



世界互联网大会  
World Internet  
Conference

# Report on Developments of International Normative Systems on Cross-Border E-commerce

World Internet Conference Working Group on  
Cross-Border E-Commerce

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## World Internet Conference Working Group on Cross-Border E-Commerce

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# 01 /

## Overview of the Global Development of Cross-Border E-Commerce and the Related International Normative Systems

As elucidated by Chinese President Xi Jinping, digital technology is assimilating comprehensively across all domains and processes of human economic, political, cultural, social, and ecological civilization. This assimilation is ushering in new concepts, business formats, and modalities, engendering a broad and profound impact on human production and life. Digitization and the Internet have also profoundly changed the environment, form and value chain composition of international trade, enabling the globalized market to become a more effective information system. Consequently, international trade has transcended into a new epoch of deep globalization, reveling in unprecedented development opportunities.

## Cross-border e-commerce has become a new engine of economic development

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As the main part of digital trade, cross-border e-commerce sales of goods or services via digital networks, characteristic of conclusion of contracts through digital networks. With the development of information and communication technology, supported by digital network technology, digital trade of goods, services and intellectual property rights has constituted a substantive portion of the total volume of international trade, enhanced trade efficiency, created new jobs and promoted economic growth and social progress. Against the background of deceleration of the world economy, e-commerce continues to uphold a robust growth trajectory, and becomes the new engine of global economic development.

Digital platforms<sup>1</sup> play a critical role in the rapid development of cross-border e-commerce, which enable micro, small and medium-sized enterprises (MSMEs), and even individuals, to enter the field of international trade and engage in direct trading activities with foreign subjects. The infusion of Artificial Intelligence (AI), Augmented Reality (AR), Virtual Reality (VR), and other avant-garde technologies are being extensively employed in cross-border e-commerce, changing the modes and business formats of international trade. Cross-border e-commerce is enabled by modern information networks, promoted by the new cutting-edge technologies,

and supported by digital platforms. It has driven a large number of MSMEs to engage in international trade and profoundly affected the pattern of world trade and global trade rules.

## Issues and Challenges in the Development of Cross-Border E-Commerce

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Cross-border e-commerce has emerged as a key and focal point in international economic and trade rule-making. In the international multilateral trade system, countries are exhibiting flexibility as they engage in trade systems like bilateral or regional ones tailored to their distinct circumstances. Global e-commerce negotiations on electronic contracts, signatures, invoices and consumer protection have yielded new consensus, while countries are still at odds on the topics of international taxes, market access, online fraud and cross-border data flow. With respect to the international trade rule-making on cross-border e-commerce, the negotiating and evolving processes are characteristic of coexistence of multiple paths, platforms and systems with mutual stimulation, as well as the concerns such as insufficient compatibility of international rules, which have led to issues and challenges such as the imbalance of the capacity of participants and the inconsistency of rules in various countries in the development of cross-border e-commerce.

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<sup>1</sup> Digital platform, also known as digital intermediary platform (DIP), enables multiple sellers to interact directly with multiple buyers under the rules provided by a specific carrier through network information technology to create value. It is characterized by not having ownership of goods or services within the platform but being a third party or "intermediary" that provides services.

### **1.Global development of cross-border e-commerce is uneven, and the digital divide extends to the field of trade.**

Huge disparities in terms of network penetration, infrastructure, degree of digitization, etc. among different countries and regions have led to highly uneven development of cross-border e-commerce in the world. Less than 2% of the total population in the least developed countries (LDCs) of Africa, Latin America, and the Caribbean engage in online shopping, accounting for an exceedingly low percentage of global cross-border e-commerce. In contrast, more than 50% of people in developed countries and regions, such as the European Union has engaged in online shopping. More than 60% of people in the Asia-Pacific area have access to the Internet, and Asia-Pacific accounts for over 60% of the world's online consumers. Today, when cross-border e-commerce is gradually becoming the main form of international trade, countries (especially least developed countries (LDCs) that lack the capacity to digitally transform their international trade through the internet are not only losing valuable development opportunities, but also facing the risk of being marginalized from the international trading system. The digital divide is widening into digital economy and digital trade divide.

### **2.The level of digitization varies every country, as does the policy climate for the development of cross-border e-commerce.**

The relevant policy and legal framework of countries in digital transformation is insufficient.

These countries not only lack effective legal policy protection in terms of the cross-border exchange of trade data and documents in electronic format, but also the relevant legal policy protection in terms of consumer rights, personal data and privacy protection, intellectual property rights, etc. Therefore, compared with developed countries and regions, countries in digital transformation are more vulnerable to international trade barriers and frictions, and the space for cross-border e-commerce business development is further narrowed.

