

**UNITED NATIONS  
ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC**

**Meeting Report of  
Subregional Meeting on Development of Regional Arrangements for the  
Facilitation of Cross-border Paperless Trade: South and South West Asia**

**Date : 12 July 2013**

**Venue: Meeting Room E, UNCC, Bangkok, Thailand**

**I. INTRODUCTION**

**(1) Background**

1. The Commission in its resolution 68/3 in May 2012 requested the secretariat to support and facilitate the process for the development of regional arrangements on the facilitation of cross-border paperless trade, including by conducting studies, developing potential options, and organizing expert review and member consultations.
2. Following the conduct of a regional study to examine current practices and various options for cross-border paperless trade facilitation, as well as follow-up expert reviews to verify the study recommendations, the secretariat is organizing a series of subregional meetings to elicit feedback and suggestions from ESCAP member countries in order to refine and achieve consensus on a proposed draft text of a regional arrangement.

**(2) Organization of the Meeting**

3. The Subregional Meeting on Development of Regional Arrangements for the Facilitation of Cross-border Paperless Trade: South and South West Asia was organized by the Economic and Social Commission for Asia and the Pacific (ESCAP) in Bangkok on 12 July 2013.
4. Agenda of the Meeting is attached as Annex 1 to this report.

**(3) Attendance**

5. The Meeting was attended by national focal points or official nominees from the following ESCAP member countries in South and South West Asia: Bangladesh,

Bhutan, India, Islamic Republic of Iran, Nepal, Pakistan and Sri Lanka. Experts from India also attended the Meeting.

6. The list of participants is attached as Annex 2 to this report.

#### **(4) Opening of the Meeting**

7. Mr. Yann Duval, Chief, Trade Facilitation Unit, Trade and Investment Division, ESCAP, delivered opening remarks. He emphasized importance of the Meeting in developing a regional arrangement that accommodates requirements of the Region as a whole, requesting active participation of all the participants in the discussion.

## **II. PROCEEDINGS**

### **(1) Introduction to the Implementation of ESCAP Resolution 68/3**

8. The secretariat provided a detailed explanation of ESCAP Resolution 68/3, including the history of the Resolution, its implication for member countries and the mandate it provided to the secretariat.
9. The secretariat highlighted key milestones in the implementation of the Resolution, including consultation on the draft study, release of the study, expert reviews, member consultations and reporting of progress at the Third Session of the Committee on Trade and Investment in November 2013.

### **(2) Introduction to the Findings of the Regional Study and Expert Review**

10. The secretariat introduced findings from the Study on Regional Arrangements for Facilitation of Cross-border Paperless Trade in Asia and the Pacific with the support of one of the regional experts who conducted the Study.
11. The Study, comprising of four chapters, covers need for regional arrangements on paperless trade in Asia Pacific Region, review of existing arrangements for the facilitation of paperless trade, proposed contents and features of regional arrangement, and conclusion and way forward, as well as two annexes
12. The study proposes a voluntary form of regional agreement with flexible trade data exchange mechanism as the best option for the Asia Pacific to take in the regional context.
13. The secretariat explained that the study was prepared in consultation with national focal points (nominated by their Government for the implementation of ESCAP Resolution 68/3) as well as regional experts, who met for an expert review of the draft study in November 2012 in Sri Lanka and participated in subsequent online

review of revised study report in February 2013. Following release of the study, the initial draft text of the regional arrangement featured in annex to the report was further reviewed in two Expert Group Meetings. The secretariat highlighted that the draft text, including the explanatory note, tabled for discussion in the Meeting was the outcome of such an extensive expert review.

### **(3) Introduction to and Discussion on the Draft Text of Regional Arrangement and Explanatory Note**

14. The secretariat introduced the draft text as well as the explanatory note paragraph by paragraph, covering all articles, including preambular, substantive and final clauses.
15. In order to facilitate discussion and for easy reference, relevant parts of the draft text and explanatory notes were reviewed together, inviting the participants to provide feedback and suggestions relating to those provisions.
16. Extensive discussions took place among the participants. Major conclusions and recommendations are in section III of the report.

### **(4) Other Matters**

17. No other matters were discussed.

## **III. MAJOR CONCLUSIONS AND RECOMMENDATIONS**

18. After extensive and constructive discussion, the Subregional Meeting for South and South West Asia arrived at the following major conclusions and recommendations.
19. The Meeting noted that the draft text of the regional arrangement was developed based on the Resolution 68/3 itself and refined based on outcomes of the expert group meetings in 2013.
20. It was suggested to change the title of regional arrangement to “Framework Agreement,” considering nature and substance. The Meeting agreed to the suggestion.
21. With reference to the explanation of transit in the Explanatory Note, it was proposed to delete the sentence “In any case provisions of the Arrangement/Agreement will apply when all 3 parties are the Parties to the Arrangement/Agreement” to avoid unnecessary constraints.
22. With reference to Article 3.7, it was proposed to replace the word “lodge” with “exchange” to avoid giving impression of one-way communication since

paperless trade is inherently more of reciprocal interaction.

