

Buy Ship Pay Data Exchange Structures for Trade Finance Facilitation

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other

Project Details

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Project Page	Buy/Ship/Pay Data Exchange structures for Trade Finance Facilitation
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Relevant SDG targets:

This project UN/CEFACT digital trade project focuses on reducing paperwork and emissions. Hence, it contributes to Climate Action (Various SDGs): Electronic documentation and data exchange reduce the reliance on paper-based transactions. This not only improves efficiency but also helps decrease the environmental impact associated with the production and transportation of paper.

- Paperless trade reduces processing times, streamlines and enhances overall trade efficiency. This can lead to increased economic growth and job creation supporting **SDG 8: Decent Work and Economic Growth**.
- The enablement of paperless trade adoption involves the use of digital technologies and electronic documentation, fostering innovation in trade processes and infrastructure development supporting **SDG 9: Industry, Innovation, and Infrastructure**.
- Reduced Environmental Impact: Going paperless reduces the need for physical documentation, which in turn helps to decrease the environmental impact associated with paper production, printing, and transportation supporting **SDG 12: Responsible Consumption and Production**.
- Transparency and Accountability: Paperless trade systems contribute to transparent and accountable trade processes. This can help reduce corruption, enhance legal certainty, and foster a more stable and just business environment supporting **SDG 16: Peace, Justice, and Strong Institutions**.
- Implementation of paperless trade requires collaboration among countries, businesses, and international organizations. This fosters partnerships and cooperation towards achieving common goals supporting **SDG 17: Partnerships for the Goals**.
- By facilitating trade and economic growth, paperless trade can contribute to poverty reduction, creating opportunities for employment and income generation supporting **SDG 1: No Poverty**.

Project Purpose

The UNECE 70th Commission session launches for 2023-2025 its high-level theme of “digital and green transformations for sustainable development in the ECE region” (ECE/EX/2021/32). Semantic standards support digital and green transformations for sustainable development.

International trade is one of the areas that has been severely disrupted by this global COVID-19 pandemic.

The adoption of electronic documents is a high priority instrument to increase trade facilitation. Standards are needed as well as a change of the legal framework. This project will be focused on developing, maintaining and publishing the semantic foundation to support the UNCITRAL Model Law on Electronic Transferable Records (MLETR) implementation by reducing existing trade finance barriers caused by the continued reliance on the exchange of paper documents.

In order to support the implementation of MLETR for title transfer, this project will develop data exchange structures as subsets of the Buy/Ship/Pay

Reference Data Model (BSP RDM) to support key trade finance data exchanges as part of the UNECE “digital and green transformations for sustainable development in the ECE region” strategy.

Project Scope

The UN/CEFACT Buy/Ship/Pay Business Requirement Specification and Reference Data Model (based on the UN/CEFACT Core Component Library (CCL)) identify the involved in the international supply chain and provides an overview of the information exchanged between the parties throughout its various processes of trade (Buy), transport (Ship) and payment (Pay).

Trade finance, the cornerstone of international trade requires exchanging information including the following:

- Supply Chain Reference Data Model (SCRDM) Invoice (CII), an itemized account of goods shipped, services performed or work done, an amount expended or owed, and a demand for payment. It may contain a range of other administrative or logistical information and usually states applicable taxes payable and provides a crucial link or pivot between physical and financial supply chains.
- Negotiable Maritime Bill of Lading (eB/L) - moving goods require moving as well important trade documents between exporters, shipping agents, banks, importers and other parties is a complex and costly process, which can lead to delays and disruption. The standards in support of electronic Bill of Lading adoption (eBL) offering more efficient, secure and sustainable digital alternative have been developed by UN/CEFACT and adopted by DCSA, BIMCO and FIATA.
- Buy Ship Pay (BSP) Preferential and Non-Preferential Certificates of Origin (CoO) that certify that goods in a particular export consignment are wholly obtained, produced, manufactured or processed in a particular country.
- Documentary Credit Advice (DCA) a bank guarantee that a buyer's payment to a seller will be received on time and for the correct amount. The Documentary Credit Advice message is used to indicate to the Beneficiary the terms and conditions of a documentary credit that has been originated by the Issuing Bank and received by the Advising Bank (or an Intermediary Advising Bank). Unless otherwise specified, the documentary credit is issued subject to the Uniform Customs and Practices for Documentary Credits, International Chamber of Commerce, Paris, France, which are in effect on the date of issue.
- Buy Ship Pay (BSP) Export Packing List (PL), Export Packing Lists support sellers providing transport services providers with shipment delivery information.
- Multi Model Transport (MMT) Warehouse Receipt, a document that provides proof of ownership of commodities (e.g., bars of copper) that are stored in a warehouse, vault, or depository for safekeeping. Can be digital thanks to the standards that were developed in collaboration with FIATA based on MMT eBusiness Standard
- Multi Model Transport (MMT) Maritime Cargo Insurance Certificate (IC), a data exchange which is used for insurance purposes either by the shipper to inform the insurer and/or insurance intermediary about a planned transport, or by the shipper or carrier to inform the insurer and/or the insurance intermediary about a consignment under contract (eB/L) or to convey an Insurance Certificate or Insurance Policy or to provide details of the insurer or the underwriting agent of the insurer to confirm evidence of insurance for a consignment to the shipper, bank or third party.