### **3.The international normative system of cross-border e-commerce has become increasingly complex, while regulation is being intensified on a global scale.**

Many countries and regions have strengthened their policies and legal regulation on cross-border e-commerce and the regulation on cross-border e-commerce is intensifying, due to their political and economic interests. In particular, developed countries and regions are increasing related regulations with stronger penalties for non-compliance. For example, the European Union has successively enacted and enforced *the General Data Protection Regulation, Directive on Copyright in the Digital Singles Market, Digital Markets Act* and other rules. These measures have led to escalated compliance costs of digital platforms and small and medium-sized enterprises engaged in relevant cross-border e-commerce business, and the uncertainty and risk of transactions have increased. In addition, the international rules of cross-border e-commerce are



in the process of continuous development and evolution, while countries in digital transformation (especially LDCs) lack the ability to grasp and understand the changing international rules, this deficit leaves them in a state of disenfranchisement or semi-disenfranchisement at the pivotal juncture of the evolution of the international system of cross-border e-commerce.

**4. Countries in digital transformation lack the capacity and resources to implement measures to facilitate the import and export of goods in cross-border e-commerce.**

With the continuous development of the international system of cross-border e-commerce, not only are traditional multilateral systems such as the World Trade Organization active, but a large number of regional free trade agreements and digital economy agreements have emerged. However, countries

in digital transition have insufficient digital infrastructure in related areas such as transactions, logistics, and payments. They are also not able to effectively implement paperless, automated, and digital single window mechanisms for regulatory processes, which has led to inefficient trade, higher trade costs, and reduced competitiveness in the international market.





## 02/

# Innovations in Trade Facilitation Measures in Cross-Border E-Commerce

Based on the experience of countries and regions with well-developed cross-border e-commerce, the establishment of a digital single window, the adoption of cross-border paperless trade measures, and the execution of relevant capability-enhancing construction projects are the key efforts to promote the development of cross-border e-commerce.

## Digital single window mechanism simplifies the customs clearance process and enhances trade efficiency

Digital single window mechanism<sup>1</sup> is particularly important to promote and safeguard the development of cross-border e-commerce. The *WTO Trade Facilitation Agreement* entered into force on 22 February 2017 after two-thirds of the WTO membership completed their domestic ratification process, for the first time in international law, stipulates the “single window mechanism” as a general implementation obligation of members<sup>2</sup>. At present, more than 50 countries or regions around the world have implemented the single window mechanism, such as China, Australia, Japan, South Korea, Singapore, etc. Based on existing practical cases, digital single window has improved the efficiency and effectiveness of international trade while facilitating information exchange between participating entities.

### 1. The approach of the International Trade Single Window (ITSW) provides practical experience for countries in digital transformation

Assisting countries in digital transformation to promote the implementation of the digital single window mechanism has played an important role in facilitating the development of cross-border e-commerce. The difficulty for countries in digital transformation in implementing digital single window facilities stems from the need to

integrate the regulatory mechanisms and measures of customs, taxation, entry-exit inspection and quarantine, and payment and settlement and to establish a multi-sectoral, multidisciplinary, multi-mechanism synergistic regulatory system, so as to achieve the ultimate goal of information sharing, mutual recognition of regulation, and mutual assistance in law enforcement among various departments and agencies. Nonetheless, the journey towards cross-sectoral data-sharing and network interoperability necessitates a solid legal foundation and strong political will. Its challenging to accomplish such a transformation in a truncated time frame and in absence of robust promotion at the national level.

With the integration of commerce, customs, inspection and quarantine, foreign exchange clearance, customs duty and other import and export regulatory departments, China's single window<sup>3</sup>, such as China Shanghai International Trade Single Window, realize data inter-connectivity and the whole link and process monitoring, covering both goods trade and service trade. It enables information exchange and data sharing for cargo declaration, payment and settlement, financial services, and smart port inspection, etc., which earns global recognition in the World Bank 2019 Report. At the same time, it integrates with the national standard version, provides port cargo status tracking, port fee publicity and other functions. It is also promoting the sharing of information related to customs clearance and logistics, encouraging relevant units such as water transportation, railways, aviation and highway

<sup>1</sup> As defined by the United Nations Centre for Trade Facilitation and Electronic Operations (UN/CEFACT) Standard No. 33 of 2005, a “single window” is a measure whereby all parties involved in international trade and transport can submit, in a single registration point and in a single electronic submission standardized information, documents and data that satisfy all import, export and transit-related regulatory requirements.

<sup>2</sup> General implementation obligation of members, i.e. members should endeavour to establish a single window mechanism whereby foreign traders submit relevant documents and data for the purpose of importing, exporting and trans-shipment of goods to a single authority in the country concerned; and members states should, to the extent possible and feasible, use information technology to support the implementation of the “single window mechanism”.

