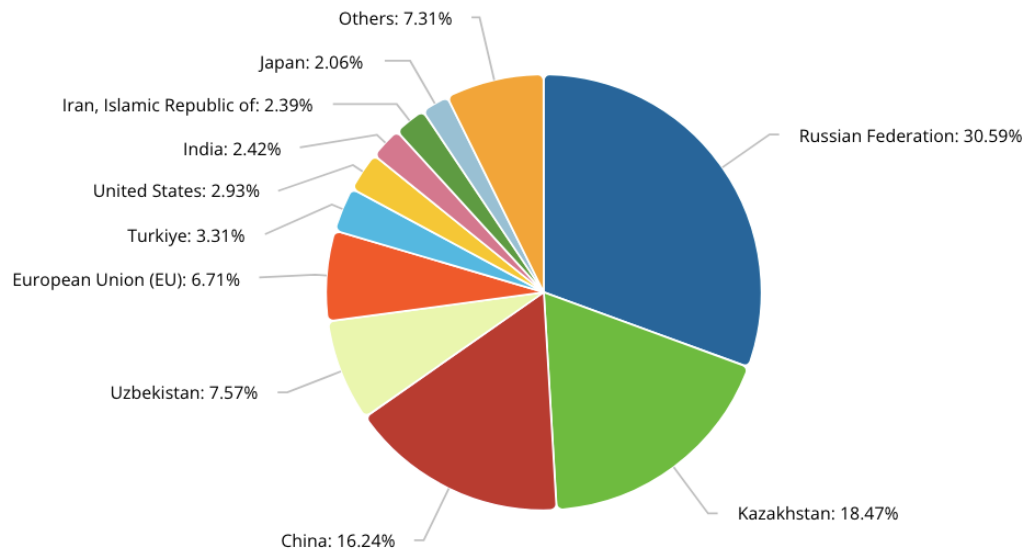


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Tajikistan

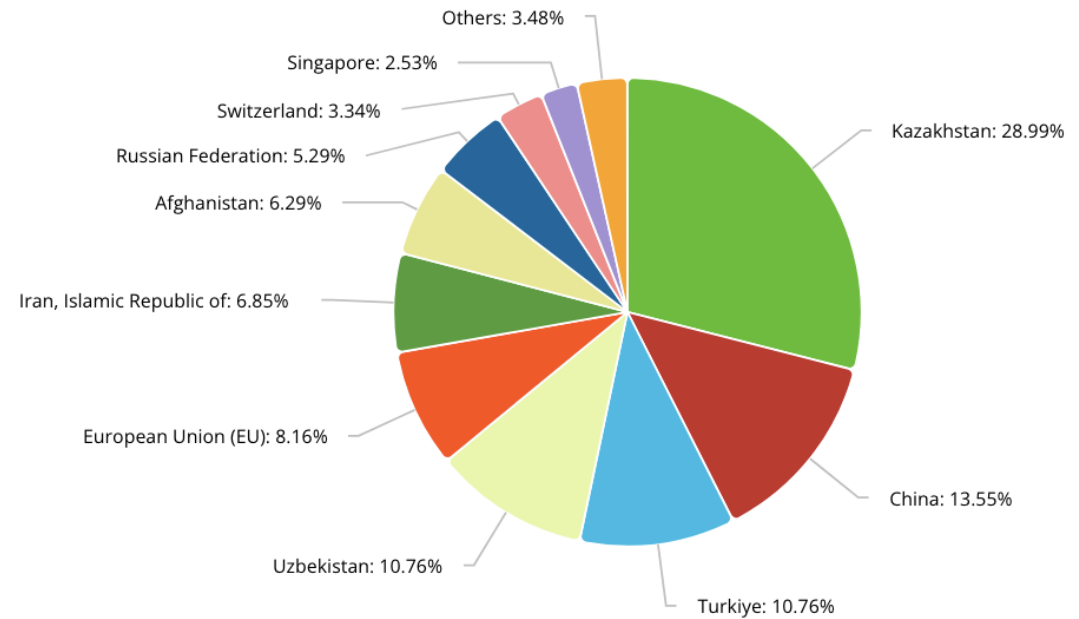
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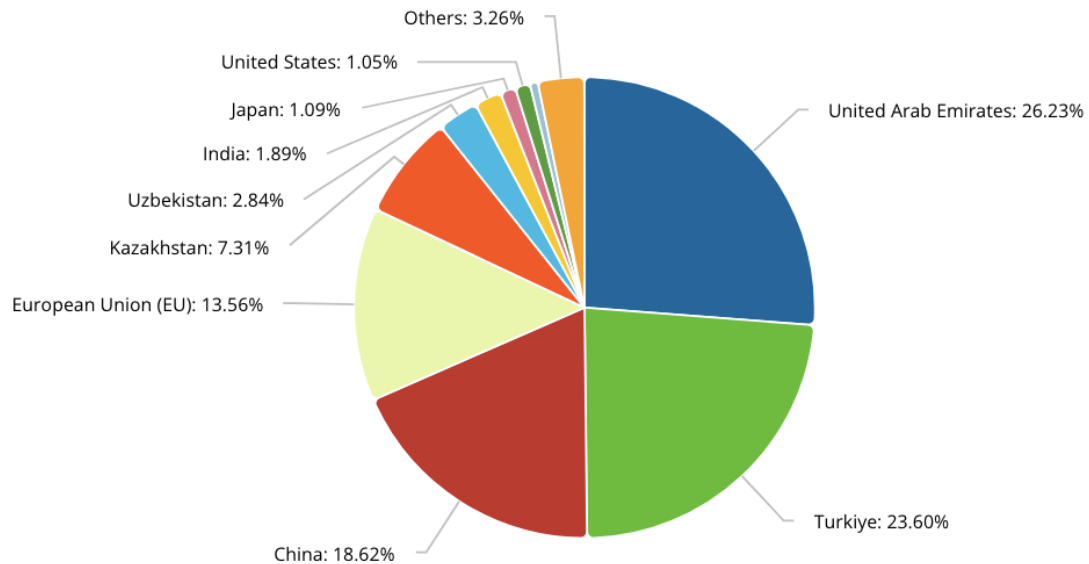


