



EVENTS

ITC hosts a session on e-commerce at the Trade and Sustainable Development Symposium

On 11 December 2017, ITC is organizing a session on “[E-commerce and MSMEs: towards more inclusive trade](#)” at the Trade and Sustainable Development Symposium on the margins of the 11th Ministerial Meeting of the WTO in Buenos Aires. This session will explore how international organizations and platforms can better address the actual concerns MSMEs encounter when doing cross-border e-commerce and how e-commerce could be used as a tool for inclusive trade. The session will kick off by illustrating the potential for a more inclusive e-commerce ecosystem for micro and small firms, for women entrepreneurs and for developing countries with findings from the publication "New Pathways to E-commerce: A Global MSME Competitiveness Survey". This will trigger a discussion about the bottlenecks that are prominent for MSMEs along the four phases typical of a cross-border e-commerce transaction: (1) establishing online business; (2) international e-payment; (3) cross-border delivery; and (4) aftersales.

To register for the Trade and Sustainable Development Symposium in Buenos Aires 2017, click [here](#).

For more information about ITC interventions in the margins of the 11th WTO Ministerial Conference (MC11), click [here](#)



ITC hosts a session on Data and Trade at the Internet Governance Forum 2017

On 20th December 2017, ITC is hosting the session “Data and Trade: Identifying win-win solutions for future digital commerce”. This session will review developments and policies in the field of data and trade, especially the impact that data policies have on international trade. The focus will be on the small medium enterprises and their possibility of success in the data-driven economic landscape. The forum will also discuss the possibility to find win-win solutions for data flows, regarding the balance between international trade and data protection and cybersecurity.

For more information about the Internet Governance Forum 2017, click [here](#).

REGULATORY AND TRADE NEWS

Extra-jurisdictional provision for GDPR

The EU has [expanded](#) the territorial scope of the [EU General Data Protection Regulation \(GDPR\)](#) to all companies processing the personal data of data subjects residing in the Union, regardless of the company's location. The applicability of current [Data Protection Directive](#) seems to only consider the location of the processing, referring to data process ‘in the context of an establishment’. The GDPR, to be implemented in May 2018, will apply to data controllers or processors established outside the EU conducting activities related to the offering goods or services to EU citizens (irrespective of whether payment is required) and the monitoring of behaviour that takes place within the EU. Non-EU businesses processing the data of EU citizens may be required to appoint a representative in the EU.

FCC presented its plan to undo net neutrality rules

On the 21st of November, the U.S. Federal Communications Commission presented a [plan](#) to reform the net neutrality rules, approved in 2015. The proposal would give Internet providers more power to determine what websites and online services their customers see

and use. If the plan is approved, providers of high-speed Internet services will be able to block or slow websites they do not like and charge web companies for speedier delivery of their content. The act is welcomed by the cable, broadband and wireless companies but has attracted criticism from Internet companies and activists in favour of net neutrality.

EU - US Privacy Shield passed the first review

In October 2017, the [European Commission](#) published its first [annual report](#) on the functioning of the EU- US Privacy Shield launched over a year ago and concluded that the Privacy Shield provides an adequate level of protection for the personal data transferred from the EU to companies in the US. In efforts to ensure the functioning of the Privacy Shield, the U.S. has put in place the necessary procedures including a redress mechanism which allows EU citizens to file a complaint if they believe their personal data is misused. Complaint-handling and enforcement procedures have been set up, and cooperation with the European Data protection authorities has been stepped up. Over 2,400 companies have joined the Privacy Shield.

Divergent views on the prospect of outcome on domestic regulation at MC 11

The [meeting](#) of the Working Party on Domestic Regulation earlier this month concluded with divergent views on the prospect of achieving an outcome on domestic regulation in services at the 11th Ministerial Conference (MC11) in Buenos Aires.

A group of 25 WTO member recently circulated a [proposal](#) focusing on development and administration of measures, regulatory independence, necessity test, transparency, technical standards, and development. Proponents suggested that Members further work towards convergence, while several other members considered that the time until the MC11 was too short to bridge the remaining gaps. The meeting also drew some pushback with some members expressing concerns about their ability to regulate. Other Members suggested reflecting on post Ministerial Conference work.

A plea to regulate bitcoin in India

The Supreme Court of India issued notices to ministries of finance, law and justice on the plea which sought the establishment of a panel to create a mechanism to regulate the flow of bitcoin. The [plea](#) also sought responses from the income-tax department and the Enforcement Directorate. The petitioner advocate claimed that the money used to buy bitcoin from foreign locations is completely untraceable and may be used for financial activities without any accountability. "Certain countries have made bitcoin (crypto money) subject to their respective tax regimes, while a few other countries have designated it as a commodity, thereby making bitcoin subject to government regulation and accountable to the exchequer, but no such mechanism exists in India till date".

