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ECONOMIC COMMISSION FOR EUROPE

**COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT**

Centre for the Facilitation of Procedures and Practices  
for Administration, Commerce and Transport

Meeting of Experts on Procedures and Documentation  
(Fifty-sixth session, 17 September 1997)

**REPORT OF THE FIFTY-SIXTH SESSION OF THE MEETING  
OF EXPERTS ON PROCEDURES AND DOCUMENTATION**

1. The Meeting of Experts (GE.2) held its fifty-sixth session in Geneva on 17 September 1997 under the chairmanship of Mr. D. Dima (Romania).

2. Participants in the meeting included representatives from:

The following countries:

Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Japan, Korea, Luxembourg, Malta, the Netherlands, Norway, Poland, Romania, Russian Federation, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, The FYR of Macedonia, Turkey, United Kingdom of Great Britain and Northern Ireland and the United States of America.

The European Union (EU)

The following inter-governmental organizations:

Intergovernmental Organization for International Carriage by Rail (OTIF), World Customs Organization (WCO) and the World Trade Organization (WTO).

The following UN bodies:

United Nations Commission on International Trade Law (UNCITRAL), Conference on Trade and Development (UNCTAD), Economic and Social Commission for Asia and the Pacific (ESCAP), and the Economic and Social Commission for Western Asia (ESCWA).

GE.97-

And the following non-governmental organizations:

European Electronic Messaging Association (EEMA), International Association of Ports and Harbours (IAPH), International Air Transport Association (IATA), International Chamber of Shipping (ICS), International Organization for Standardization (ISO), Society for Worldwide Interbank Financial Telecommunications (S.W.I.F.T.) and the United Towns Agency for North-South Cooperation.

Item 1 - Adoption of the agenda

3. The secretariat explained that according to the migration plan approved by the CEFACT Steering Group (CSG), the current session of GE.2 was the last one. It was further announced that the CSG had nominated Mr. D. Dima (Romania) and Mr. C. Wolf (Germany) as Chairman and Vice-Chairman respectively for this last session.

4. The Meeting agreed to support the proposals of the CSG. The Chairman paid tribute to all his predecessors. He particularly noted the achievements of GE.2 under its last Chairman, Mr. E. Goffin (Belgium).

5. The provisional agenda (TRADE/CEFACT/GE.2/1997/2) was adopted with the understanding that item 7 "Legal/Commercial Aspects of Trade Facilitation" was deferred to the Joint Session of GE.1/GE.2. The Report of the Joint Session of GE.1/GE.2 on 17 September 1997 is appended to the Reports of the Fifty-Sixth Sessions of GE.1 and GE.2.

Item 2 - Migration to CEFACT

Documents: - Report of the Chair of the CEFACT Steering Group (CSG) to the CEFACT Plenary (TRADE/CEFACT/CRP.1)  
- Migration of GE.2 to the new CEFACT structure (TRADE/CEFACT/1997/CRP.32)

6. The Chairman explained that GE.2 was undergoing a migration process to the new CEFACT structure and drew the attention of delegations to his input, document TRADE/CEFACT/1997/CRP.32, prepared on the basis of document TRADE/WP.4/R.800, Programme and Organization of Work and Priorities. Other activities not included in TRADE/WP.4/R.800 were indicated at the end of column 1 of TRADE/CEFACT/1997/CRP.32. He requested delegations to submit their proposals on the completion of Column 3 (the new CEFACT structure) of TRADE/CEFACT/1997/CRP.32, either in the course of the current session or by the end of October 1997, to be discussed at the December 1997 CEFACT Steering Group Meeting.

7. The Chairman then invited a representative of the United Kingdom delegation to introduce Annex E to document TRADE/CEFACT/1997/CRP.1, Migration of GE.2 to new CEFACT Structure. The UK Representative stated that the existing GE.2 agenda had been analyzed together with the potential work programme, GE.2 work items and related matters, which had not been covered by the already approved International Trade Procedures Working Group (ITPWG). These questions were expected to account for approximately 70% of the work programme and would need to be allocated to existing and potential groups. The Annex contained the names of proposed groups which might be used for completing column 3 of TRADE/CEFACT/1997/CRP.32.

