



## REGULATORY NEWS

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### E-commerce in focus on WTO agenda

The General Council of the WTO has hosted two dedicated discussions on e-commerce and a number of submissions have been presented in recent months by the members to advance WTO's Work Programme on Electronic Commerce, including individual or joint communications by [EU](#), [US](#), [China](#), [Brazil](#), [Japan](#) and [others](#).

The proposals call for in-depth examination of the implications of e-commerce on global trade, explore how to create enabling trade policy environment, enhance transparency and information exchange and improve infrastructure and technical conditions for cross-border e-commerce.

Increased appetite for e-commerce is also reflected in this year's WTO Public Forum, at which over 20 sessions focused on e-commerce and digital economy. ITC experts spoke at [several sessions](#) and shared their perspectives on digital trade, SME participation in e-commerce and e-commerce developments in Asia and Argentina.

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### A B20 taskforce on digitalization for the first time

Under the G20 German Presidency, there is a [B20 taskforce focusing on digitalization](#) for the first time. The objective is that the business community could contribute concrete policy recommendations for the G20 to foster dynamic and sustainable growth while addressing the opportunities and challenges of the digital economy. This taskforce is comprised by companies of different sizes as well as other institutions such as international organizations. The three focal areas of the B20 policy recommendations are global connectivity, Industry 4.0, and artificial intelligence. A G20 Stakeholder Digital Meeting and an ICT Ministerial Meeting will take place in Düsseldorf in April 2017

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### European Commission adopted the General Data Protection Regulation

The European Commission formally adopted the new EU data protection framework on 27 April 2016. [The General Data Protection Regulation \(GDPR\)](#), aimed at strengthening and unifying data protection for individuals within the EU, will enter into application by 25 May 2018. The proposed new EU data protection regime extends the scope of the EU data protection law to all foreign companies processing data of EU residents, and provides for harmonization of the data protection regulations across the 28 EU member states.

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## European Commission launched EU-U.S data privacy shield

On 12 July 2016, the European Commission [adopted](#) the [EU-U.S. privacy shield](#), designed to be a new legal framework for transatlantic data flows replacing the [Safe Harbour agreement](#) adopted in 2000. This new framework protects the fundamental rights of individuals in the EU whose personal data is transferred to the United States, while facilitating data flow that support transatlantic trade. It is built on the following principles: strong obligations on companies handling data, clear safeguards and transparency obligations on U.S. government access, effective protection of individual rights and annual joint review mechanism.

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## Indonesia released an economic policy package on e-commerce

In November 2016, President Joko Widodo (Jokowi) unveiled the [14th economic policy package](#), which is focused on e-commerce development. The new package is expected to pave the way for Indonesia to become the biggest digital economy of the region by 2020 with a targeted value of US\$130 billion. The package offers an e-commerce roadmap that will be set forth in a Presidential Decree. There are eight aspects that will be set out in the regulation, namely access to finance, taxation, consumer protection, human resources and education, logistics, communication infrastructure, cyber security and formation of implementers.

## TRADE NEWS

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### TiSA negotiations in hiatus for the time being

TiSA participants decided on 18 November to pause negotiations for the time being, having suspended the ministerial meeting scheduled for 5 December. This seems to be as a result of the new political context after the US election and its repercussions in other negotiating efforts. Central differences among TiSA participants and even within the European Union have also played a role in this decision. These differences remain on a number of issues, many of which are related to e-commerce such as privacy, data flows and localisation requirement. Other tough areas are “new” services, the definition of the “necessity” clause in domestic regulation, maritime transport and mode 4. The EU report on the last [two negotiating rounds](#) in September and November this year touch upon the contentious issues in negotiations. The 22nd negotiating round scheduled by end of November has been suspended and will be replaced by a discussion on outstanding issues.