E-Wallet cashless payment in Malaysia

Sarawak Pay, a cashless mobile payment solution was [officially launched](#) with the aim of empowering Sarawak State's digital economy agenda. Sarawak is the first state in Malaysia

to move into a cashless society. The solution enables payment through e-wallet, credit card and internet banking. The solution also features a 'Scan & Pay' function that allows the initiation of payment through scanning of a QR code which now can be used to pay bills for electricity, water and selected hotels. It said that next year the Sarawak state government will also be expanding this feature to all government agencies and other utility bills, local retailers and merchants in the state.

The European Commission launched a consultation on fair taxation of the digital economy

The European Commission has [launched a public consultation](#) on how the EU can ensure that the digital economy is taxed in a fair and growth-friendly way. "Our tax framework does not fit anymore with the development of the digital economy or with new business models," said the Commissioner for Economic and Financial Affairs. According to EC's communication on digital taxation, the objective of the initiative is to define an approach to the taxation of the digital economy which meet the goals of fairer and more effective taxation, supporting public revenue and a level playing field across businesses. This public consultation will feed into the work underway on the digital taxation proposals which will be presented early next year.

MOFCOM and Ministry of Industry, Trade and Services of Brazil Signed the Memorandum of Understanding on E-commerce

On September 1, under the witness of President Xi Jinping and Brazilian President Michel Temer, Minister Zhong Shan and Brazil's Minister of Industry, Trade and Services Marcos Pereira [signed](#) the Memorandum of Understanding on E-commerce Cooperation between China and Brazil. The MoU aims to build e-commerce cooperation mechanism and create a mutually beneficial development environment to promote the cooperation in e-commerce such as enterprise exchanges, vocational training and best practices sharing.

BUSINESS NEWS

Facebook fined €1.2M for violating privacy laws in Spain

In the framework of its investigation over data privacy, the Spanish Data Protection Agency verified that Facebook collects, stores and uses data, including specially protected data, for advertising purposes without clearly informing or obtaining the consent of users as required by data protection law. The Spanish Data Protection Agency (AEPD) [declared](#) two serious infringements and one very serious of the Organic Law on Data Protection (LOPD) and imposed on Facebook a penalty of 1,200,000 euros.

Amazon and taxation: the EU and U.S. strengthen the requirements

[According to The European Commission](#), Luxembourg granted undue tax benefits to Amazon amounting to approximately €250 million. This is considered illegal under EU state aid rules because it allowed Amazon to pay less tax than other businesses. Luxembourg must now recover the illegal aid. "Amazon was allowed to pay four times less tax than other

local companies subject to the same national tax rules. Member States cannot give selective tax benefits to multinational groups that are not available to others," said Commissioner Margarethe Vestager, in charge of competition policy.

It is not the first time Amazon faces issues regarding taxes. In October, the debate in the U.S. on sales taxes heated up. In online purchases, the customers are paying sales taxes on the purchases from Amazon only when they buy directly from the company. If they buy goods or services from a third party that uses the platform to sell, it is responsibility of the seller to collect the taxes. Many times, this does not happen. However, the situation could change from the 1st of December, when some merchants are expected to collect taxes in exchange for a tax reduction from half of the U.S. States.

Google complies with the EU antitrust requirements

Following the 28th of September deadline to comply with an [EU antitrust order](#), Google created a standalone shopping unit for its shopping service. The order aimed to push Google to implement a fairer advertisement system. The company was fined 2.4 billion euros (\$2.8 billion) for favouring its own services in search results.

As part of the EU remedies, the company will implement an advertising panel at the top of the search screen that will propose 10 different websites that are offering the searched product. The advertisement slots will be sold in an open auction to the interested retailers. The changes will affect only Google Europe.

PUBLICATION

New Pathways to E-commerce: A Global MSME Competitiveness Survey

On 25 September 2017, ITC launched an e-commerce survey [report](#). This first ITC e-commerce survey provides valuable insights that will allow countries to shape policies and practices that address the real business needs on the ground.

To ensure that micro, small and medium-sized enterprises (MSMEs) can benefit from e-commerce, they need better access to e-platforms, payment and delivery services; streamlined customs procedures; and targeted skill building. These are the key findings from this ITC survey of 2,200 MSMEs in 111 countries. In addition, the survey reveals that the share of logistics costs over final price is nearly double in developing countries than in developed countries and that product return is a significant cost factor for enterprises from least developed countries.

Happy 15th Anniversary to our partner agency Diplo Foundation



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