8. Many delegations participated in the discussion on the migration issues. It was noted that:

- (a) Proposals for migration would be published in the official CEFACT documents;
- (b) Due to a lack of resources, some delegations would not be present at all the meetings of the new structure;
- (c) Support was expressed for a further development of UNTDED;
- (d) Resources to cover the future structure of work needed to be clearly identified;
- (e) The priorities of future programme items were to be established;
- (f) The new draft recommendations relating to audit-based control or electronic equivalents for unified trade documents should be defined at the first session of the new CEFACT ITPWG;
- (g) The methods of work of the new structure, including Internet and World Wide Web, were to be considered at the December 1997 meeting of CSG, but the personal participation of representatives of the delegations in the very first meetings of the new groups was important;
- (h) The participation of international organizations in the work of the new structure was required;
- (i) The need for a list of meetings for the next eighteen months was underlined.

9. The Chairman stated that he had received sufficient information to continue work on the amendment of document TRADE/CEFACT/1997/CRP.32.

#### Item 3 - Analysis of the International Trade Transaction (ITT)

Documents:

- Report of the Steering group on International Trade Transaction (ITT)(TRADE/CEFACT/GE.2/1997/3)
- Guidelines for Creating an ITT Framework (TRADE/CEFACT/1997/CRP.30)
- NAPRO Approach to Understanding and Facilitating Trade (TRADE/CEFACT/1997/CRP.19)
- ITT Frameworks as an Aid to the Process of Harmonization (TRADE/CEFACT/1997/CRP.27)

10. The discussion of the Report (TRADE/CEFACT/GE.2/1997/3) was introduced by the Chairman, Mr. D. Dima (Romania), in his capacity as Convenor of the Steering Group on International Trade Transaction. He mentioned that a meeting of the Steering Group had taken place on 2-3 July 1997 to discuss the development of ITT Models at different levels, as well as the use of modelling techniques. The meeting of the Steering Group had updated the Draft Mandate of the future Permanent CEFACT Working Group on the International Trade Procedures (the ITPWG). He invited Mr. R. Battersby to introduce the results of the work of this Group.

11. In his introduction, the representative of the delegation of the United Kingdom, Mr. R. Battersby, mentioned that the Group's strategic objective was to make both public and private sectors international trade requirements become, to the optimum extent possible, analogous to, and as simple as, their domestic equivalents. He added that the July 1997 meeting of the ITT Group had noted the urgent need to update WP.4 Recommendation No.4 "National Trade Facilitation Organizations" and confirmed that the potential new CEFACT Recommendations would cover audit-based control principles with risk assessment and document/EDI system.

12. A member of the United Kingdom delegation introduced document TRADE/CEFACT/1997/CRP.30, containing the guidelines for Creating an ITT Framework. These Guidelines represented a cost-effective methodology for developing national/regional frameworks to show a graphical representation of the

international trading process for their own country/region. Once accepted by the CEFACT ITPWG, they would be added to the register of frameworks to be maintained by the group.

13. The Meeting noted the Report of the ITT Group and supported the inclusion of the ITT Group members into the CEFACT ITPWG. The need to speed up the development of national/regional frameworks with the appropriate arrangements at national level was particularly underlined.

14. The representative of NATPRO, Mr. R. T. Crowley, introduced document TRADE/CEFACT/1997/CRP.19, containing the description of the NATPRO approach to Understanding and Facilitating Trade using IDEF0, Integrated Definition Language - Activity Modelling.

15. The delegation of the United States acknowledged the importance of the ITT initiative and the Head of the delegation made the following statement:

" We certainly appreciate Mr. Crowley's and NATPRO's contributions to the work in this area. It is important, however, for you to understand that while NATPRO is based in the United States, it is a private, non-governmental organization and has not been designated by the United States government as its trade facilitation organization. The U.S. government does not yet have a single organization or agency to handle its trade facilitation matters. Document TRADE/CEFACT/CRP.19 is therefore the opinion and position solely of NATPRO.

It is important, Mr. Chairman, for me to make this distinction in this forum because delegates continue to tie the U.S. government and NATPRO together when referring to NATPRO's activities and positions taken such as TRADE/CEFACT/CRP.19. Mr. Chairman, I request that this distinction be included in the report of this session for future reference. I thank you."

16. The representative of ESCAP, Mr. N. Janardhan, introduced document TRADE/CEFACT/1997/CRP.27, containing the results of work on the trade facilitation issues in the region. It focused on the use of International Trade Transaction Frameworks as an aid in the process of harmonization in the region, and the specific use of IDEF tools in this effort. He underlined the fruitful cooperation between two UN regional commissions and the excellent role of the ECE Regional Adviser in all these developments. He was hoping to be able to submit further results of this work to the following meetings of the CEFACT bodies.