Project Deliverables

- Deliverable 1: BRS and eBusiness Standard for Documentary Credit Advice (DCA)
- Deliverable 2: BRS and eBusiness Standard for Non-Preferential Certificate of Origin
- Deliverable 3: BRS and eBusiness Standard for Maritime Cargo Insurance Certificate
- Deliverable 4: BRS, implementation guideline and CCBDA Subset for Warehouse Receipt
- Deliverable 5: CCBDA Implementation guideline for Trade Finance Subset for Cross Industry Invoice
- Deliverable 6: CCBDA Implementation guideline for Trade Finance Subset for Export packing List
- Deliverable 7: BRS review and CCBDA Implementation guideline for Trade Finance Subset for negotiable electronic bill of lading (eB/L)
- Deliverable 8: Trade Finance White Paper

Exit Criteria

- Exit Criteria for Deliv. 1: BRS and eBusiness Standard
- Exit Criteria for Deliv. 2: BRS and eBusiness Standard
- Exit Criteria for Deliv. 3: BRS and eBusiness Standard
- Exit Criteria for Deliv. 4: BRS and eBusiness Standard
- Exit Criteria for Deliv. 5: CCBDA Implementation guideline
- Exit Criteria for Deliv. 6: CCBDA Implementation guideline
- Exit Criteria for Deliv. 7: BRS review and CCBDA Implementation guideline
- Exit Criteria for Deliv. 8: White Paper

Impact analysis

Digital trade finance have profoundly impacted trade facilitation policies, holding the promise to enhance efficiency, speed, and inclusion while introducing new challenges. The speed and transparency enabled by digital transactions streamline cross-border trade, benefiting businesses and individuals. Digital trade enhances traceability in supply chains, reducing fraud, but regulatory frameworks must adapt to recognize electronic documents in the national regulations. Overall, the evolving digital trade landscape requires international collaboration to balance innovation with regulatory safeguards and support.

Project Team Membership and Required Functional Expertise

Membership is open to experts with broad knowledge in the area of international supply chain and transport-logistics chains. 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.

Beneficiaries

Digital trade finance is a powerful force in advancing sustainable and inclusive trade facilitation in developing and transition economies. Particularly beneficial for Micro, Small, and Medium Enterprises (MSMEs) and women-led businesses, digital finance enhances accessibility by reducing barriers and transaction costs. It fosters financial inclusion, empowering these groups to participate actively in global trade. The efficiency and speed of digital processes support MSMEs and women entrepreneurs in operating more competitively, while risk mitigation measures and global market access create opportunities for growth. Additionally, the environmental sustainability aspect of digital processes aligns with global efforts to reduce the environmental impact of trade activities. Overall, digital trade finance acts as a catalyst for positive economic and social outcomes in vulnerable and underserved communities.

Initial Contributions

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

- UN/CEFACT Buy/Ship/Pay Reference Data Model
- UN/CEFACT eBusiness Standard for electronic negotiable Bills of Lading (eB/L)
- UN/EDIFACT DOCADV Documentary Credit Advice UN Standard Message (UNSM)
- UN/EDIFACT IFTMCA Insurance Cargo Advice UN Standard Message (UNSM)
- The UNCITRAL Model Law on Electronic Transferable Records ("MLETR")
- The UN/CEFACT Transfer of MLETR-compliant titles White Paper project (under development)
- ICC DSI IAB Trust in Trade document
- ICC DSI IAB Key Trade Documents and Data Elements document

Resource Requirements

Participants in the project shall provide resources for their own participation. The existence and functioning of the project shall not require any additional resources from the UNECE secretariat. The project will be prepared in between Forums, principally using conference call facilities.

Project Proposal Files

File	Modified
PDF File DigitalTradeFinanceFacilitation.pdf	Mar 08, 2023 by Aruna VIVEKANANTHAM
PDF File 230405 - 3d Buy Ship Pay Data Exchange Structures for Trade Finance Facilitation HoD approval ES.pdf	Apr 21, 2023 by SHLYKOVA
PDF File 230405 - 3d Buy Ship Pay Data Exchange Structures for Trade Finance Facilitation HoD approval RU.pdf	Apr 21, 2023 by SHLYKOVA
PDF File 2305131 - 3x Buy Ship Pay Data Exchange Structures for Trade Finance Facilitation HoD approval JP.pdf	May 15, 2023 by SHLYKOVA
PDF File 240119 - 3e Digital Trade Finance Facilitation.pdf	Mar 18, 2024 by Jie WEI

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