<sup>3</sup> China's “single window” refers to a one-stop foreign trade service platform coordinated and promoted by the Inter-Ministerial Joint Conference on Port Work at the national level, relying on the construction of a public platform for the electronic ports.



ports to share with the Single Window the information on the entry and exit of goods to and from yards, the flow of operations and other logistics nodes, and providing enterprises with a full range of “one-stop” information services such as booking inspections, applications for transferring containers and inquiries on delivery and inspection. In addition, it has increased the information linkage between the Certificate of Inspection and Quarantine of Inbound Goods, championed the utilization of the electronic Certificate of Container Loading for Dangerous Goods.

ITSW has simplified and improved the customs clearance process of cross-border e-commerce goods, effectuated the functions of trade entities and trading platforms in single window operation and fully enhanced the clearance efficiency. China’s practical experience may offer valuable insights to other countries in digital transformation. This practical experience enables them to implement a single-window mechanism tailored to their specific cross-border e-commerce features.

## **2. The cross-border e-commerce comprehensive pilot zone innovates management rules to simplify declaration and customs clearance procedures for enterprises**

**The approach of the cross-border e-commerce comprehensive pilot zone is in line with the characteristics of digital single window, significantly enhancing the level of trade facilitation and administrative efficiency.** Adapting to the unique demands of cross-border e-commerce,

China has established comprehensive pilot zones for cross-border e-commerce in Hangzhou and other places (the Comprehensive Pilot Zones) for pilot implementation of centralized declaration, inspection and release of imported and exported commodities and other measures to facilitate customs clearance. The online integrated service platform of the comprehensive pilot zones implements the principle of “one-point access”, which enables cross-border e-commerce operators to meet the requirements of import and export supervision by making a one-time submission of ordering, logistic and payment data. Government departments such as commerce, customs, taxation, industry and commerce, inspection and quarantine, postal services and foreign exchange obtain data through the comprehensive service platform, exchanging and interconnecting data, implementing functional management, and feeding back the results of law enforcement to the operators via the platform.

The “Customs Supervision Program of China (Hangzhou) Cross-border E-commerce Comprehensive Pilot Zone” innovates cross-border e-commerce management in terms of simplified categorization, clearing and releasing, aggregated statistics and batch customs transfer. For example, for checklist release, e-commerce exporters are allowed to submit information on commodity, logistic, payment, etc. to the “Single Window”, and the Customs and Excise Department will directly review the “checklist” and go through the procedures to release the

goods. For batch customs transfers, Customs at the pilot zone can input the name of the transferred goods into “a batch of cross-border e-commerce goods” using a master waybill for easy customs clearance. This innovative management method significantly simplifies declaration procedures for enterprises, reduces Customs' examination pressure, and promotes the development of cross-border e-commerce.

The relevant pilot zones in China offer valuable practical experience that can be used as a reference for countries in digital transformation. This experience can provide viable initiatives for enhancing the development cross-border e-commerce in these countries in accordance with local conditions.

## Cross-border paperless facilitation measures promote the sustainable development of cross-border e-commerce

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**Whether the cross-border paperless trade system can achieve connectivity is crucial to the sustainable development of cross-border e-commerce.** Cross-border connectivity in the realm of paperless trade systems demands not only network communication technology and the relevant physical infrastructure but also a harmonized international legal framework.

### 1. Efficient implementation of cross-border

### paperless trade necessitates legal system safeguards.

**The recognition and implementation of cross-border paperless trade by participating countries necessitates an international legal framework.** The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) was the pioneering organization to collaborate on cross-border paperless trade, and ratified the Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (hereinafter referred to as the “Framework Agreement”) in May 2016.

This Framework Agreement mandates that Member States to mutually recognize the trade data and documents in electronic form originating from other Member States, on the condition that these electronic data and documents maintain a substantive equivalence of reliability. And member States shall implement cross-border mutual recognition of electronic data and documents. The Agreement permits Member States to forge bilateral and multilateral agreements for operationalizing cross-border mutual recognition of trade data and documents in electronic form, aligning with the principles propounded in the Agreement. Through these bilateral or multilateral mechanisms, Member States may reach a consensus on the criteria for evaluating and recognizing the reliability of trade documents and data in electronic form.

