



TSCFP
TRADE & SUPPLY CHAIN FINANCE PROGRAM

ADB's Trade Digitalization Initiative: Better trade for a better world



DIGITALIZATION IS CRITICAL TO MAKING GLOBAL TRADE AND SUPPLY CHAINS GREEN, INCLUSIVE, RESILIENT, TRANSPARENT AND SOCIALLY RESPONSIBLE

Digitalization has the potential to transform global trade

- ✓ Boost **Global GDP**
- ✓ **Productivity gains** and cost savings
- ✓ Enhanced **transparency and traceability** of supply chains
- ✓ Reduce financing **barriers for SMEs**
- ✓ Enhanced **monitoring of ESG** related factors
- ✓ Enabling innovative product, e.g. **Deep Tier Supply Chain Finance**



Key challenges:

- ✗ Lack of standards & protocols enabling interoperability
- ✗ **Lack of laws enabling digitalization of trade**

END GOAL: *Establishing a globally harmonised digital trade environment.*

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UNCITRAL Model Law on
Electronic Transferable Records



The Challenge

- ✘ Most economies continue to require paper-based trade documentation.
- ✘ To go paperless, parties are forced to use private law contracts within multiple closed-loop trading platforms.
- ✘ This is inefficient for large organizations and cost-prohibitive for SMEs.

The Solution

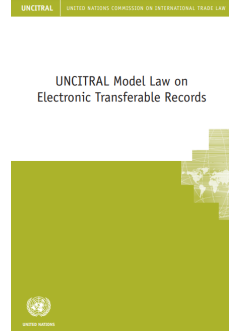
- ✔ provides an international framework to align national laws and enable the legal use of electronic documents of title both domestically and across borders;
- ✔ builds on the principles of **non-discrimination, functional equivalence, and technology neutrality**;
- ✔ enables the use of all technologies

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1. Technology neutrality (a foundational principle throughout the Model Law)
2. Functional equivalence (Articles 8 – 11)
3. Business friendly - general reliability standard – (Article 12(a)(viii) “any applicable industry standard”)
4. Practical – can replace a transferable document with an electronic one (Article 17) and vice versa (Article 18)
5. Cross-border recognition (Article 19)
6. Preserves substantive law – does not overreach



References to MLETR:

- ✓ **International and Regional Framework Agreements** (WTO JSI or CPTA)
- ✓ **Other regional Agreements** (DEPA, NZ-SGP-CHL; or SADEA, SGP-AUS)
- ✓ **Political support** (by G7+ or The Commonwealth)
- ✓ **Regional Workplans** (ASEAN)
- ✓ **Diagnostic tools** (ESCAP Paperless Trade Readiness Assessment)

Status: UNCITRAL Model Law on Electronic Transferable Records (2017)

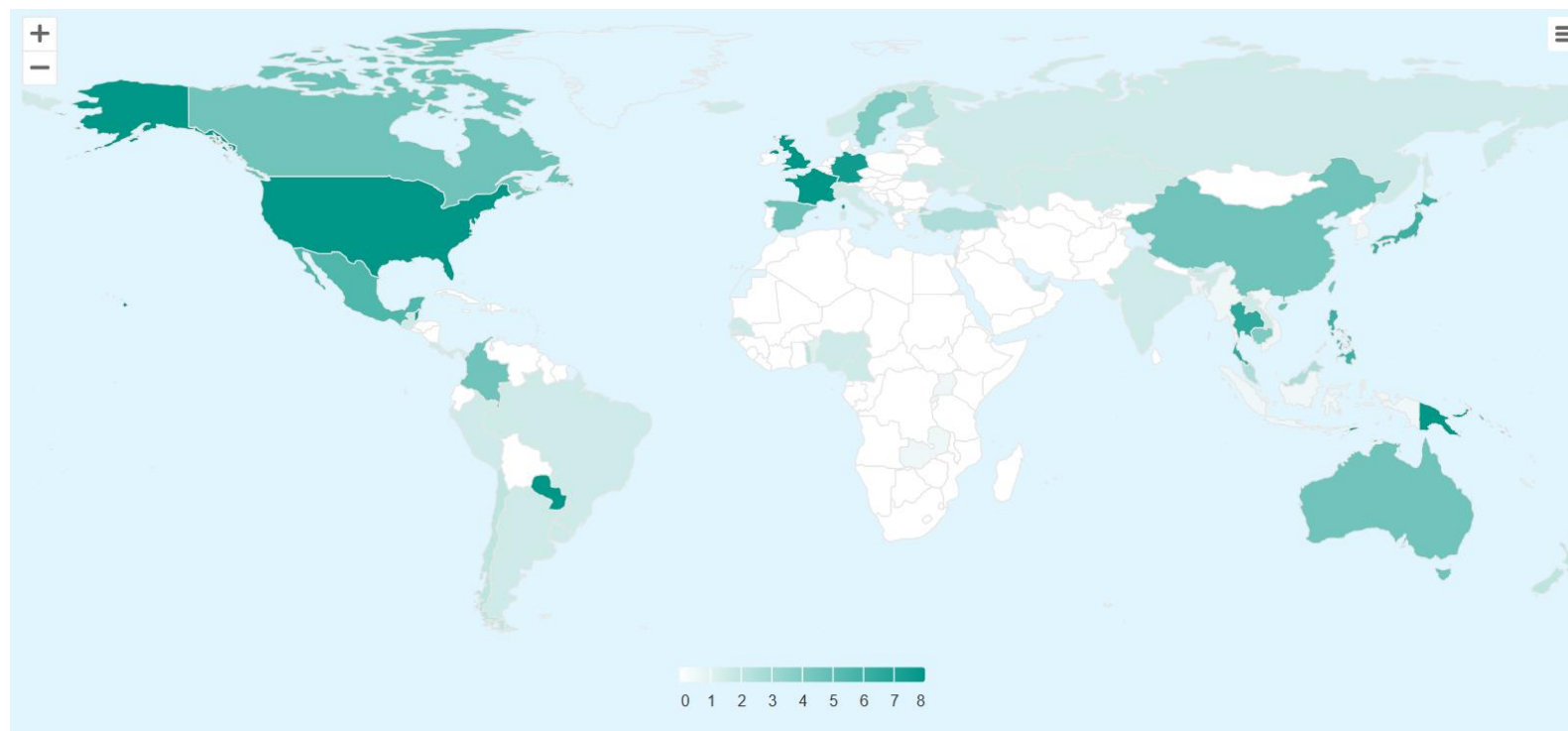
This page is updated whenever the UNCITRAL Secretariat is informed of changes in enactment of the Model Law.

