

WEBINAR

# Digital Trade and the WTO

State of play ahead of MC14

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Friday, December 12, 2025

2:00 p.m. - 3:15 p.m. CET





# Digital Trade and the World Trade Organization

## Multilateral Work Program on Electronic Commerce: State of play ahead of MC14

Presenter: Rashid S Kaukab, IISD

Date: December 12, 2025

# Presentation Outline

**I. WPEC Background and Brief History**

**II. Moratorium on Customs Duties on Electronic Transmissions**

**III. WPEC Discussion Focus in 2025**

**IV. Towards MC14**



# I. WPEC Background and Brief History

**Established by GC in September 1998, pursuant to the MC2 Declaration on Global Electronic Commerce**

## **Objectives include:**

- Examine WTO agreements in relation to e-commerce
- Facilitate dialogue among members
- Support developing countries & LDCs through TA/CB
- Coordinate across WTO bodies
- Examine all issues related to the moratorium on customs duties on electronic transmissions

**Overseen by the GC with four WTO bodies:** CTG, CTS, TRIPS Council and CTD, responsible for issues under their respective jurisdictions.

# I. WPEC Background and Brief History

**Period-wise submissions by WTO members under the WPEC** – Variable engagement

Period	Total number of submissions	Comments
<b>1998-2005</b>	34	Average of about five submissions per year
<b>2006-2015</b>	21	Average of about two per year
<b>2016-2023</b>	73	Average of about nine per year

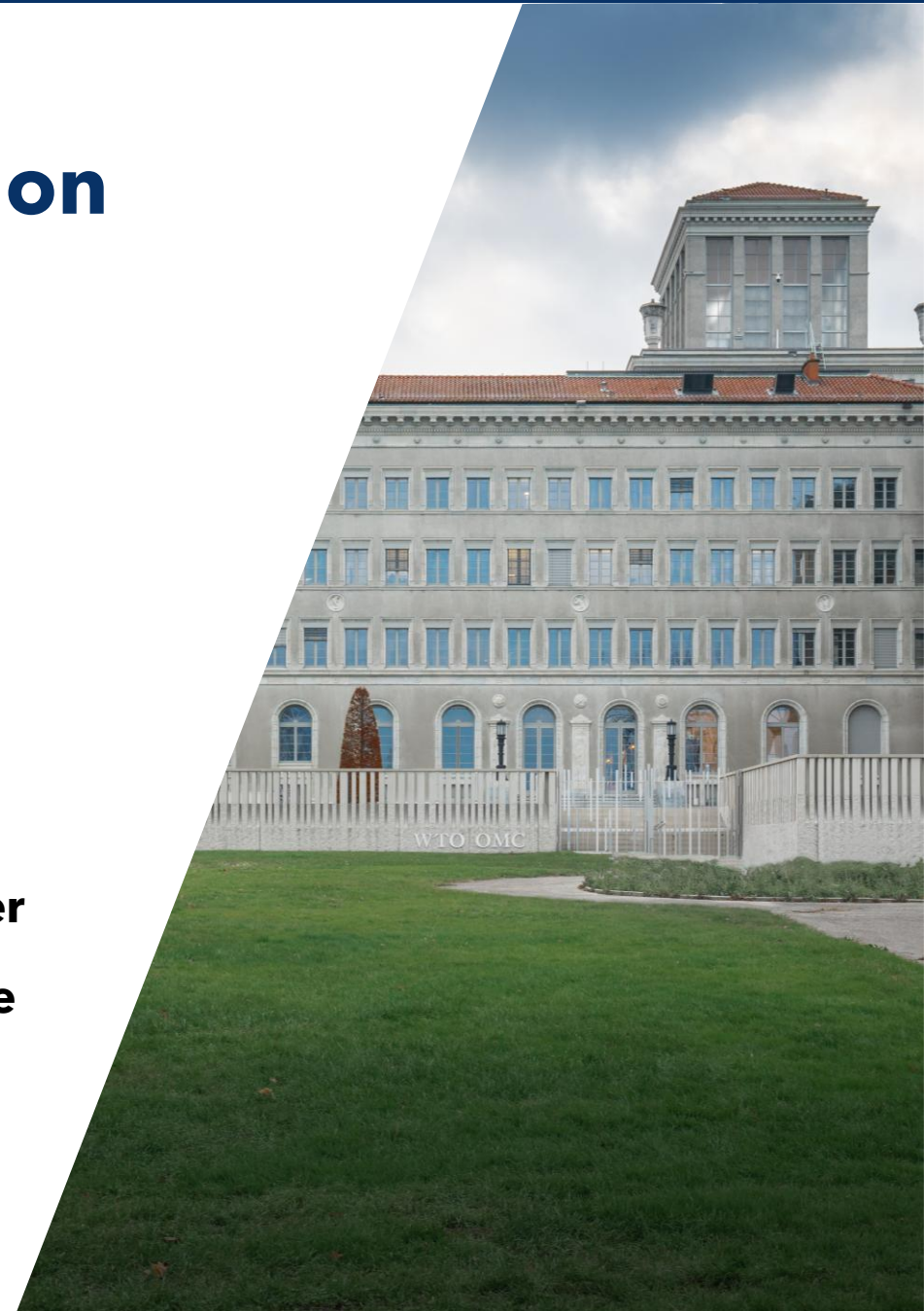
## II. Moratorium on customs duties on electronic transmissions