17. Underlining the importance of the ITT Group activities, the Chairman invited delegations to nominate representatives to actively participate in the meetings of CEFACT/ITPWG. The first meeting of this Group was to take place in Geneva on 10-12 November 1997.

#### Item 4 - Implementation of ECE/FAL Recommendations

##### (a) Recommendation No. 4 "National Trade Facilitation Organizations"

Document: - List of National Trade Facilitation Committees and Focal Points  
(TRADE/CEFACT/GE.2/1997/4)

18. The Meeting noted document TRADE/CEFACT/GE.2/1997/4, the List of Existing Committees and Focal Points, prepared by the secretariat. Delegations were requested to forward the contact information on their national trade facilitation bodies, including E-mail addresses to the secretariat. The importance of this Recommendation was particularly underlined, in view of the establishment of CEFACT and the potential participation of new delegations in its work.

19. The Chairman asked the secretariat to continue work on the maintenance of the list and to submit its updated version to the next session of CEFACT. At the same time, he requested the ECE Regional Adviser to undertake efforts, in cooperation with other delegations, to continue the development of a new version of Recommendation No.4.

(b) Recommendation No.16 "UN/LOCODE - Codes for ports and other locations"

Document:

- Interim Report to CEFACT from the ad hoc Working Group on the UN/LOCODE ((TRADE/CEFACT/1997/CRP.24)
- Comment on Interim Report on UN/LOCODE User Requirements(TRADE/CEFACT/CRP.31)

20. The Chairman recalled that a great deal of interest had been shown for UN/LOCODE at the meetings of GE.2; the success of the code had been recognised and, at the request of the ICS, an ad hoc Working Group had been set up in the framework of CEFACT to pursue this work.

21. The representative of ICS, in his capacity as Convenor of the ad hoc group, briefly presented the Interim Report on the subject, drawing attention to the fact that it had already been introduced to the CEFACT Plenary Session. He mentioned that many of the difficulties that users had encountered were related to what was perceived as slow and protracted code allocation procedures caused by the need to consult national authorities before a code entry could be approved.

22. The use of an international gazetteer of place names could resolve this problem, as the appearance of a name and an indication of interest to use would constitute a justification to include it in the UN/LOCODE.

23. The Chairman invited the CEFACT Consultant on UN/LOCODE to introduce document TRADE/CEFACT/CRP.31. The Consultant commented on the method of working via E-mail which had not proved to be fruitful because of an insufficient circulation of members' views.

24. He then commented on several points made in the Interim Report which, in his view, needed change or clarification. Whereas some of these could probably be rectified by fairly simple editorial work, some others raised questions of principle, most of all the problem of the eligibility of place names. Once these questions resolved, many other matters could find a solution. The use of gazetteers would of course be of a great help, but would depend on the availability of such reference works in scripts that could be used by the secretariat.

25. The secretariat suggested that the matter should be followed up during the course of the meetings, with a view to prepare an improved version of the Report to the March 1998 CEFACT session. It was agreed to hold the first meeting of the Group in November 1997 in London. The dates for the first meeting would be conveyed to the members of the Group after the finalization of the necessary arrangements.

(c) Recommendation No.18 "Facilitation Measures Related to International Trade Procedures"

26. The delegation of France underlined the importance of the simplification of the PSI Procedure. The documentation involved in this procedure should be aligned in accordance with the UN/Layout Key. Trade operators were interested in reducing delays to carry out this procedure.

27. The Chairman concluded that the facilitation of this procedure, as well as the general revision of Recommendation No.18, was a very important task to be carried out in accordance with the mandate of the newly created CEFACT ITPWG.

Item 5 - Revision of the Kyoto Convention

Document: - Revision of the Kyoto Convention (TRADE/CEFACT/CRP.25)

28. The representative of WCO introduced document TRADE/CEFACT/CRP.25, containing a report on the developments regarding the revision of the International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto Convention). In the light of the current phase in the revision of the Kyoto Convention, delegations were encouraged to contact their national trade facilitation bodies and customs administrations with the objective to coordinate work on the revision of the Annexes relevant for trade facilitation.

29. The Meeting noted this information with satisfaction and invited delegations to take part in the revision of the Kyoto Convention.