The Agreement encourages Member States to spearhead pilot projects that involve the cross-border

der exchange of trade data and documents in electronic format. It also encourages Member States to cooperate among customs and other regulatory authorities, to promote the exchange of experience and best practices for enhancing the mutual compatibility in the cross-border exchange of trade data and documents in electronic form, with a view to facilitating the implementation of cross-border paperless trade on a regional and wider scale. A prime exemplar of this is the ongoing pilot cooperation between China and Singapore to establish a “one-stop cross-border customs clearance solution” dubbed “single declaration for bilateral customs clearance”. Additionally, they are collectively advancing the pilot operations of the Single Window Connectivity Alliance Block Chain to hasten international trade facilitation and bolster security.

## **2. Digital platforms offer new path for cross-border paperless trade facilitation**

**Digital platforms build bridges for cross-border mutual recognition of electronic data and documents.** The key to cross-border mutual recognition of trade data and documents in electronic form hinges on mutual trust between importing and exporting countries, as well as the security and stability of data and network systems. Digital platforms engaged in cross-border e-commerce may enhance mutual trust among trading countries and ensure the reliable transmission of data. In cross-border e-commerce, digital platforms (especially large platforms), based on their long-term operation in importing and exporting countries, are likely to enjoy the trust and

recognition of the supervisory authorities of the importing and exporting countries. Submission of relevant trade data and documents in electronic form by the platforms to the importing and exporting countries respectively may de facto reach the goal of cross-border mutual recognition of trade data and documents, and stimulate the international legal arrangements between the import and export countries.

At the end of 2018, the Belgian government and Alibaba Group signed a *Memorandum of Understanding on the Electronic World Trade Platform (eWTP)* in Liege. The two sides jointly built the Belgian Liège Smart Hub (eHub), which supports SMEs in cross-border trade, combining trunk transportation, customs clearance, air cargo terminal, and warehousing to directly optimize the logistics clearance time frame. Cainiao Group's logistics network covering more than 200 countries and regions around the world has realized the digitization of the entire chain of warehousing, express delivery, parcels and vehicles. In March 2020, Alibaba and Belgian Customs cooperated to develop the eWTP Belgium Public Service Platform, which enables real-time querying of progress from merchants, warehouses, and logistics companies. In July 2021, with a view to helping merchants to comply with export regulations conveniently, the Belgian Ministry of Finance, Customs and eWTP worked together to provide a one-stop solution through the eWTP Overseas Public Service Platform (PSP). Through the PSP, the Belgian government can



achieve digital and transparent supervision, improve the efficiency of government supervision, and reduce the cost of supervision. Enterprises can also digitize to reduce their customs clearance costs. The Global Supply Chain System, launched by Amazon in September 2023, automates and digitizes the entire process from collection at the place of production, cross-border transportation, customs clearance to delivery to the consumer.

Although the sustainability of this approach depends on bilateral trade institutional arrangements between importing and exporting countries, it reduces the trade costs of MSMEs and provides new possibilities for countries in digital transformation to implement cross-border paperless trade facilitation measures.

## Capacity building promotes the transformation and upgrading of cross-border e-commerce enterprises

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**Countries undergoing digital transformation are significant markets for cross-border e-commerce, with a multitude of their enterprises, including MSMEs, being active operators within this sphere.** A large portion of MSMEs engaged in cross-border e-commerce lacks the capacity to operate in a compliant manner. While relevant capacity-building projects can enable enterprises to establish a complete transaction chain, so that they

can have a clearer picture of the flow of funds, the movement of logistics, and the progress of customs clearance, thus enhancing the quality of their services and their effectiveness.

### **1. Entrepreneur Supportive Programs enhance the knowledge and skills of cross-border e-commerce enterprises**

**Multifaceted and multichannel capacity building programs can play an important role in helping SMEs to acquire the knowledge and skills to participate in cross-border e-commerce.**

In 2020, eWTP organized 42 entrepreneurs from Ethiopia to participate in an 8-week online course, and in January 2021, 39 of them launched the Ethiopian Digital Transformation Association with the support of the government, with 60 companies from various industries participating in it. The Association's main focus is to train Ethiopian public policy makers, SMEs and institutions on digital transformation and help Ethiopian companies connect to business networks in China and globally by organizing entrepreneurship competitions.

The owner of a Malaysian company engaged in logistics and packaging business came to Hangzhou in 2019 to participate in eWTP's "Global Digital Talent Training". He was deeply influenced by the development of rural e-commerce in China and launched the "Digital Village" program after returning home. Through cooperation with the government, the program covers 9 of the 14 states in Malaysia. In two years, on the basis of solving the problems of electricity, internet and payment in rural

Malaysia, it not only helped farmers learn to buy things through e-commerce, but also helped them sell local agricultural products to the city through e-commerce.

