



## REFERENCE MATERIALS

### **Foundations for Cross Border Data Flows to support Digital Finance Trade and Sustainability - From Idea to Implementation**

This session builds on preceding policy and industry initiatives on cross-border data governance, trade finance and digitalisation. Selected reference documents are provided in the hyper-links embedded below, as input for discussants.

#### **OECD G7 Data Free Flow with Trust**

Previous roundtables in this series have focused on the challenges posed by the evolving web of data protection and privacy laws and regulations. The G7 noted that growth and evolution of the digital economy enables many opportunities but expands the flows of data across borders, especially personal data. This poses policy challenges concerning privacy protection, national security, intellectual property rights protection, trade, competition, and industrial policy. At the 2023 meeting in Hiroshima, [G7 Digital and Tech Ministers' Meeting](#) governments affirmed their commitment to enhance cross-border Data Free-Flow with Trust (DFFT) and the need for tangible progress on advancing it; to that end they agreed to operationalise it through a new institutional arrangement for partnership (IAP). The OECD has taken up this role and published several background and policy discussion document setting out aims, challenges and potential approaches

- [Moving forward on data free flow with trust](#) - *New evidence and analysis of business experiences* | This report uses business consultations to investigate private-sector views on privacy and data protection rules for cross-border data flows

#### **G20 Roadmap for Enhancing Cross-border Payments**

Data is central to cross-border financial and payment systems reforms including the CPMI Roadmap in which Action 7 aims to “*enhance the interaction between data frameworks and cross-border payments*”. As they concur, “the transfer of data across borders is essential to the functioning of the cross-border payments ecosystem but depends on several national and regional data frameworks with different purposes and characteristics, ranging from data protection to data localisation and AML/CFT data requirements”. The most [recent update](#) to the workplan for Action 7 develop around two main workstreams: (i) further in-depth analysis of frictions created by data frameworks; and (ii) engagement with industry and relevant Authorities and standard-setting bodies.

#### **ICC Digital Standards Initiative**

Putting trust in trade and trade data requires further developments in both technology and governance, especially if we are to build solutions that are both open, scalable and can therefore overcome complications inherent in multi-lateral or patchwork bilateral agreements. While we may be able to digitise documents and the data they contain, further consideration must be addressed to put trust into ecosystems that enable digitalisation. An ICC DSI report summarises the outcomes of a working group on Trusted Technology Environments. Their



work put a focus on issues of authentication, verification and security, while seeking to remain neutral regarding the choice of technology and vendor/platform and be inclusive of organisations regardless of their level of technological maturity.

- Trust in Trade | [Verifiable Trust: A foundational digital layer underpinning the physical, financial, and information supply chain](#)

### **BIS Innovation Hub – Project Dynamo**

Practical initiatives including the Linklogis and BIS-IH supported “[Project Dynamo](#)” demonstrate the potential as well as data issues that must be addressed in the “marriage” between the digitalisation of trade and finance. The project demonstrated the use of an electronic bill of lading (eBL) as a condition for triggering payment and showcased the use of digital identity for conducting due diligence on the SMEs. The project also provided practical insights in the implications of and need for managing within a ledger-based infrastructure], with some data on and other data managed off-chain. The project highlights indirectly how smaller companies struggle to capture share or prove their data credentials in the context of seeking finance.

### **Application of Digital Economy Semi-Fungible Token**

The Central Bank of Ghana has partnered with the Monetary Authority of Singapore on Project [DESFT](#) to introduce Universal Trusted Credentials (UTCs), a Central Bank Digital Currency (CBDC), a stablecoin, a dedicated trade marketplace, and an escrow arrangement. This suite of solutions is designed to ensure that payments are securely processed following the successful verification of digital credentials and the fulfilment of trade agreements.

The Universal Trusted Credentials (UTC) framework is an innovative digital infrastructure that facilitates the representation and exchange of various official documents such as licenses, certificates, and trade records in a digital format. This framework is designed to streamline and secure the process of authenticating and transferring important credentials, thereby enhancing efficiency in trade and other sectors that require verified documentation.