### Long history with renewals

- **In place since 1998**, renewed at each Ministerial Conference
- Last renewal at MC13 in March 2022

### Two unique features of the last renewal

- Extended until March 31, 2026, or next MC, **whichever is earlier**
- The moratorium and the work program **will expire on that date**



## II. Moratorium on customs duties on electronic transmissions

Supporters argue	Opponents argue
<ul style="list-style-type: none"><li>• Provides predictability</li><li>• Prevents increased costs and market fragmentation</li><li>• Supports digital inclusion and MSMEs</li><li>• Alternatives like VAT exist for revenue</li></ul>	<ul style="list-style-type: none"><li>• Erodes the fiscal sovereignty of developing countries</li><li>• Loss of potential tariff revenue</li><li>• Unclear definition of "electronic transmissions" as digitalization expands</li><li>• Loss of policy space and concerns about lost opportunities for digital industrialization</li></ul>

# III. WPEC in 2025

## Thematic Focus

- **Development & the digital divide** - Need for ICT infrastructure, skills, and inclusive policies, etc.
- **Legal & regulatory frameworks** - Cybersecurity, consumer protection, privacy, and best practices.
- **Impact of AI & emerging technologies** - AI's role in trade facilitation and regulatory implications.
- **Moratorium renewal** - Continued debate on its future.



# III. WPEC in 2025

## The Role of the WTO in E-Commerce - Members' suggestions

### The WTO could:

- Serve as a **central hub** for information and dialogue on digital trade.
- Leverage convening power for **coordination** with international organizations.
- Enhance **targeted TA/CB** for developing countries and LDCs.
- Clarify **existing WTO rules** (GATS, TRIPS, ITA) in the digital context.
- Promote **regulatory coherence** to limit global fragmentation.

# IV. Towards MC14

## Two Draft Ministerial Decisions Submissions

### **Barbados, on behalf of the ACP Group:**

- Reinvigorate WPEC with a development focus
- Enhance collaboration with international organizations
- Continue moratorium until next MC

### **USA:**

- Define “electronic transmission” broadly (including the content of the transmissions)
- Make moratorium permanent (no end date mentioned)
- No mention of WPEC

# IV. Towards MC14

## Critical issues for MC14 (March 2026)

- **Future of the moratorium:** No extension, indefinite extension, extension for a specified period
- **Future and focus of the WPEC:** Continuation, development focus, integration of emerging issues (e.g. AI)

***WPEC remains the only multilateral forum within the WTO for structured e-commerce dialogue.***



# Digital Trade and the World Trade Organization

E-commerce Joint Statement Initiative process  
ahead of MC14

Presenter: Rashmi Jose, IISD

Date: December 12, 2025

# Presentation Outline

**1) Key motivations**

**2) Participation dynamics**

**3) Latest developments in process**

**4) High-level overview of Agreement**

**5) Key considerations**



# **1) Key Motivations**

# Key Motivations for JSI Participants Behind the E-commerce JSI Process



## **Facilitating the growth of digital trade**

Establish new trade rules to support the expansion of digital products and services and provide a more open and predictable environment for digital trade.