Item 6 - Trade documents names and functions

30. The Chairman noted that, with the establishment of ECE/CEFACT, new opportunities had been created to resolve this difficult issue. He hoped that the CEFACT Steering Group would manage to set up a new structure for the development of a full list of international trade documents and messages with their coherent definitions. All the previous experience of WP.4 in this area would be a useful input to this work.

Item 7 - Aligned forms and the Trade Data Elements Directory (UNTDDED)

Documents: - Form for the Despatch advice (TRADE/CEFACT/GE.2/1997/7)  
- Form for the Documentary Credit Application  
(TRADE/CEFACT/GE.2/1997/8)

31. The representative of the delegation of Romania introduced the latest developments on aligned international trade documents and informed the Meeting of two new forms of documents ("Dispatch Advice" and "Documentary Credit Application") produced by their delegation. Several delegations made comments on these forms. The representative of ICS requested to pay particular attention to the use of non-negotiable documents. The updated versions of the documents will be submitted by the delegation of Romania to the first meeting of CEFACT ITPWG in November 1997.

Item 8 - Legal and commercial aspects of trade facilitation

Documents: - Report from the Legal Rapporteurs (TRADE/CEFACT/CRP.17)

32. This item was considered at the Joint Session of GE.1 and GE.2 on Legal Matters on 20 March 1997. The Report of this Joint Session is annexed to this Report.

Item 9 - Other business

33. The representative of ICS indicated the problem of the use of aligned forms as established in WP.4/Recommendation No.11 "Documentary Aspects of the Transport of Dangerous Goods". He invited the ECE secretariat to resolve this issue in cooperation with the representatives of SITPRO (UK) and IMO.

Item 10 - Adoption of the Report of the fifty-sixth session

34. The report of the GE.2 Session was adopted on 19 September 1997 on the basis of a draft prepared by the secretariat.

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**Annex**

**REPORT OF THE JOINT GE.1 AND GE.2 SESSION  
ON LEGAL AND COMMERCIAL ASPECTS OF TRADE FACILITATION  
(18 September 1997)**

Documents:    - TRADE/CEFACT/1997/CRP.17, Legal Rapporteurs' Report  
                  - V.97-22269 May-5, Uncitral Model Law on Electronic Commerce with  
                    Guide to Enactment 1996

1.    The joint session was chaired by Mr. H. Bates, Vice-Chairperson of CEFACT.
2.    The Legal Rapporteurs, reported that at its last meeting in Singapore on 21 to 25 April 1997, the Legal Rapporteurs' Team (LRT) had revised the programme of work in view of the migration process. It was suggested that priority status be given to certain work items and that e-mail should be used more extensively in order to promptly respond to requests and avoid the necessity for meetings of the Legal Group at each JRT. The Legal Rapporteurs emphasized that the review of the work programme had been done in the light of the progress made in electronic commerce as well as other developments including the growth of the Internet and its interface with the EDI process. It was also noted that the revised work programme would serve as a basis for the preparation of the Legal Working Group's (LWG) Terms of Reference.
3.    The Legal Rapporteurs reviewed the proposed items to be included in the CEFACT Legal Working Group's work programme:
  - (a) Model Interchange Agreement: It was explained that the Legal Working Group would consider extending the scope of Recommendation No. 26 to cover in addition electronic commerce and a model technical annex which would eventually result in a revision of the Recommendation. The Legal Rapporteurs also noted that a small working group would start this work in October 1997. The Austrian delegation noted that their country had developed such a model agreement which could be taken into consideration by the Legal Rapporteurs.
  - (b) National legal and commercial barriers to international trade: The Legal Rapporteurs reported on the on-going analysis of responses to the questionnaire, noting that approximately 20 countries had replied and emphasising that this work was carried out in cooperation with the UNCITRAL secretariat. The Legal Rapporteurs also stressed the usefulness of this analysis noting that the work would be finalized as soon as possible to present a report at a future session.
  - (c) Electronic authentication: The Legal Rapporteurs reported that SITPRO in collaboration with UNCITRAL secretariat, had up-dated the inventory of international trade and transport conventions and agreements including references to "signatures", "writing" and "document" (TRADE/WP.4/R.1096) and extended the scope of the study to cover other international instruments relevant to international trade law. It was noted that the revised document would identify instances where revision of existing document was necessary to allow for electronic equivalents of paper documents. An inventory of identified obstacles would be presented at a future session. Furthermore, the Legal Rapporteurs also pointed to the



uncertainty that prevailed over how to proceed in order to overcome the obstacles identified. The critical issues outlined by the Legal Rapporteurs included: the difficulty of re-negotiating well-established international conventions that dealt with substantive legal issues and went far beyond establishing form requirements; the desirability and feasibility of preparing yet another convention to interpret existing form requirements, which might result in complex issues of conflicting conventions; alternatively the possibility of promoting the UNCITRAL Model Law on Electronic Commerce as a tool for interpreting existing instruments.

