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One of the essential ingredients to make progress with the global trading community is to combine innovation, build efficiency and create sustainability and to do so by joining the dots—putting the jigsaw into place, if you will. Currently there are different excellent components that could usefully be harnessed into a unified approach, rather than being taken in isolation. Over the past months, I have been reflecting on a possible global trade blueprint and will take the extended opportunity afforded today to put into context three ingredients that could dovetail with the Electronic Trade Documents Bill, which would be a key component. However, none is dependent on any other.

The first lends itself well, as the Commonwealth is fertile ground given the commonality of common law and language, which is the bedrock of this Electronic Trade Documents Bill. It is a free trade agreement template initially targeting Commonwealth member states, excluding the two that are members of the EU as they are responsible to internal protocols, that can be adjusted by country to address any specific anomalies. I was originally approached some time back by a well-meaning US interest to stitch together a US/Commonwealth agreement, including the UK, of course, that would unlock the UK/US circumstance, given that the bilateral free trade agreement is moribund. This Commonwealth approach would consist of making a template of what is expected to be covered in a trade agreement with language options built in. To fast forward to the week before last, I was delighted to learn at first hand that our very own noble Lord, Lord Hannan, who is not in his place, is also running with this ball with his Institute for Free Trade, in a most welcome development.

The second is a dedicated, big-data analytics platform to encompass advanced data analytics and modelling for foreign trade data relating to supply chains in order to consolidate multiple datasets already used by the International Trade Council. These datasets, with additional overlays into a single database, could be used for analysis of markets and supply chains, forecasting and predicting market behaviour. This would enable corporates to validate their supply chains, understand market pricing, monitor competitors and forecast the market and would allow Governments seeking to assist their exporters to find new markets, identify priority investment FDI targets and model future market demand, growth, customers and suppliers. A UK entity is in the making to transition this data for global consumption.

Thirdly, and this brings me full cycle to the Electronic Trade Documents Bill, the magic is that it is all the more beneficial for being an enabler process, free for the world to join up to—just follow the provisions. If the answer to today's ails is in the timing, this initiative hits the spot with the legal enactment necessary to a more competitive world to the benefit of all. Passing this law would be a victory for global trade and for the United Nations, as the legislative work is led through the UN Model Law on Electronic Transferable Records—MLETR. By allowing electronic documents and physical documents to be used in parallel, the transition to paperless trade can be made an evolutionary process where the adoption of electronic trade documents will take place when different stakeholders in trade and trade finance are ready to take the step to paperless trade.

Radical change in removing paper-based trading documents will make for a faster, lower-cost, more resilient and more liquid world of trading, leading towards transparent digital supply chain management. It will be especially good for small businesses. While all problems cannot be solved at once, recognising a practical step-by-step approach to solve one would be an excellent beginning.

The Bill is core to the success of improving logistical flow that will address the impediment to the speed of payments, and the current need to move paper to discharge goods and receive payments, bringing more opportunities as we align with the MLETR and benefit from digital trade corridors and individual country compliance, to which I have referred. This will allow for documents that carry value and promises to be drawn up and signed in digital form, provided that the system or document fulfils the listed requirements of the Bill.

A number of trade documents with which domestic and cross-border trade would become significantly more efficient and affordable for all are listed, but small and medium-sized entities would benefit the most. This will create significant opportunities for smaller importers and exporters globally, one reason being that the law of England and Wales is often used when parties have difficulties agreeing on the jurisdiction in which to settle disputes.

Therefore, the Bill brings benefits not only for the United Kingdom but for importers, exporters, carriers, brokers and bankers internationally. It should be recognised that the Bill is a stepping-stone towards enabling the modernisation of domestic and international trade, but more needs to be done to reduce friction in trade and trade finance.

Four questions come to mind which illustrate this and I would be grateful for the Government's view. Are they satisfied that: international digital identities are sufficiently harmonised; international digital signatory laws are harmonised; international freight tracking systems with a lack of interoperability are a hurdle that needs to be overcome; and legal entity identifiers are accepted universally?

Significant work is being done and progress is being made in these areas by industry organisations but this needs to be supported by Governments to pave the way for international harmonisation and adoption. It will be a balancing act to create international standards in such a way that creates legal certainty on the one hand without hampering further adoption of new technologies or innovation on the other.

The United Nations Model Law on Electronic Transferable Records is a very well-designed framework, balancing the need for commercial certainty, relying on current and internationally well-harmonised substantive laws, with allowing for electronic trade documents, providing that the provisions in the MLETR are met.

The Bill will play a pivotal role when other countries revise their bills of exchange acts and other trade-related legislation when promoting alignment to the MLETR. I anticipate that this will become a global trend, with law changes already taking place in North America, South America, the Middle East, Asia and Europe.

The Bill does not change the function of the instruments listed in the Bill. All the safety mechanisms these instruments have and cater for remain intact. Allowing them to be in electronic format means that they will become more efficient and significantly safer. I underline, however, that the Bill does not address the quality of signatures or how to establish identities, other than to say that they need to be "reliable". The European Union has a list of trusted digital signature sites and for trade it is important that different parties can use simple verification processes to trust the documents coming from another party, but it is up to the contracting parties to define the method to ensure reliability.

What is reliable today, however, will differ tomorrow as new technology evolves. Legislation that is principles-based rather than technically prescriptive is more favourable. The adoption of

the EU regulation for eID and other electronic trust services has been slow in cross-border trade, the main reason being that these have not been readily available and easily accessible as technical solutions. The result has been paper-based trade rather than electronic. Although not perfect, in some cases a lower standard is the stepping-stone for adoption, especially in cross-border dealings, provided that the parties have agreed on where to settle disputes.

The Bill does not resolve the development and standardisation of eID and signature technologies, however, which must continue to evolve. We will also see new payment and settlement solutions, possibly decentralised, as we realise that large players such as MasterCard and Visa will come to have a large degree of global systemic risks associated.

The Bill will help to encourage the development of solutions that will address deficiencies. To take some examples to illustrate progress, Trace:Original, a product of Enigio of Sweden, is producing the means by which electronic documents that will be trade finance-enabled yet functionally equivalent to a paper document, which will render documents paperless using existing processes and international practices, provided that this Electronic Trade Documents Bill passes. I am informed that Lloyds Bank is showcasing the technology available and that the efficiency gains are significant for all concerned. There is also noteworthy development with Contained's BlueRing platform as a technology solution advancing the process.

It is essential that there be a key role for the Commonwealth Secretariat in informing and encouraging Governments. We should also look at a mix of the Institute of Export and International Trade—with which I am also discussing the role of secretariat to the All-Party Parliamentary Group for Trade and Investment, which I co-chair—with additional support from the International Chamber of Commerce, as an architect of this Bill, together with a secondee of HMRC of this electronic trade initiative. A trade advisory to Governments, International Economics, might also be well suited to act as a global co-ordinator.

These are early days, with much to do and no time to lose. This enabling Bill is, however, the beginning of an exciting journey that ticks the boxes and I commend it accordingly.