## **Building on existing trade agreements**

Leverage progress made in bilateral and regional agreements to promote convergence toward a *baseline global framework*.



## **Revitalizing the WTO negotiating function**

Use plurilateral negotiations to revitalize the WTO's negotiating role and demonstrate its capacity to deliver rules for the digital era.

## **2) Participation dynamics**

# Participation high among developed countries, varied among developing countries

**Co-conveners:** Australia, Japan and Singapore

**Total Participants\*:** 91 WTO members (out of 166)



All Developed\*\* countries participating

Developing Country\*\* participation varies:

- High engagement Latin America and Asia
- 9 African countries (*Benin, Burkina Faso, Cabo Verde, Cameroon, Côte d'Ivoire, The Gambia, Kenya, Mauritius, Nigeria*)
- No participation Pacific and Caribbean countries



LDC Participation: 5/37 countries (*Benin, Burkina Faso, The Gambia, Lao PDR, Myanmar*)



\*Status as of December 2025

\*\* Assuming TFA designations

## **3) Latest developments of the E-commerce JSI Process**

# E-commerce JSI process timeline



# **4) High-level overview of Agreement**

# Market Openness/Access conditions

## Examples

### **Article 11 – Customs Duties on Electronic Transmissions**

- Plurilateral Moratorium: No duties between Parties (not applicable to non-Parties).
- Definition clarified: Duties prohibited on both the transmission medium (e.g., bits/bytes carrying a movie) and its content (the movie itself).
- Functions as a permanent moratorium

### **Article 10.4- Electronic Payments**

Clarification of GATS Mode 3: Parties committing to National Treatment for “all payment and money transmission services” must grant foreign e-payment service providers with a commercial presence non-discriminatory access to public payment and clearing systems

# Upgrading regulatory frameworks for digital economy needs

**Establish or maintain domestic regulatory measures or legal frameworks. Examples:**

- Article 14: Online consumer protection
- Article 15: Unsolicited commercial electronic messages (SPAM)
- Article 16: Personal data protection

**Recognition of electronic forms as equivalent to paper forms. Examples:**

- Article 4: Electronic transaction framework
- Article 5: Electronic authentication and electronic signatures
- Article 6: Electronic contracts
- Article 7: Electronic invoicing

## **Trade Facilitation +**

Article 8: Paperless trading: custom forms and procedures also available in electronic formats

Article 9: Single Windows Data Exchange and System Interoperability

## **Telecommunication sector-focused commitments**

Article 21 and Annex: Telecommunications

# Development (Article 20)

- **Longer implementation period:** Developing countries and LDCs may receive *up to 5* extra years, + 2-year extension if needed.
- **Needs assessment studies encouraged**
- **Capacity building support encouraged:**
  - Developing countries and LDCs may identify provisions that could benefit from technical assistance and capacity building; support encouraged from donor parties
- **LDC Grace Period:** LDCs exempt from dispute settlement for 7 years after Agreement enters into force for the Party.

## **5) Key considerations**

# Key considerations for developing economies



## Evaluate implementation capacity and needs

- Development article's 5–7-year transition period: sufficiency depends on implementation progress and ratification timing.



## Custom duties on Electronic Transmissions

- Choice reflects support for a permanent plurilateral moratorium or wish to keep policy space for possible customs duties.

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Understanding the policy landscape

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## Setting International Technical Standards to Shape Digital Trade Policy

Approaches, challenges, and opportunities for developing countries

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# Thank You!

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