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### CETA signed to facilitate EU-Canada trade

On 30 October, the EU and Canada [signed](#) the [Comprehensive Economic and Trade Agreement \(CETA\)](#) after having adopted a [joint interpretative instrument](#) that allowed Belgium to sign the deal. The new trade pact is expected to facilitate business linkages between EU and Canada, remove customs duties, improve access to public contracts, open up new sectors of services markets, offer predictable conditions for investors, and further protect geographical indications. The agreement provides a framework to approve the recognition of qualifications in regulated professions such as architects, accountants and engineers.

CETA will also make it easier for company staff and other professionals to work on the other side of the Atlantic, and for firms to temporarily move staff between the EU and Canada.

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## Increased *de minimis* thresholds in the Philippines and the U.S.

Department of Finance of the Philippines issued a customs administrative order to implement a *new de minimis* tax exemption provision under the Customs Modernization Tariff Act. The new *de minimis* value threshold had been [increased](#) from PHP 10 (US\$ 0.21) to PHP 10,000 (US\$ 210) as of 25 October 2016. No duties and taxes will be collected on goods with a Free on Board (FOB) or Free Carrier (FCA) value of PHP 10,000 or below.

Similarly, U.S. Customs and Border Protection (CBP) announced that *de minimis level* on international shipments inbounds to the U.S. is [raised](#) from US\$ 200 to US\$ 800 per shipment effective 10 March 2016, as agreed in the [Trade Facilitation and Trade Enforcement Act of 2015](#).

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## New proposals to facilitate global services trade

On 6 October 2016, WTO members discussed a [proposal](#) by India at a meeting of the Working Party on Domestic Regulation. The proposal for a Trade Facilitation in Services (TFS) agreement aims to reduce bottlenecks that services and services suppliers face. The note emphasised the “reduction of transaction costs associated with unnecessary regulatory and administrative burden on trade in services”. The proposal addressed all four modes of services supply. Services negotiators also discussed another proposal by eight members to simplify authorization processes for the licensing and qualification requirements of services suppliers.

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## Implementation on ITA expansion commitments is progressing

The expansion of the Information Technology Agreement (ITA), agreed at the Nairobi Ministerial Conference in December 2015, provides for the elimination of import tariffs and other duties and charges on an additional 201 IT products either immediately or progressively over three years. As of [1 November 2016](#), a large majority of participants in the newly-expanded ITA (18 out of 24) have implemented their tariff commitments under the deal, with full implementation on track for the near future. [Participation](#) since the conclusion of the original ITA in December 1996 has grown significantly, now covering 82 countries and representing 97 percent of world trade in IT products,

## **BUSINESS NEWS**

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### U.S. FCC adopted broadband consumer privacy rules

On 27 October 2016, the Federal Communications Commission (FCC) of the United States adopted [rules](#) that require broadband Internet Service Providers (ISPs) to protect the privacy of their customers. The rules implement the privacy requirements of Section 222 of the Communications Act for broadband ISPs, giving broadband customers the tools they need to make informed decisions about how their information is used and shared by their ISPs. The rules separate the use and sharing of information into three categories. Opt-in requires ISPs to obtain affirmative consent from consumers to use and share sensitive information. Opt-out allows ISPs to use and share non-sensitive information unless a customer “opts-out”. Exceptions to consent requirements imply that customer consent is inferred for certain purposes specified in the statute.

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## Swiss Railway Service to sell Bitcoin

The [operator](#) of a national railway service in Switzerland began selling bitcoin through its ticket kiosks. Customers, who need to have a QR-code enabled bitcoin wallet and a valid Swiss mobile phone number, will be able to buy between CHF 20 and CHF 500. The railway operator further said that it plans to test demand for bitcoin sales over a two-year period.

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## Swiss Federal Council to reduce barriers to market entry for fintech firms

A dynamic fintech system can contribute significantly to the quality of Switzerland's financial centre and boost its competitiveness. Against this backdrop, the Federal Council called for an easing of the regulatory framework for providers of innovative financial technologies during its meeting on 2 November 2016. This easing should reduce barriers to market entry for providers in the fintech area and increase legal certainty for the sector overall. The country's Federal Department of Finance (FDF) outlined its [plans](#) in hope to introduce legislation next year.