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Turkmenistan

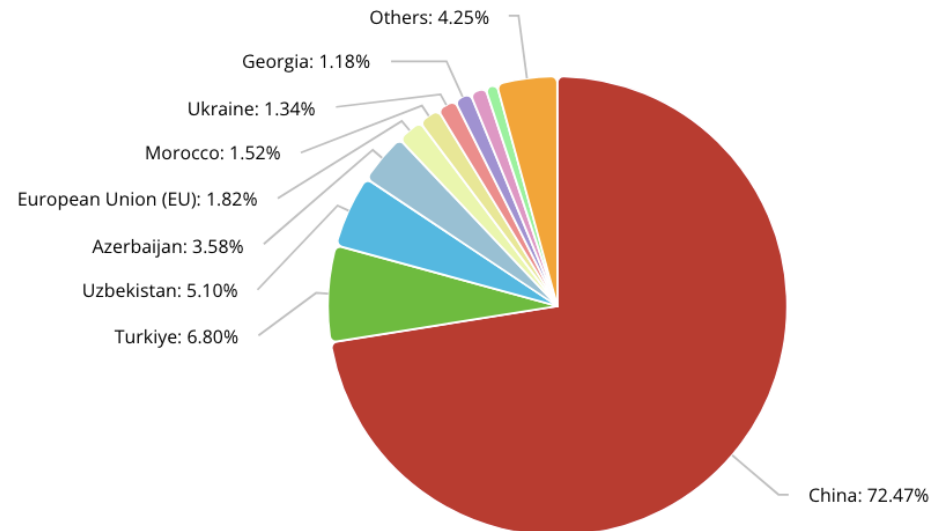
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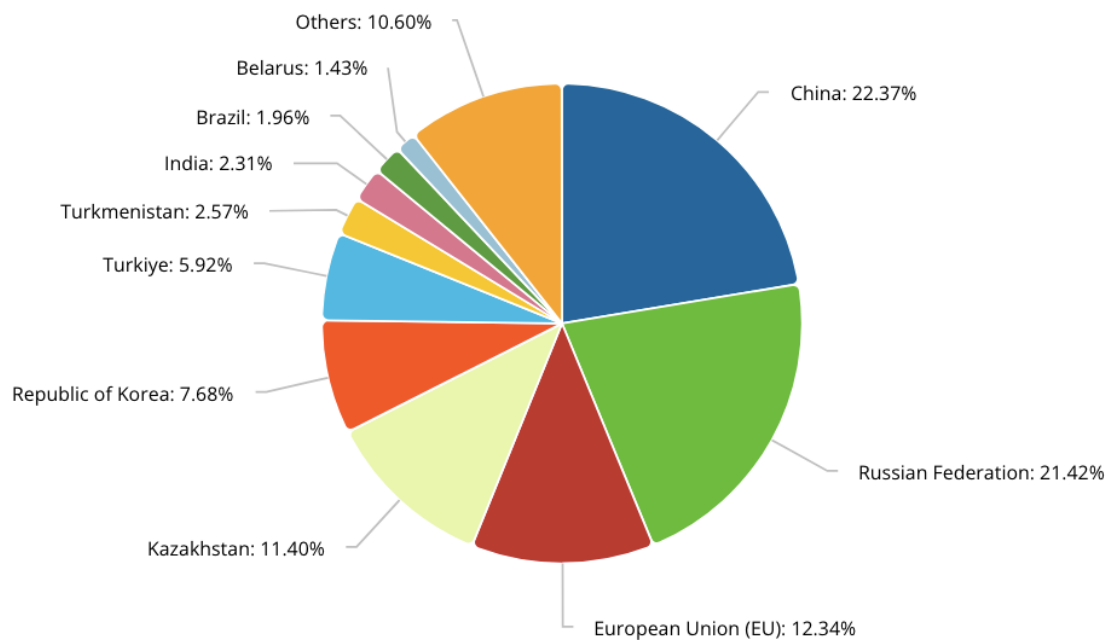


