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INFORMAL WORKING GROUP ON MSMEs

UNITED KINGDOM PROPOSALS FOR MSMEs WORK PROGRAM PLANNING 2024

Communication from the United Kingdom

The following communication, dated 23 April 2024, is being circulated at the request of the delegation of the United Kingdom.

In response to a call for ideas for the MSME Group's next work program, the United Kingdom (UK) proposes three recommended areas of focus.

1 GOOD REGULATORY PRACTICE (GRP)

1.1. The UK supports strengthening the group's focus on promoting MSMEs inclusion in regulatory development in trade, as per Annex 4 in the 2020 package of Recommendations and Declarations.

1.2. GRP helps foster a stable and predictable regulatory environment, thereby increasing business confidence and compliance. In particular, the UK notes the importance of identifying ways for regulators and policy makers to take MSMEs into account when developing regulations.

1.3. The UK would like a presentation on Annex 4 to include recommendations for the group to consider. This includes:

1. Best Practice Guide on GRP for MSMEs – a collection of case studies from members on how they have considered MSMEs in regulatory development.
2. Best Practice Guide on how GRP can help resolve market access barriers for MSMEs.
3. Encouraging members to promote the inclusion of GRP in Regional Trade Agreements (RTAs).
4. Inviting individuals from other WTO groups or committees to a MSME IWG session and listen to a presentation on how governments can consider MSMEs in regulatory development.
 - The UK's presentation can cover an overview of the UK's Better Regulation Framework (BRF). This would be particularly fitting since we launched our reformed BRF in September 2023.
 - We would also share experiences of how the UK implements paragraphs 2(a)-(f) of Annex 4 domestically. This includes:
 - o regulatory impact assessments to assess the impact of proposed regulations on businesses;
 - o earlier scrutiny of regulations through public consultations to ensure that MSMEs can effectively influence policy proposals; and
 - o post-implementation reviews to ensure that regulations are still fit for purpose.
 - The UK can also touch on how we have used RTAs to further promote the use of GRP with international partners.

2 SUPPORTING WOMEN-LED MSMEs

2.1. The UK supports activities that directly benefit women-led MSMEs. This includes identifying new ways to keep the momentum following the launch of the Compendium on Access to Finance Initiatives for Women-Led MSMEs.

1. It is useful to understand how the Compendium on Access to Finance Initiatives for women-led MSMEs is used. We propose that members update the group on the real-world application of the initiatives included in the Compendium.
While the current Compendium is a live document, we propose launching a Refreshed version that incorporates real-life application examples. This will encourage future engagement and provide valuable insight into the use and impact of such initiatives on women-led MSMEs.
2. We encourage the sharing and exchange of information by MSME IWG members to support women-led MSMEs. The UK proposes actively working as a group to identify a mutual area of interest to build on the current Compendium. We recommend that following areas would benefit discussion and/or a group deliverable.
 - Supporting women-led MSMEs to scale up.
 - Supporting women-led MSMEs that face climate risks.
 - Supporting women-led MSMEs to access skills/education/expertise.
 - Supporting women-led MSMEs to access networks.

3 DIGITAL TRADE

3.1. The UK supports building momentum around previous MSME IWG discussions on trade digitalisation and its benefits for MSMEs, in particular paperless trading.

3.2. The group notably heard from Singapore (2023) and Bahrain (2021) on legislating UNCITRAL's Model Law on Electronic Transferable Records (MLETR). The UK successfully legislated MLETR under the Electronic Trade Documents Act (ETDA), allowing for the legal recognition of trade documents such as bills of lading and bills of exchange in electronic form.

3.3. We propose filling a knowledge gap with a presentation to the group sharing reflections from MSMEs on the opportunities and obstacles of paperless trading and utilising ETDA/MLETR. This could be a joint discussion that incorporates the experiences of a broad range of members' MSME experiences on adapting to paperless trading processes, with the aim of ensuring an inclusive presentation on paperless trading for members.

3.4. The MLETR forms an important part in the international community's efforts to harmonise global trade. The UK supports to raising awareness of global standards for trade digitalisation [INF/MSME/W/45].

3.5. A discussion on digital trade and its benefits for MSMEs could also include recommendations for the group to consider. This includes:

1. Best Practice Guide on Paperless Trading for MSMEs – A collection of case studies and practical tools provided by members that will support MSMEs transition towards paperless trading.
2. Update WTO's Cross-border Paperless Trade Toolkit to include MSME-relevant guidance.

3.6. The UK notes the Secretariat is actively considering new approaches to the MSME IWG sessions. We strongly support sessions that have a thematic focus, which will allow members more time to prepare for sessions and engage on the topics. Given the widely shared interest in digital trade, we propose a session in July or October 2024 that focuses on this topic, with particular attention on the opportunities and obstacles of paperless trading to MSMEs.