### PAST EVENTS

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## MIKTA workshop on electronic commerce

On 5 July 2016, the permanent missions of Mexico, Indonesia, Korea, Turkey and Australia (MIKTA) organized a [workshop](#) on e-commerce, which analysed trends in trade and trade policy in electronic commerce and the digital economy, and highlighted the relationship between e-commerce, development, and small and medium-sized enterprises (SMEs).

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## Workshop on “promoting connectivity - exploring the services dimension”

Advances in information and communication technology, combined with the global expansion of the internet, are transforming the tradability of services. Various physical and regulatory factors can limit developing countries' abilities to connect to global markets. On 17 October 2016, a [workshop](#) envisaged under the 2016-2017 Aid-for-Trade Work Programme was held to explore the role of services in enabling connectivity.

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## Over 20 sessions on e-commerce at the WTO Public Forum 2016

Under the theme of this year's [WTO Public Forum on "Inclusive Trade"](#), more than 20 sessions focused e-commerce and the digital economy, capturing the latest developments and exploring how individuals and businesses could better participate in global trade through digital means.

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## Intergovernmental Group of Experts (IGE) meetings

On the sidelines of the IGE meetings, the Competition and Consumer Policies Branch (CCPB) of UNCTAD together with German Development Cooperation organised a side event called “Implications of E-commerce for Competition and Consumer Policies in the ASEAN Region” on 19 October 2016 in Geneva, Switzerland. The event presented experiences and efforts undertaken by governments in the ASEAN

member states to strengthen competition policy and consumer protection frameworks in the area of e-commerce.

## PUBLICATIONS

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### E-Commerce in China: Opportunities for Asian Firms

China's cross-border e-commerce has been growing rapidly in recent years. This development has brought new and innovative ways to access markets, presenting significant potential for neighbouring countries, especially SMEs in Asia, to increase their trade with China. The [report](#) provides an overview of China's cross-border e-commerce and the background of its rapid growth, while also presenting: how e-commerce contributed to rural development in China and lessons of inclusive growth that can be replicated by other countries; and how Asian SMEs can get into China's e-commerce.

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### SME Competitiveness Outlook: Meeting the Standard for Trade

By meeting the standard for trade, the theme of this year's [SME Competitiveness Outlook](#) report, SMEs increase their chances to connect to international value chains and consumers in a socially and environmentally sustainable manner. The report contains: governance insights for voluntary sustainability standards; new evidence on how standards and regulations affect trade and business performance; guidance for SMEs on how to select and implement standards and regulations; and a policy action plan to strengthen SMEs' ability to meet standards and regulations.

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### UNCTAD B2C E-commerce Index 2016

Published in April 2016, the [UNCTAD B2C E-commerce Index 2016](#) is composed of four indicators: internet use penetration, secure servers per 1 million inhabitants, credit card penetration and a postal reliability score. This year's index was improved by increasing geographic coverage from 130 to 137 economies and fine tuning the indicator to measure the delivery aspect of e-commerce.

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### ECIPE's Digital Trade Estimates

The European Centre for International Political Economy (ECIPE) launched the [Digital Trade Estimates](#) (DTE) database in October 2016. The DTE database keeps track of digital trade policy, covering 65 economies. Measures are classified in four main areas: fiscal restrictions, establishment restrictions, restrictions on data, and trading restrictions.

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### A new regulatory framework for the digital ecosystem

Digitisation has created rapid technological progress and growth, which has generated tremendous benefits for consumers. This GSMA [study](#) aims to contribute to the current debate about the implications of technological and economic convergence for regulation of the digital ecosystem. It has three primary objectives: first, to describe the competitive dynamics of the modern digital ecosystem as they relate to public policy in general and government regulation in particular; second, to describe why these changes challenge existing regulatory frameworks and require significant reforms; third, to lay out a set of principles

to guide policymakers and regulators as they adapt regulation to sweeping changes in the digital economy.

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