Digital Identity Standardization for Trade Facilitation

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other

Project Details

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Project Proposal Status	Official
Project Page	Digital Identity Standardization for Trade Facilitation
Supporting VC	Steven Capell
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HoD Support	BR, IN, KR
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Project Purpose

Digital Id systems which allow an entity to prove their identity online are opening new possibilities for cross border trade by eliminating trade barriers and paperwork. In the context of digitalizing international trade and supply chains, a global, unique and widely recognized identifier for legal entities and assets is integral to establishing trust and transparency and ensuring interoperability. Global trade networks can benefit significantly from ID verification and management initiatives. Especially critical is the job of verifying business partner identities within and across borders. However, such verification is complex and costly due to the different business registration systems and standards.

Many forms of Identity exist today which are largely physical that have limitations when it comes to the need to provide required level of trustworthiness for dealing with online transactions.

The Legal Entity Identifier (LEI) is a global standard (for identifying unique parties. It is a recognized internationally as an important standard that enables the identification of legal entities that are interconnected (legally and digitally) in the supply chain[1]. The Global LEI System provides the governance and operational infrastructure to ensure the LEI is available as open data without IP or copyright protection. Similar efforts are being undertaken in standardizing Asset Identities in the context of cross border trade and provide visibility to

Digital ID systems that are well implemented

- Allow users to establish identity of users, businesses, and assets as part of a cross border trade transaction
- Enable trusted third parties to verify this identity
- Provide confidence to parties to the transaction including individuals and businesses
- Ensure safe access and transfer of online information
- Facilitate compliance with required regulations

The purpose of this project is to evaluate how legal entity and asset identification is managed in cross border paperless trade. The project will evaluate entity-level trust services and the advantages given mutual recognition across entities involved in the supply chain. It will test the hypothesis that the current lack of a consistent identifier for the many actors involved in cross-border movement of goods and related service hinders the development of effective IT-support systems and limits digitalization efforts by trade standards organizations. For example, digital validation of legal entity identity is a foundational element of trust services.

[1] In a recent paper by the Bank for International Settlements (BIS), the LEI is highlighted as showing promise, especially for small and medium-sized enterprises (SMEs). By answering the questions of ‘who is who’ and ‘who owns whom’, the LEI enables smarter, less costly and more reliable decisions about who to do business with. Furthermore, the World Economic Forum and the World Trade Organization note in their recent report on trade digitization that the LEI can drive more transparency and underpin the promise of financial technology to deliver greater inclusion of small businesses in the global economy.

Project Scope

The project scope is to define and create white papers on the best practices in implementing Digital ID systems with a view to examining:

- How Digital ID systems could be used to facilitate trade and related processes
- How existing UN/CEFACT deliverables could be used by Digital ID systems
- Possible changes to existing UN/CEFACT deliverables, or new deliverables, that could be considered to support Digital ID based trade-facilitation related applications

The project scope will explore how a global identification scheme could be integrated into the Core Component Library and enabled via mapping to national, regional or sectoral identification schemes. It will evaluate the broader identification schemes for the physical identification of goods and the transport of these goods and the benefits from linking these identification schemes.

All the above will be examined from the perspective of UN/CEFACT's mandates in order to provide input to the Bureau, Programme Development Areas and Domains on

1. Possible future work and a possible common approach to Digital ID-related projects
2. Application developers as a potential new user group for UN/CEFACT standards
3. Possible proposed changes to existing UN/CEFACT deliverables, or new deliverables, that could be considered in order to support Digital ID based trade-facilitation related projects.

Project Deliverables

1. Webinar to invite experts to brainstorm
2. Whitepaper on inventory of existing identification schemes, authentication, and authorization approaches in global trade networks
3. Whitepaper on assessment of how a global identification scheme can be integrated into core component library including cost/benefit analysis and description of necessary mapping
4. Guidance material and implementation guide for standardizing the identity layer in the international trade supply chain

Exit Criteria

1. Working group formation with industry lead
2. Draft whitepaper ready for publication
3. Draft whitepaper ready for publication
4. Draft guidance material ready for publication

Project Team Membership and Required Functional Expertise

Membership is open to UN/CEFACT experts with broad knowledge in the area of Digital ID systems, technology and/or trade facilitation and related business processes.In addition, Heads of Delegations may invite technical experts from their constituency to participate in the work.

Experts are expected to contribute to the work based solely on their expertise and to comply with the UN/CEFACT Code of Conduct and Ethics and the policy on Intellectual Property Rights.

Geographical Focus

The geographical focus of the project is global.

Initial Contributions

The following contributions are submitted as part of this proposal. It is understood that these contributions are only for consideration by the Project Team and that other participants may submit additional contributions in order to ensure that as much information as possible is obtained from those with expertise and a material interest in the project. It is also understood that the Project Team may choose to adopt one or more of these contributions "as is".

Initial contributions include existing descriptions and technical specifications for the UN/CEFACT:

- UN/CEFACT Core Component Library and subset data models Supply Chain Reference Data Model (SCRDM) and the Multi-Modal Transport Reference Data Model (MMT-RDM)
- ICC DSI IAB Trust in Trade
- ICC DSI IAB Key Trade Documents and Data Elements
- Integrated Track & Trace for Multi-Modal Transportation
- Smart Containers
- eDATA Verifiable Credentials (VC) for Cross Border Trade
- Product Conformity Information Exchange/Sharing
- ICC Identity Management Guide: Standards Toolkit for Cross-border Paperless Trade
- World Trade Organization and World Economic Forum: The promise of TradeTech: Policy approaches to harness trade digitalization
- GLEIF vLEI Ecosystem Governance Framework
- ISO 17442-1 and ISO 17442-2
- GS1 Trade Identifiers including EPCIS and GTINs.

Project Proposal Files

File	Modified

	PDF File eDataMgmtDigital-ID.pdf	Feb 03, 2023 by Aruna VIVEKANANTHAM
	PDF File 230215 - 3x Digital identity HoD support BR.pdf	Feb 08, 2023 by SHLYKOVA
	PDF File 230215 - 3x Digital identity HoD support IN.pdf	Feb 15, 2023 by SHLYKOVA
	PDF File 230309 - 3x Digital identity HoD support KR.pdf	Mar 08, 2023 by SHLYKOVA

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