WorldFirst<sup>1</sup> has created the Global Voyage Program for cross-border SMEs, providing globally unified multifunctional accounts for “receiving, paying, managing, cashing, and lending” to help enterprises realize the goal of “selling globally through one account”. Through official cooperation with more than 30 popular cross-border e-commerce companies, independent website platforms and service providers around the world, the program also builds a green channel for SMEs to set up stores and Eco-channels, helping sellers find the most suitable platforms and service providers, so that they can quickly settle in the store and set up stores in large quantities. The program helps to enhance the digital operation technology capability of SMEs, enabling them to quickly master cross-border e-commerce skills through the Voyage Open Course, and promoting the upgrade from “product exportation” to “brand product exportation”.

## **2. Overseas Brands Supportive Initiative assists enterprises to build their own brands**

**The digital platform empowers the brand operation of MSMEs.** Pinduoduo has rolled out the “DuoDuo Overseas Brand Supportive Program” on its cross-border platform, championing the overseas venture of 100 manufacturing brands in its inaugural phase. The program has spread across over 100 manufacturing hubs situated in Guangdong, Zheji-

ang, Shandong, Anhui and beyond, aiding the foray of high-caliber manufacturing products into more than 40 countries spanning North America, Australia, Europe, and Asia. This is accomplished through a suite of comprehensive services encapsulating digital-real synergy, brand incubation, logistics backing, legal support, and resource subsidies. With the help of the program, Chinese manufacturing entities are waving goodbye to the conventional OEM model, embarking on a rejuvenated pathway overseas. Through a flexible customer-to-business model, and harnessing the digital platform for real-time feedback, the program is facilitating manufacturers to acclimatize swiftly to international market flux, enabling prompt production adjustments to significantly alleviate production costs and inventory pressure, and leveraging cutting-edge technologies to effectively dismantle trade and logistics hurdles, broadening the overseas sales spectrum of their high-quality products.

## **3. Government-Enterprise Cooperation Projects promote the transformation and upgrading of local enterprises**

**To foster the healthy and stable growth of cross-border e-commerce, it is required that governments sustain communication and collaboration with digital platforms.** A notable instance is the memorandum of cooperation established between Hangzhou Comprehensive Pilot Zone and Amazon focusing on export cross-border e-commerce in May 2016. Following this, in 2017, the “Hangzhou Cross-border E-commerce Park”

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<sup>1</sup> WorldFirst, established in 2004, and became a wholly-owned subsidiary of Ant Group in 2019. It is a professional platform for cross-border payment, cross-border collection, cross-border e-commerce collection and payment, and global collection and payment platform.

under Amazon Global Selling was established. In 2019, Hangzhou Comprehensive Pilot Zone and Amazon collaboratively nurtured the “Top 50 Amazon Global Selling Hangzhou Brands” enterprises, propelling the advancement of Hangzhou's specialized industrial zone. In addition, the two sides have also conducted a series of activities such as “Top100” special action, talent cultivation, brand building, and Amazon Global Selling Direct Procurement Conference. These endeavors have effectively spurred the transformation and elevation of manufacturing enterprises and especially SMEs in Hangzhou, and even across Zhejiang Province.







## 03/

# Legal and Policy Environment for Sustainable and High-Quality Development of Cross-Border E-Commerce

The development of cross-border e-commerce depends on an appropriate policy and legal environment. While most countries already possess a legal framework in consumer rights protection, intellectual property protection, platform governance, etc., some countries in digital transformation still exhibit a deficit in understanding and readiness concerning novel legal challenges brought out by emerging technologies. To form an institutional environment conducive to the growth of cross-border e-commerce, countries in digital transformation need to address new issues and undergo revisions and enhancements of their legislation and regulations in a timely manner.

## Consumer Protection enhances confidence in the cross-border e-commerce market

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**Whether consumer rights, such as the right to personal data and private information, can be effectively protected, is related to consumers' trust in cross-border e-commerce and the sustainable development of the market.** New concerns regarding consumer protection have emerged as a result of the growth of information technology, particularly the use of digital technologies such as algorithmic recommendation and online advertising in cross-border e-commerce. Among them, algorithm-driven personal data profiling and precise matching have drawn public attention. Algorithmic recommendation technology assists platform merchants in gaining insights into consumers' psychological tendencies and consumption potential. And these algorithms can empower businesses to meddle with the information display by blocking certain information, heavily recommending others, manipulating the ranking ordering of search results, and controlling the hot searches or selections. Consumers are being flooded with personalized information, which includes filtering and selection, search results etc., and they are surrounded by a large amount of homogenized information, which amplifies the information cocoon effect. They are even forced to accept "customized" prices due to the merchants' use of algorithms to

calculate their own consumption capacity, which seriously affects the online shopping experience of consumers.