- (d) Data Protection: The Legal Rapporteurs noted that work in this area was of critical importance and should focus on preparing practical guidelines to users.
- (e) Private International Law: It was noted that research activities in the field would need to be considered in relation to the revision of the Model Interchange Agreement. The Legal Rapporteurs also mentioned that several important issues such as jurisdiction and dispute settlement linked to the development of the Internet and to a global framework needed to be addressed urgently on the international level, and were subject to a number of initiatives, amongst which a workshop organized under the auspices of the Hague Conference on Private International Law. So far, work in this area had not produced any results.
- (f) Model Intermediary Agreement: The Legal Rapporteurs explained that work in this area was in a preliminary stage and needed to progress. In the future, the elaboration of a new UN Recommendation could be envisaged.
- (g) ICC E-terms Repository: It was noted that work under this item should focus on monitoring the progress in this area and provide guidance to users as it could be relevant to the revision of the Model Interchange Agreement. It was also mentioned that the ICC E-100 project had been reviewed by the ICC and replaced by the Electronic Commerce Project (ECP). The French delegate mentioned also the work of the ICC in relation to certification authorities and digital signatures.
- (h) Educational tools: The Legal Rapporteurs stressed the need to increase awareness and facilitate understanding of legal issues linked to electronic commerce and EDI through promotional activities such as web sites, videos or other educational tools.
- (i) Legal review of UN/EDIFACT messages: Work in this area should follow the guidance given by the ESG.

4. Recognizing the importance of all work items listed above, the Legal Rapporteurs mentioned that priority would be given to the review of the Model Interchange Agreement, electronic authentication as well as other items depending on progress made. Work items no longer listed in the new programme of work owing to a lack of resources or work undertaken by other international bodies included negotiability, electronic invoicing and self-billing, and the requirement for certification authorities.

5. In response to observations made by several delegations as to the exclusion of negotiability, the Legal Rapporteurs stressed the lack of expertise in this field, the lack of resources as well as the fact that other bodies were examining the issue. With reference to the BOLERO scheme, it was explained that it was a commercial initiative and outside the scope of the Legal Working Group's mandate. Furthermore, the Legal Rapporteurs also briefly outlined the work undertaken in this area by UNCITRAL and the International Maritime Committee (CMI).

6. The Legal Rapporteurs also noted that significant developments on the national level as well as coordination with other international bodies would continue to be part of the review work included in the work programme.

7. The Legal Rapporteurs also urged delegations to provide them with all relevant documentation and information in order to facilitate their work and broaden the scope of their analyses.

8. TEDIC project: The Legal Rapporteurs reported that following the request by WP.4 to examine the TEDIC project and give an overview on the legal implications, discussions with the TEDIC promoters had taken place at the Helsinki JRT meeting in 1996. Further meetings could despite all efforts not be arranged, but a demonstration was organized by the TEDIC promoters prior to the GE.1 and GE.2 joint session. The Legal Rapporteurs expressed the view of the Legal Working Group that it would not be appropriate to evaluate a commercial project which would better be tested by the market.

9. Referring to a new intermediary report made available by the TEDIC promoters in July 1997, the Legal Rapporteurs made the following comments:

- (a) a key factor of success of the TEDIC project would be its global dimension, especially its global legal dimension. So far, the Legal Rapporteurs explained, the approach was that of a national legal approach.
  - (b) the Legal Working Group might wish to monitor further developments of the TEDIC project in connection with its possible relevance to the revision of the Model Interchange Agreement. The Legal Rapporteurs also pointed to the differences in the concept between the Model Interchange Agreement used in this forum and that used by the TEDIC promoters. The TEDIC project covered much of what was included in the Technical Annex of the Model Interchange Agreement and additional issues as part of different scenarios.
  - (c) it would also be advisable to evaluate with the project promoters the development that would be required and the method to be used within the UN/EDIFACT process to support the TEDIC initiative.
  - (d) prior to the operational phase, an analysis of dependencies of certification authorities might be a key factor of the project's success.
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