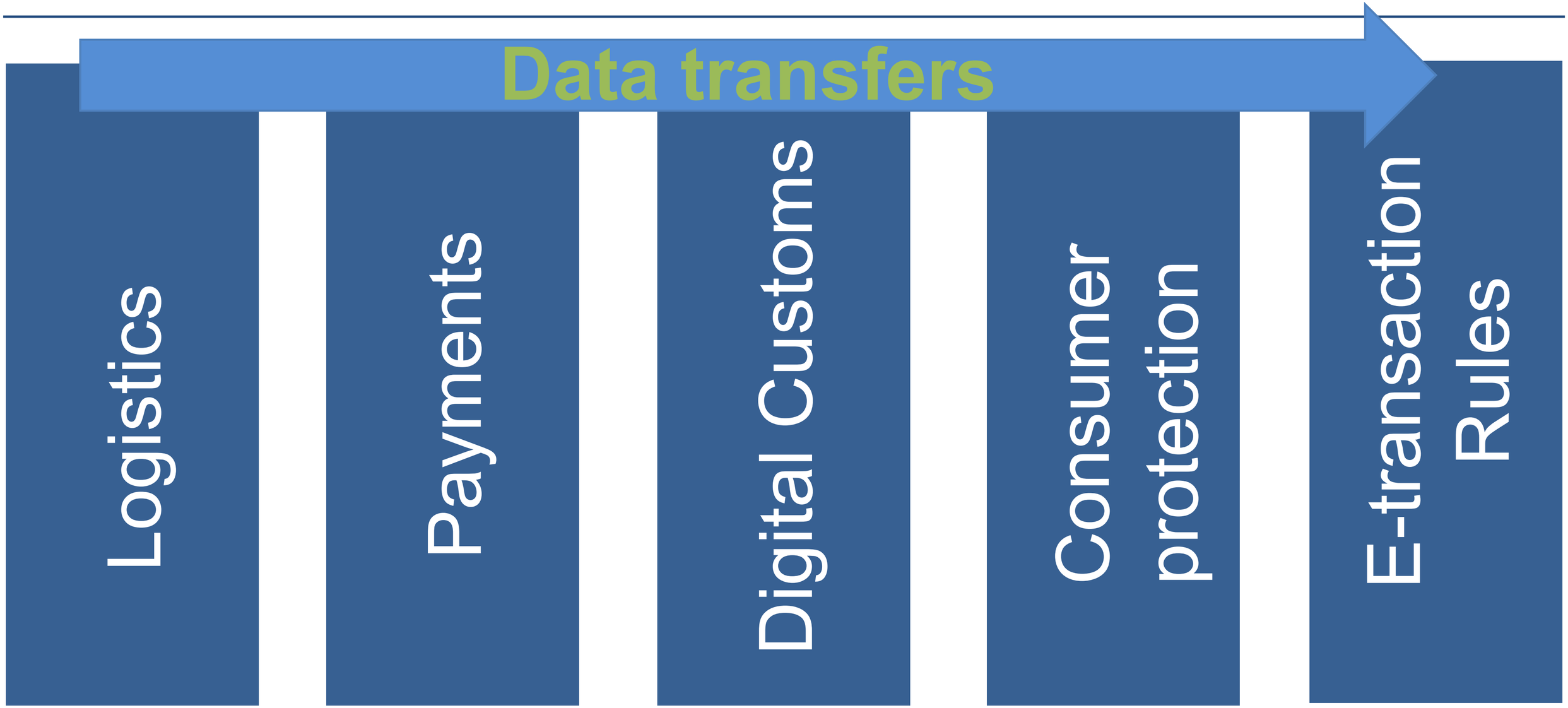
E-commerce ease/cost pillars



Trade costs (particularly for small business)

E-transactions: Laws discriminating against electronic trade documents add to headaches at the border

Paperless trade: Declaring individual e-commerce packages is not sustainable

Digital certificates: Absence of e-signature rules means companies don’t have access to trust services

Logistics: High cost, limited options, poor range of services at the right price

Returns: Trade system renders expensive, not sustainable for low-value trade or small volumes

Payments: Burdensome regulatory environment can limit range of international e-payment services

Consumer protection: Rules are important but significant regulatory divergence can be problematic

International payment supply challenges

Type	Issue	User impact
Navigating divergent regulatory requirements	Interoperability of bank and non-bank financial service providers; differences between KYC and AML processes; difficulty of meeting licensing requirements and procedures for offering new financial services; outdated technology; inadequate infrastructure; ill-adapted consumer protection measures; stringent reserve or currency requirements	Payments cannot be received or withdrawn from PayPal in a number of African countries due to a range of regulatory and operational issues that make providing cost-effective e-payment services difficult, as well as limitations on the type of services e-payment suppliers may provide, or the partnerships within the national e-payment system that can be established
Ability of regulatory frameworks to stay agile	Uncertainty among policymakers on how to deal with mobile money developments and interoperability with the financial system	While a significant number of countries have policies complicating the emergence of mobile money services, 12 of the 14 fastest growing such markets in 2012 had an enabling environment (GSMA, 2017)
Measures limiting competition	Regulations requiring domestic processing or ownership of a service supply; requirements that favour local or international suppliers; specific data flow barriers or localization requirements; efforts to create local monopolies	Although global e-commerce offers the opportunity to sell in multiple countries, requirements to use a specific payment method can discourage market entry. According to ITC's survey, 18% of small business respondents identified limited in-country global e-payment solutions as a top e-commerce obstacle

Regulatory challenges ahead

Balanced agenda: Some areas easier to address than others, but holistic approach most impactful

Policy siloes: Can make it challenging for trade policymakers to understand intervention context

Agility: To what extent can slow-moving trade talks keep pace with new tech market needs

Inclusiveness: Will the future of trade be able to benefit many

Data governance: Mission critical, related to development and digital value chains