These marketing practices have been regulated under the international laws. For example, *EU General Data Protection Regulation* stipulates that data subject shall have the right to object the purely automated processing of personal data, such as data profiling, that produces legal effects or other significant impacts. *China's Personal Information Protection Law* stipulates that algorithm recommendation technology automatically analyzes and evaluates consumers' personal information through computer programs, and is able to accurately identifying consumers' behavioral habits, hobbies, or economic, health, credit status, etc. However, for decisions that have a significant impact on consumers' rights and interests, consumers have the right to request that the operator explain the basic principles, purpose and main operating mechanisms of the algorithm, and have the right to reject the operator's hierarchical classification and differentiated treatment through the algorithm recommendation method. The introduction of these laws provides lessons on personal data protection for countries in digital transformation.

## Intellectual Property Protection promotes the formation of a good business environment

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**Whether the intellectual property rights of digital platforms are adequately protected has impacts on the business environment building for digital platforms.** A large number of MSMEs engaged in cross-border e-commerce on the platforms are likely to give rise to intellectual property issues. On the basis of previous lessons, platform intellectual property right protection is developing towards a comprehensive protection system with “preventive measures, in-process governance, and post-event accountability”.

Digital platforms have evolved from the common practice of “taking measures such as restricting or terminating access to notified online content” to “acting more proactively in their notification mechanism, rather than reacting in a reactive manner” in relation to the treatment of infringing content. For example, in *Directive on Copyright in the Digital Singles Market*<sup>1</sup> which was enacted and implemented by the European Union in 2019, the status and role of digital platforms in dealing with intellectual property infringement have changed significantly, and they are required not only to judge and determine whether a copyright notification is “sufficiently substantiated” and appropriately justified in accordance with the law, but also to consider whether the content being notified. It is

also necessary to consider whether the notified content is non-infringing content and no longer relies on the words of the copyright owner. *Digital Services Act*<sup>2</sup> further develops the notification mechanism for digital platforms. If a digital platform imposes governance measures on a merchant, such as a take-down, it is subject to legal obligations and the scrutiny of a dispute resolution process. Digital platforms are required to provide clear explanation for the removal of the platform operator’s goods, including the geographical scope of the removal, the legal norms or platform rules on which the removal is based, and the remedies that the operator may seek. The development of the notification mechanism reflects respect for and protection of the legitimate rights and interests of merchants (especially MSMEs) on the platform.

Attention should be given to the protection of intellectual property rights on digital platforms. In addition to undertaking due diligence and adopting effective technical measures information filtering to prevent intellectual property infringement, digital platforms should also strengthen cooperation with intellectual property rights holders to promptly prevent and stop infringement of intellectual property rights on their platform in a timely manner. Digital platforms should guarantee that all relevant intellectual property rights holders (both inside and outside the platform) participate in the platform’s intellectual property rights prevention and governance activities. At the same time, digital platforms should make it possible for intellectual property rights holders outside the platform

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<sup>1</sup> Directive on Copyright in the Digital Singles Market stipulates: “Upon receiving a well-documented notification from the copyright owner, online content sharing service providers shall promptly take action to terminate access to or remove the notified content from the website. They shall use their best efforts to prevent the notified content from being re-uploaded. The copyright owner must provide appropriate and justified reasons when requesting the service provider to take the relevant measures. The service provider must collaborate with the copyright owner to prevent innocent blocking or removal of user-uploaded non-infringing content.”

<sup>2</sup> Digital Services Law stipulates: “A digital platform offering network storage should create an electronic notification system that is easy to access and user-friendly. The platform must also transparently publish any imposed terms and conditions that restrict the operator in clear, unambiguous language and an easily accessible format. Additionally, the platform should prudently, objectively, and proportionately act while considering the interests and rights of parties involved when restricting or disposing of the operator based on the aforementioned terms and conditions. The Platform must exercise caution and objectivity in a proportional manner, while considering the rights and legitimate interests of the parties concerned, when imposing restrictions or disciplinary actions on the Platform Operator in accordance with the terms and conditions. The downsized operator must be given the chance to file a complaint and seek remedies through the platform’s mechanisms. If the operator is still discontented with the platform’s decision, he or she shall be entitled to seek further remedies through the EU’s non-litigation dispute resolution procedure.”



to participate in and possess the same treatment as those within the platform.

