



CAREC TRADE WEEK

Enhancing Cooperation in Digital Trade

21-30 SEPTEMBER 2021

E-commerce in CAREC Countries: Laws and Policies

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Digital trade and e-commerce— long standing priorities in CAREC



rising **digital trade**



innovation and **e-commerce** becoming
necessity and opportunity



paperless trade and
customs services
improving



CAREC Integrated Trade Agenda 2030 priorities:

- alignment with international instruments
- cross-border connectivity
- knowledge-sharing on best practices on e-commerce

The pandemic has heightened the **need** and **potential** to accelerate digitalization — *to expand trade, make it safer, and more efficient.*



Opportunities and Challenges in CAREC

E-Commerce Indicators

Country	Individuals using internet (%)	B2C users (millions)	User penetration (%)
Afghanistan	18	0.1	0.5
Azerbaijan	81	0.4	5
PRC	61	710	62
Georgia	71	0.4	14
Kazakhstan	87	3.2	24
Kyrgyz Republic	80	0.3	6
Mongolia	76	0.2	7
Pakistan	24	2.4	1
Tajikistan	36	0.8	10
Turkmenistan	...	0.1	3
Uzbekistan	30	0.4	2

Note: Data is for 2019. B2C = business-to-consumer.
Source: National statistics, UNCTAD and author estimates.

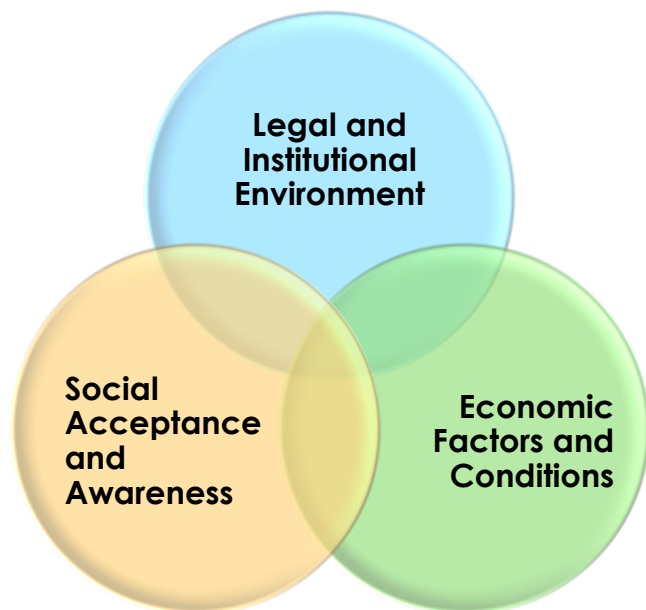
National Digital Strategies

Country	Strategy
Afghanistan	Digital Foundation Strategy for Afghanistan 2019-2021
Azerbaijan	Electronic Azerbaijan (2010); State Program for the Development of Telecommunications and Information Technologies; Azerbaijan as a Digital Trade Hub and expansion of foreign trade operations
PRC	National Informatization Development Strategy (2016); Accelerating Digital Development and Building Digital China (14 th Five Year Plan)
Georgia	Broadband Development Strategy 2020-2025
Kazakhstan	Digital Kazakhstan Program 2018-2022
Kyrgyz Republic	Digital Kyrgyzstan 2019-2023
Mongolia	E-Mongolia; The State Policy on the Development of Information and Communications Technology (2017-2025)
Pakistan	Digital Pakistan Policy (2018)
Tajikistan	Digital Economy in the Republic of Tajikistan
Turkmenistan	Concept for Development of Digital Economy for 2019-2025
Uzbekistan	Digital Uzbekistan 2030

Source: authors' compilation.



Dimensions for E-Commerce Development and ADB-CAREC Institute assessments



E-Commerce in CAREC Countries: Laws and Policies (August 2021)

<https://www.adb.org/publications/e-commerce-carec-laws-policies>

E-Commerce in CAREC Countries: Infrastructure Development (Forthcoming Q4)

Policy Brief (**РУССКИЙ**): <https://www.carecinstitute.org/wp-content/uploads/2021/05/CI-e-commerce-infra-policy-brief-May-2021-1.pdf>

Source: [ADB and ESCAP 2018. Embracing the Economic Revolution in Asia and Pacific. Manila.](#)



Key Messages



Enabling environment

Align with international conventions and international best practices to increase consumer confidence and support e-commerce ecosystem and private sector growth.



Infrastructure development

Establish backbone networks, internet exchange points, and data centers. Expand payment systems capacity, logistics services, and cross-border connectivity.



Regional cooperation

Collective effort to harmonize, build mutual trust and share good practices. Facilitate trade and improve rules on cross-border e-commerce transactions.



