

London, March 2<sup>nd</sup>, 2020

To:

The Rt Hon Robert Buckland QC MP  
Lord Chancellor and Secretary of State for Justice

CC:

The Rt Hon Liz Truss MP, Secretary of State for International Trade  
The Rt Hon Oliver Dowden CBE MP, Secretary of State for Digital, Culture, Media and Sport  
Rt Hon Alok Sharma, Secretary of State for Business, Energy and Industrial Strategy  
Sarah Green, Law Commissioner for Commercial and Common Law, Law Commission

## **UPDATING THE 1882 BILLS OF EXCHANGE ACT AND 1992 CARRIAGE OF GOODS BY SEA ACT**

Dear Secretary of State

I write on behalf of the International Chamber of Commerce (ICC) to ask government to sponsor the Law Commission to work with the ICC and its partners to remove all remaining legal obstacles to the digitisation of documentation relating to trade transactions and align UK law with international best practice [UNCITRAL Model Law on Electronic Transferrable Records]. We understand that this has been discussed with Ministry of Justice officials but that no commitment has been made.

The UK is already one of the more advanced countries when it comes to digitisation of trade documentation but not yet fully aligned to UNCITRAL best practice. Two pieces of legislation require immediate attention: Bills of Exchange Act 1882 and the Carriage of Goods by Sea Act 1992, both of which require physical signatures and can be updated through secondary legislation using the Electronic Communications Act 2000.

Reform in this area will enable businesses of all sizes and sectors to reduce the cost of unnecessary red tape and operate more efficiently. In total, 4 billion documents float around the trading system on any given day with a single Bill of Lading alone requiring 5,000 data verifications, many of which are manual, and paper based. Shippers, financiers, insurers,

lawyers and traders are all hampered by the bureaucracy of the system and reliant on the government to remove legal barriers before the system can be digitised. Once digitised, a trade transaction that currently takes weeks and months to process could be achieved in hours and days using simple, readily available technology.

This project will make a significant, tangible improvement to UK trade, especially for SMEs and enhance the UK's reputation and attractiveness as a place to do business. It will also make an important statement of intent that the UK is serious about promoting paperless trade as the first G7 economy to establish a fully enabled digital environment for trade – only Singapore have achieved this in the G20. It will also set an important precedent for other common law jurisdictions to follow and act as a positive message on reducing carbon footprint ahead of COP26.

We are expecting broad participation in this project from international trade experts, representatives from relevant UK business organisations and The Commonwealth.

I look forward to hearing from you.



Chris Southworth  
Secretary General, ICC United Kingdom

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*ICC is the largest world business organisation representing 45 million companies employing 1 billion people in over 100 countries. We are the only business organisation with UN Observer Status at the UN General Assembly, network partner to G20, strategic partner to the WTO and act as the business focal point to UNFCCC on climate negotiations. We work with UK business organisations to represent the voice of UK business at intergovernmental level.*