## Non-litigious dispute resolution mechanisms enhance efficiency of online Cross-Border E-Commerce Cases

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**Digital technology innovates the way of online transaction dispute governance.** In the course of cross-border e-commerce operations, various disputes may arise between merchants and consumers, between intellectual property owners and merchants, between merchants and digital platforms. When cross-border disputes arise, due to the limitations of the digital platform's own resources and capabilities, it is difficult to make judgments on complex factual and legal issues. If resolving through litigation, the existence of extraterritorial jurisdiction and the complexity of applying the law will lead to a quite long time and high cost of the disputing parties. Consequently, fast and efficient non-litigation procedures have been developed. For example, *EU Regulation on consumer ODR*<sup>1</sup>, based on the framework of the EU Digital Single Market, explicitly puts forward the requirements of online dispute resolution mechanism and stipulates that online dispute resolution for consumers should be operated through professional dispute resolution service providers rather than platform operators, providing e-commerce operators and consumers

with a cross-border, multilingual, simple, fast and cost-effective non-litigation online dispute resolution mechanism.

The Digital Platform resolves disputes within the platform by authorizing a professional and independent third-party dispute resolution provider in accordance with the platform's rules and online system. For example, Amazon initiated a specialized expert dispute resolution mechanism in 2019 for tackling patent disputes. The right holder of a U.S. design patent may send a notice of infringement to the Amazon platform, identifying the infringing goods on the platform and the reasons why they constitute patent infringement. Amazon then notifies the alleged infringing on-platform operator to engage with the right holder to seek a resolution. If the negotiation fails, the right holder may notify Amazon again and enter into an expert dispute resolution process. A patent attorney designated by Amazon will, based on both parties' submissions, adjudicate the dispute within a two-month time frame. Online Dispute Resolution Mechanism of Digital Platforms are simple and fast. Online case management and operations can significantly improve the efficiency of trial and save time and costs. The digital platform dispute resolution mechanism does not affect judicial authority, as parties dissatisfied with the outcome of the dispute resolution can still sue in a court of competent authority.

The introduction of non-litigious dispute resolution mechanisms has adapted to the needs of online dispute resolution on digital platforms. The online

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<sup>1</sup> Regulation on Consumers ODR stipulates: " In the EU's 27 member states, consumers can lodge cross-border e-commerce dispute complaints via an online dispute resolution platform. These grievances can be resolved by dispute resolution service providers who are registered on the platform. All e-commerce operators operating within the European Union are obligated to feature a conspicuously displayed link on their websites to the platform for online dispute resolution. Furthermore, they should furnish customers with their online contact details and the relevant electronic dispute resolution service provider. It is equally important that consumers are made aware of the procedures for accessing and employing the online dispute resolution platform."

dispute resolution mechanism improves the efficiency of dispute resolution, reduces the cost of dispute resolution, and promotes the digitization and intelligence of dispute resolution methods.

## Digital platform supervision ensures the healthy development of cross-border e-commerce

**The ability to effectively govern and regulate digital platforms impacts the development of a sustainable digital platform economy.** In their vast virtual markets, digital platforms have significant governance powers and capacity which they exploit by formulating and enforcing platform regulation<sup>1</sup>, as well as derived service agreements. Digital platforms are capable of disrupting the current market order if they lose control. As a result, governance of the Platform needs to be strengthened.

It is an extremely difficult challenge to regulate the Digital Platforms efficiently. If merchants or consumers have disputes with a platform, they commonly make complaints to government authorities or initiate legal proceedings. In addition, investigations of digital platforms may be launched by regulatory authorities on an ex officio basis. However, this does not meet the current requirements for regulating digital platforms, which are constantly evolving. *China's E-Commerce Law*<sup>2</sup> has pioneered some noteworthy mechanisms in regulating the

governance of digital platforms, acknowledges the essence of platform governance while incorporating platform rules and governance into legal system, clarifies the legal obligations of platforms to carry out governance, and also puts forward a series of requirements for platforms to formulate and implement rules, introduces legal innovations such as pluralistic governance and public supervision, and establishes the legal principle of joint participation of all interested parties in formulating and implementing the rules of platforms. The implementation of *China's E-Commerce Law* has made businesses and consumers on the platform are no longer passive recipients of platform rules and governance, but rather active participants in platform governance vested with legal rights. Not only do they have the right to file complaints and reports on any improper governance behaviors implemented by the platform and to seek legal remedies, but they can also directly participate in the process of modifying platform rules and voice their opinions comprehensively. *China's E-Commerce Law* concentrates on the entities linked to the platform and enhances the management of such platforms.

The regulation of digital platforms attracts widespread attention from various stakeholders. It is essential to fully respect their rights as relevant stakeholders and drive a full involvement of all actors with regard to the governance and supervision of those platforms so that they can play an important role in supporting cross border e-commerce.

<sup>1</sup> Platform regulations refer to the formal policies and guidelines formulated and implemented by the platform. These contractual terms are binding on all platform operators and consumers through service agreements. It is necessary to adhere to both regulations and contractual terms for successful use of the platform.