The UNCITRAL Secretariat also prepares yearly a document containing the Status of Conventions and Enactments of UNCITRAL Model Laws, which is available on the [UNCITRAL Commission Session](#).

Legislation based on or influenced by the Model Law has been adopted in 10 States and a total of 10 jurisdictions:

State	
Bahrain	2018
Belize	2021
France	2024
Kiribati	2021
Papua New Guinea	2022
Paraguay	2021
Singapore	2021
Timor Leste	2024
United Arab Emirates	
Abu Dhabi Global Market	2021
United Kingdom of Great Britain and Northern Ireland	2023

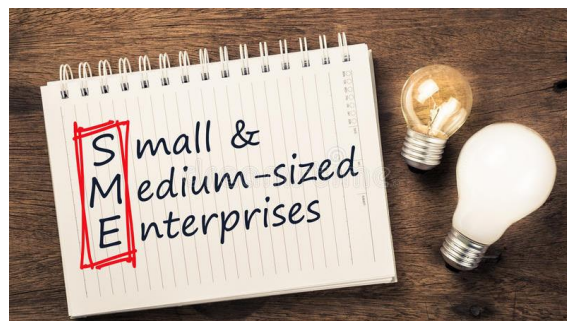
DSI MLETR TRACKER: <https://www.digitalizetrade.org/MLETR>



STAGE TERM

1	MLETR SOCIALIZATION
2	POLITICAL SUPPORT
3	DOMESTIC ANALYSIS
4	READINESS ASSESSMENT
5	STAKEHOLDER CONSULTATION
6	LEGISLATIVE DRAFTING
7	PASSAGE OF LEGISLATION
8	ENTRY INTO FORCE

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- ✓ Enables SMEs to leverage a wide range of trade documentary flow solutions.
- ✓ Prevents SMEs from having to sign up to multiple different documentary flow solutions with different rules and legal requirements.
- ✓ Simplifies operating models and risk profiles of all shippers, customs departments, banks, buyers and sellers.
- ✓ Incentivizes new business models and greater global inclusion.
- ✓ Enhanced local and global value chain resilience to financial crises, commodity price movements, criminal activities and pandemic events.
- ✓ Promotion of rules-based trade documentation governed by state legislation not private contracts.
- ✓ Encourages modernization of business models, increasing market efficiency and enabling technological advancements.
- ✓ Contributes towards attainment of the UN Sustainable Development Goals

MLETR: ADB efforts on Policy Reform



Knowledge products

ADB is advocating for alignment to MLETR through:

- (i) Knowledge product, webinars and Capacity Buildings
- (ii) Technical assistant to support the drafting and passage of MLETR legislation.
- (iii) MDB Working Group on Trade Digitalization



PRC: Capacity building in Dec 2022, July 2023 & August 2023



Georgia: Capacity building in August 2022 & March 2023
Next steps: Business case & legislation drafting



Cambodia: Capacity building in May 2024
Next Steps: Discussions with government to support law reform



Bangladesh: Capacity building in July 2024
Next Steps: Discussions with government to support law reform



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