E-Commerce in CAREC Countries: Laws and Policies



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International instruments

Trade-related agreements
(WTO, WCO, UN ESCAP)

UNCITRAL (MLES, MLEC)

National legislation

Electronic transactions

Privacy

Cybercrime

Consumer Protection



Model Laws and International Instruments

Removing Barriers

Electronic transactions

UN Convention on the use of Electronic Communications in International Contracts (ECC)

UNCITRAL model laws on electronic commerce and electronic signatures

International certifications/foreign signatures

Recognition or equivalence in accordance with bilateral agreement or principle of reciprocity

Regulations

Privacy

OECD Guidelines on protection of privacy and cross-border flows of personal data

Council of Europe Convention on the Protection of Individuals

Cybercrime

Council of Europe Convention on Cybercrime (Budapest Convention of 2001)

Consumer Protection

UN Guidelines for Consumer Protection
OECD Consumer Protection in E-Commerce

International Agreements

Trade facilitation agreements

UN Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific

UN Convention on the International Sale of Goods

WTO Trade Facilitation Agreement

WCO Revised Kyoto Customs Convention



Emerging Digital Trade Provisions in Asian Agreements



ASEAN/Australia/New Zealand FTA (**AANZFTA**)(2010)— lengthy **chapter on e-commerce**

Australia-Singapore Digital Economy Agreement (**DEA**) (2020); Digital Economy Partnership Agreement (**DEPA**)(2020); and Comprehensive and Progressive Trans-Pacific Partnership (**CPTPP**)

- Aim to **reduce trade barriers** to the digital economy; build compatible **standards** and create greater regulatory **harmonization** to facilitate interoperability and trust; and include cooperation and **capacity-building** mechanisms
- Include **provisions** on:
 - Domestic electronic transactions framework (UN MLEC; ECC)
 - Electronic authentication and signatures
 - Digital identities
 - Paperless trading
 - Online consumer protection
 - Electronic payment
 - Personal information protection



Overview of E-Commerce Related Legislation in CAREC

Legislation	Afghanistan	Azerbaijan	People's Republic of China	Georgia	Kazakhstan	Kyrgyz Republic	Mongolia	Pakistan	Tajikistan	Turkmenistan	Uzbekistan
E-transactions	*	•	•	•	•	•	•	•	•	•	•
E-documents	*	•	•	•	•	•	•	•	•	•	•
E-signatures	*	•	•	•	•	•	•	•	•	•	•
International certificates and foreign signatures	*	•	•	•	•	•	•	•	•	•	•
Privacy	*	•	•	•	•	•	*	*	•	•	•
Cybercrime	•	•	•	•	0	0	0	•	0	0	0
Consumer protection	•	•	•	0	•	0	•	*	*	•	0

• = specific legislation or modern statutes are available that are generally compliant with international instruments (with minimum provisions applicable to e-commerce transactions).

0 = there is no specific legislation but there is general legislation (such as civil or criminal codes) that is applicable to all kinds of transactions and is considered media-neutral legislation or statutes.

* = there is incomplete legislation, outdated provisions, or a law has yet to be enacted.

Source: Author's compilation.



Summary of Recommendations (1)

International Instruments	Remarks
UN Convention on the Use of Electronic Communications in International Contracts (ECC)	ECC in effect for Azerbaijan (2018) Mongolia (2021); signed by PRC (2006)
UNESCAP Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific	Azerbaijan and PRC are parties (agreement entered into force in Feb 2021).
UN Convention on the International Sale of Goods	Azerbaijan, PRC, Georgia, Kyrgyz Republic, Mongolia, and Uzbekistan are parties
WTO Trade Facilitation Agreement	All CAREC members that are members of WTO have ratified. Others at various WTO accession stages.
WCO Revised Kyoto Customs Convention	Azerbaijan, PRC, Georgia, Kazakhstan, Mongolia, Pakistan, Tajikistan, Turkmenistan and Uzbekistan
Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention)	All CAREC countries. Annex 11 on digital documents (entered into force May 2021)
Council of Europe Convention on Cybercrime (Budapest Convention of 2001)	Azerbaijan and Georgia

- **accede to or adopt international instruments and facilitate trade**
- **consider cross-border collaboration and mutual recognition**
- **ensure effective enforcement**



Summary of Recommendations (2)

- **harmonization of CAREC country legislations using best practices**
- **balance between private interests and public goals**
- **capacity to enforce include communications and dispute resolution**

Domestic Law Reforms	Remarks
Adopt the UN ECC	For domestic transactions
Maximize and harmonize ability to use simple e-signatures across the CAREC region	Some CAREC country laws have some flexibility, few give effect to minimalist e-signature processes
Harmonize the certification process for digital signatures across the CAREC countries	Options: (i) copy the rules of the state whose system works best, or (ii) adapt existing rules into a single version that will work for everybody.
Harmonize cybercrime legislation with international standards	CAREC laws largely consistent. Consider state capacity to enforce and cooperate with other countries.
Enact modern privacy legislation	Consider state capacity to enforce.
Enact modern consumer protection legislation	Harmonize legislation based on UN guidelines for online consumer protection. Consider state capacity to enforce. Join International Consumer Protection and Enforcement Network



Conclusion and Next Steps

Regulatory framework

Generally advanced in most CAREC countries — with some gaps and areas for reforms

Adopt holistic approach

Build and strengthen institutions, enhance stakeholder awareness and consultations, strengthen private sector engagement

Participate at international and regional platforms (CAREC, UNNEXT)

- Policy dialogue to promote harmonization of laws and mutual recognition
- Cross-learning to share experience and information (experts' network)
- Cross-border connectivity and interoperability (e-platforms, customs cooperation, CAREC Digital Strategy 2030)
- Reduce trade barriers in digital economy through regional agreements