23. With reference to Article 5, the Meeting requested the secretariat to review the legality of the word “partnership” and replace it with a better word such as cooperation or collaboration.
24. Extensive discussion took place on Article 7, in particular on the scope of the list of representative organizations, agencies and stakeholders. The Meeting agreed to delete the entire list and put it in the Explanatory Note. The word “organization” in Article 7.2 is suggested to be revisited to find a better word representing institutional nature.
25. It was suggested to shift order of Article 7 and 8 or merge two Articles into one. Regarding Article 8, it was proposed to replace the word “shall” with “may” to make this provision more acceptable.
26. With reference to Article 10, the issue of mutual recognition was discussed in some details. It was suggested to provide more explanation on the term “reliability.” An expert from India kindly volunteered to provide some explanation texts on this Article to be added in the Explanatory Note.
27. On Article 14, discussion focused in particular on the frequency of the Council meeting and representation level for the Standing Committee. It was proposed to make the Council meeting “once every year” and possibly aligning it back-to-back with the annual ESCAP Commission session. For the representation level of Standing Committee, the Meeting advised not to specify in the text considering differences in government systems among the ESCAP members.
28. It was suggested to replace word “mechanism” with “arrangement” in Article 16.1 to make the text consistent through the whole document and avoid any confusion.
29. The Meeting found that role of the secretariat were not detailed enough and requested to specify it in the Explanatory Note.
30. With reference to Article 17, the Meeting strongly requested to put all the capacity building provisions in the Explanatory Note back to the Text, considering their importance to Least Developed Countries (LDCs).
31. With reference to Article 21, it was proposed to reduce number of parties for entry into force from current eight to five to avoid too much ambition. It was also mentioned that reducing the number to five would be an alignment with similar international approach, in particular the Revised Kyoto Convention.
32. The word “Contracting Party” in Article 26 was suggested to be replaced with “Party” to maintain consistency of terms throughout the whole document.

33. The Meeting had a general consensus on overall acceptability of the draft text, finding it to be in alignment with direction of national initiatives. The Meeting also noted some issues such as need for capacity building support, necessity of more time for some countries to fully enjoy benefits of the agreement and possible addition of more advanced features such as e-document repository.

#### **IV. ADOPTION OF THE CONCLUSIONS AND RECOMMENDATIONS**

34. The major conclusions and recommendations of the Subregional Meeting on Development of Regional Arrangements for the Facilitation of Cross-border Paperless trade: South and South West Asia were adopted at Bangkok on 12 July 2013. Participants requested the secretariat to revise the draft text of the arrangement and the explanatory note taking into account the conclusions and recommendations reached.

## **ANNEX 1: AGENDA OF THE MEETING**

### **UNITED NATIONS ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC**

#### **Subregional Meeting on Development of Regional Arrangements for the Facilitation of Cross-border Paperless Trade: South and South West Asia**

**Date : 12 July 2013**

**Venue: Meeting Room E, UNCC, Bangkok, Thailand**

### **FINAL AGENDA**

#### **1. Opening of the Meeting**

- Mr. Yann Duval, Chief, Trade Facilitation Unit, Trade and Investment Division, United Nations ESCAP

#### **2. Introduction to the Implementation of ESCAP Resolution 68/3**

- Mr. Yann Duval, Chief, Trade Facilitation Unit, Trade and Investment Division, United Nations ESCAP

#### **3. Introduction to the Findings of the Regional Study and Expert Review**

- Mr. Sangwon Lim, Trade Facilitation Unit, Trade and Investment Division, United Nations ESCAP
- Mr. Shashank Priya, Commissioner, Central Excise & Service Tax, Patna (Bihar), India

#### **4. Introduction to and Discussion on the Draft Text of Regional Arrangement and Explanatory Note**

- a) Preamble
- b) Substantive Clause
- c) Final Clauses

#### **5. Other Matters**

#### **6. Adoption of Major Conclusions and Recommendations**

## **ANNEX 2: LIST OF PARTICIPANTS**

### **Subregional Meeting on Development of Regional Arrangements for the Facilitation of Cross-border Paperless Trade: South and South West Asia**

12 July 2013  
Bangkok, Thailand

#### **FINAL LIST OF PARTICIPANTS**

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