



G7 Digital and Technology Track - Annex 4

FRAMEWORK FOR G7 COLLABORATION ON ELECTRONIC TRANSFERABLE RECORDS

Legal barriers, and regulatory and technical issues, impede the adoption of electronic transferable records. Given that network effects underpin the benefits of electronic transferable records, a multilateral approach is needed to coordinate reforms to address these impediments.

It is our shared view that by enabling businesses to use electronic transferable records we will generate efficiencies such as in time, security or data processing, as well as economic savings. This will strengthen the resilience of our global economic system and play a crucial role in trade recovery across the G7.

To this end, the G7 will initiate a dialogue between experts to work to achieve compatible domestic reforms, and provide collective support to other international initiatives seeking to facilitate the adoption of electronic transferable records, with an aim of enabling commercial operators to adopt these digital solutions for the shipment of goods and trade finance.

As part of this we will engage in domestic scoping exercises until October 2021 to:

- **MAP** domestic legal barriers to the use of electronic transferable records and establish actions to address these barriers.
- **CONSIDER** any further legal issues that may require international cooperation.
- **CONSULT** with stakeholders on private sector requirements in respect of electronic transferable records.
- **REVIEW** cross-cutting regulatory issues which may impede private sector adoption of electronic transferable records, and establish actions for cooperation.
- **IDENTIFY** best practice in existing national and sub-national legislation.
- **ASSIGN** a lead department to take forward the necessary reforms.

The G7 experts will convene in October 2021 to discuss returns of our domestic scoping exercises, and to establish a comprehensive framework for G7 collaboration on electronic transferable records. According to the results of this exercise, we will take the following steps:



1. Address Domestic Legal Barriers

- We will work to **PROMOTE** the adoption of legal frameworks compatible with the principles of the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Electronic Transferable Records 2017. This will be done with the acknowledgement that different domestic systems will require different legal solutions. Laws enabling electronic transferable records should be technology neutral, future proof and applicable to all transferable records¹.

2. Promote and Support Legal Reform Internationally

- To support wider global adoption, we will **PROMOTE** international efforts that facilitate the use of electronic transferable records within the private sector - both bilaterally and in relevant international fora, such as UNCITRAL.
- We will also **PROMOTE** work by development agencies to meet on the ground challenges for developing countries in implementing legal reforms.

3. Bridge Technical and Interoperability Issues

- We will **SUPPORT** ongoing work in relevant international fora on interoperability and the development of international standards for the use of new technologies in trade processes. In addition, we will **SUPPORT** ongoing work on trade data models by the International Maritime Organisation, the World Customs Organisation and United Nations

4. Cooperate on Cross-cutting Regulatory Issues

- We **RECOGNISE** that there are a number of cross-cutting regulatory issues relevant to the use of electronic transferable records, including data protection regulations, capital requirements regulations, know-your-customer and anti-money laundering regulations, and regulations concerning electronic signatures and electronic trust services. We will **WORK** collectively to identify and cooperate on regulatory issues which impede private sector adoption of electronic transferable records, while ensuring a high level of integrity, security and trust.

¹ For greater certainty, "all transferable records" is not intended to apply to securities and other investment instruments.

This Annex has been endorsed by the Republic of Korea and Australia.