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Uzbekistan

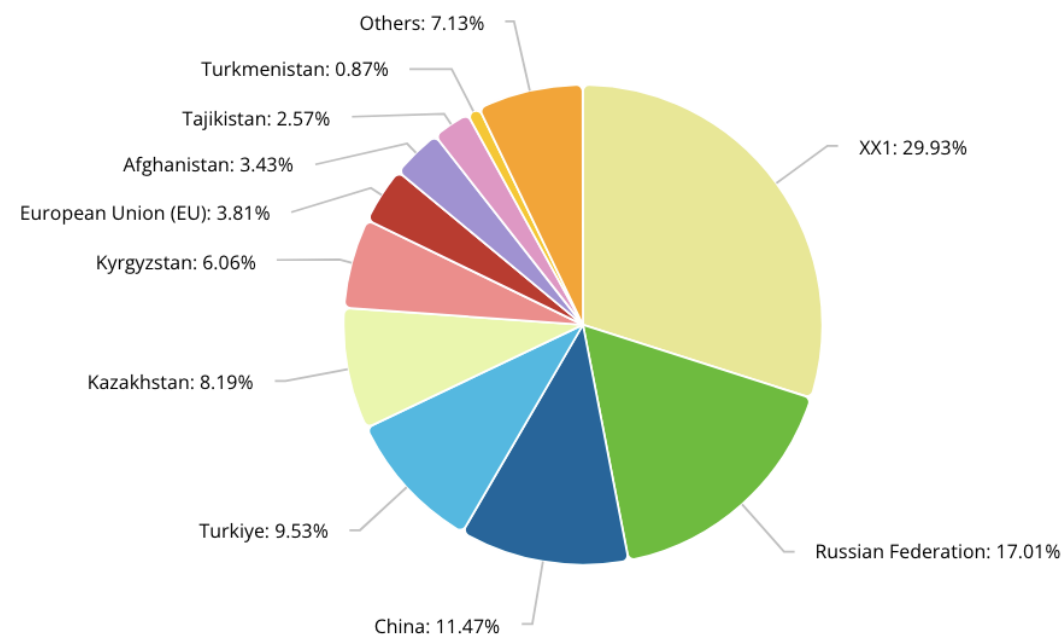
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import



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export



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