<sup>2</sup> China's E-Commerce Law stipulates: "The platform must adhere to the principles of impartiality, openness, and fairness when establishing the service agreement and rules for the platform to specify the rights and obligations of its users (merchants and consumers). If the platform intends to modify its operational guidelines, it is required to openly solicit feedback in a prominent position on its homepage. Additionally, measures must be put in place to guarantee that all interested parties, including merchants, consumers, and members of the public outside of the platform, are given an opportunity to express their views in a timely fashion. Additionally, measures must be put in place to guarantee that all interested parties, including merchants, consumers, and members of the public outside of the platform, are given an opportunity to express their views in a timely fashion. (Current Practice)"





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## Recommendations and Proposed Action Plan of the World Internet Conference Working Group on Cross-Border E-Commerce

The World Internet Conference (WIC) Working Group on Cross-border E-commerce gathers the strengths of leading Internet enterprises, international organizations, industry associations and academic institutions, and presents the following recommendations and action plan for promoting the development of cross-border e-commerce business and building international rules on cross-border e-commerce.



## Recommendations

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### **1. Building digital infrastructure adapted to the development of cross-border e-commerce.**

Countries in digital transformation should actively develop network communication technologies, improve digital infrastructure, and promote the construction of digital infrastructure systems serving cross-border e-commerce warehousing, logistics and payment services to enhance trade efficiency.

### **2. Establishing Digital Single Window.**

Support countries undergoing digital transformation to establish digital single window facilities or other comprehensive public service platforms adaptive to the needs of cross-border e-commerce, to realize multi-sectoral, multidisciplinary and multi-mechanism information sharing, mutual recognition of supervision and mutual assistance in law enforcement.

### **3. Jointly promoting the interconnection and interoperability of the Digital Single Window.**

Pilot the one-stop cross-border customs clearance solution of “single declaration for bilateral customs clearance” among the trading partner countries, and encourage data exchange and its interconnection and interoperability of the Digital Single Window.

**4. Encouraging the implementation of Paperless Facilitation Measures.** Promoting trading partner countries or regions to recognize validity of electronic trade data and documents transmitting through cross-border e-commerce

platforms, and encouraging countries or regions to adopt corresponding laws to support the interconnection of cross-border paperless trade systems to ensure the advantages and efficiency of paperless trade measures in cross-border e-commerce.

**5. Supporting cross-border e-commerce capacity building.** Providing feasible and practical capacity building programs including training on cross-border e-commerce knowledge and skills training, overseas branding, policy and legal knowledge for countries and MSMEs in digital transformation.

**6. Establishing a harmonized policy and legal environment congruent with the development of cross-border e-commerce.** To effectively protect consumer rights and personal information amidst the advent of new technologies such as artificial intelligence, and to promote digital platforms to strengthen intellectual property protection and develop online mechanisms for rapid resolution of related dispute.

**7. Creating new legal regulation on digital platform governance.** Encouraging joint participation and supervision of governmental agencies, enterprises, consumers, civil society organizations and other stakeholders for a win-win solution.

**8. Promoting the coordinated development of the international normative system for cross-border e-commerce.** Supporting countries in digital transition by creating policy and legal frameworks that cater to the growth of cross-border e-commerce, and assisting them in protecting their

interests within the international system of cross-border e-commerce development.

## Proposed Action Plan

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**1. To establish a platform for global discussion and collaboration.** Actively organizing international seminars and thematic forums in the field of cross-border e-commerce, establishing a regular mechanism to facilitate exchanges and cooperation among the relevant government, industry, academia, and research sectors. Adhering to the principle of multilateral and multi-party participation, embarking on comprehensive research, relying on practical experiences, extensively garnering feedback from all stakeholders, and eventually generating international documents of various natures such as reports, guidelines, statements, declarations, etc.

**2. To promote best practices facilitating the development of cross-border e-commerce.** Continue to gather practical cases facilitating cross-border e-commerce, promote best practices globally based on the WIC platform by organizing trainings and setting up related programs, so as to facilitate mutual complementarity of advantages and common growth, as well as support countries undergoing digital transformation in participating fully and benefit from the Internet.

### **3. To facilitate the formation of an open, fair and inclusive international normative system for cross-border e-commerce.**

Actively participating in international agendas regarding the international normative systems of cross-border e-commerce organized by the United Nations, the World Trade Organization and the Shanghai Cooperation Organization, etc., and engaging in relevant international negotiations. Encouraging and assisting countries in digital transformation to exchange views in these negotiations. Giving full play to the role of the various participants, including international agencies, enterprises, academic institutions and industry associations, investigating and devising in multilateral systems fair and equitable global norms on cross-border e-commerce that impartially reflect the wills and interests of the majority parties involved.