RELEVANCE OF DIGITALIZATION OF TRADE & E-CONTRACT IN DIGITAL AGE

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Abstract: The fast development of digital technology is driving a sea change in the world of trade and commerce in the modern day. One of the most notable breakthroughs that has resulted from this growth is the advent of e-contracts, which completely alter the way commercial transactions are carried out. Electronic contracts, or e-contracts, are radically altering the conventional contracting process by providing a more streamlined and efficient means of drafting, negotiating, and carrying out agreements in the digital sphere. Additionally, in the contemporary scenario, digitization of trade is being propelled by the creation of laws and policies on a worldwide scale that encourage electronic transactions and the free flow of cross-border trade. This paper examines this facet of globalized trade in the modern era via a global lens.

Keywords: *Digital Trade, E-contract, Electronic transactions, Legal aspect.*

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I. INTRODUCTION

Digitalisation is profoundly impacting international trade, changing its scale, scope, and speed. It has led to more traditional trade, more digitally ordered parcels, more digitally delivered services, 'smarter' and connected goods, and more data crossing international borders.[1] World Trade Organization (WTO), the Organization for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF), and the United Nations Conference on Trade and Development (UNCTAD) in their report[2] have defined "digital trade" as any international commercial transaction that is ordered and/or delivered digitally. A large portion of the world economy is now devoted to it. The entire value of digitally provided services exported in 2022 was $3.82 trillion, or 54% of all services exported worldwide and 12% of all products and services exported. Digitally provided services were projected to rise at an average yearly pace of 8.1% from 2005 to 2022, outpacing both commodities exports (5.6%) and other services exports (4.2%), according to the World Trade Organization report on Digital Trade for development[3] in 2023. Digital trade encompasses both digitally supplied services and digitally ordered trade. Digital ordering is becoming essential for companies to efficiently connect with and receive orders from clients domestically and internationally. While data on digitally ordered trade is few, its portion of exports seems to be increasing quickly, especially in various developing countries. Between 2015 and 2019, the share of exports in Malaysia rose from 5% to 8%, while in Thailand, it more than doubled from 2% in 2015 to 5% in 2021. In 2023, digitally ordered exports in Canada increased by more than one-third since 2019, reaching 11 per cent.[4]

Businesses are able to offer goods and services across borders more swiftly and efficiently thanks to digital trade, which is rapidly expanding and highlighting the growing significance and impact of digital technology in the global economy. To keep businesses running, get products to customers, diversify supply chains, and break into new markets amid the COVID-

[1] OECD Global Forum on Trade 2023 "Making Digital Trade Work for All, <https://www.oecd.org/trade/OECD-key-issues-in-digital-trade.pdf> accessed 22 October 2023

[2] The International Monetary Fund, the Organisation for Economic Co-operation and Development, the United Nations, The World Bank and the World Trade Organization, 2023, WTO ISBN 978-92-870-7543-7 (PDF) <https://www.wto.org/english/res_e/booksp_e/dtd2023_e.pdf.> accessed 17 December 2023

[3] The International Monetary Fund, the Organisation for Economic Co-operation and Development, the United Nations, The World Bank and the World Trade Organization, 2023, WTO ISBN 978-92-870-7543-7 (PDF) < https://www.wto.org/english/res_e/booksp_e/dtd2023_e.pdf.> accessed 12 December 2023

[4] The International Monetary Fund, the Organisation for Economic Co-operation and Development, the United Nations, The World Bank and the World Trade Organization, 2023, WTO ISBN 978-92-870-7543-7 (PDF) <https://www.wto.org/english/res_e/booksp_e/dtd2023_e.pdf.> accessed 21 December 2023

19 pandemic, digital trade has become an essential instrument. Everyone from politicians to companies to consumers is navigating the possibilities and threats posed by the growing digital economy. In order to keep up with the ever-changing economic landscape, it is essential to make the most of digital trade while ensuring its accessibility and sustainability. An important subject in the modern international trading system, the effect of digital trade on development has been the subject of a joint study by the International Monetary Fund, the UN Conference on Trade and Development, the World Bank, the World Trade Organization, and the Organization for Economic Cooperation and Development in its report.

In the dynamic landscape of modern commerce, the transformational impact of technology is undeniable. Traditional methods are giving way to digital solutions that offer greater efficiency, accessibility, and security. E-contracts stand at the forefront of this digital revolution, offering businesses a sophisticated way to handle agreements while saving time, resources, and efforts. This article explores the various aspects of e-contracts and their pivotal role in digitally empowering commerce.

II. LEGAL FRAMEWORK OF ELECTRONIC CONTRACT

Relevance of E-Contracts in digital trade

E-contracts, at their core, are agreements that are formed, signed, and stored in electronic format. These contracts cover a wide spectrum of agreements, ranging from simple purchase orders to complex business transactions. E-contracts are facilitated by various electronic platforms and software that provide tools for drafting, negotiation, collaboration, and signing. The adoption of e-contracts brings forth a plethora of benefits for businesses of all sizes. One of the most compelling advantages is the significant reduction in paperwork and administrative burdens. Traditional contracts involve printing, mailing, and physical storage, leading to delays and costs. E-contracts, on the other hand, streamline these processes by enabling parties to draft, review, and sign contracts digitally.

To ensure the legality and validity of e-contracts, they must correspond to the legal criteria of electronic signatures and contract creation. Various laws and regulations govern electronic signatures' enforceability, emphasizing factors such as mutual consent, intent, and the capability to attribute the signature to the signatory. Adhering to these regulations is vital to maintaining the credibility and enforceability of e-contracts.

III. KEY FEATURES OF E-CONTRACT PLATFORMS

E-contract platforms offer a range of features that facilitate seamless contract management. These platforms often provide customizable templates for various contract types, enabling businesses to create agreements tailored to their specific needs. Additionally, real-time collaboration tools allow multiple parties to collaborate on a contract simultaneously, reducing negotiation timelines.

- *Digital Signatures*: The security of e-contracts is fortified by digital signatures, which provide a level of authenticity and security unmatched by traditional ink signatures. Digital signatures utilize encryption technology to uniquely link the signer to the document. This process ensures the document’s integrity and confirms the signer’s identity, mitigating the risk of fraud and tampering.
- Can e-contracts be used for international transactions?
  Absolutely, e-contracts transcend geographical boundaries, facilitating international trade by simplifying negotiations and agreements between parties in different countries.
- Which industries can profit from e-contracts?
  E-contracts have broad applicability and can benefit industries such as real estate, healthcare, finance, manufacturing, and more, by optimizing processes and enhancing efficiency.
- What does the future hold for e-contracts?
  The future of e-contracts involves the integration of AI for contract analysis, further utilization of blockchain for security, and the ongoing efforts towards standardization for enhanced interoperability among platforms.

IV. RELEVANCE OF E-CONTRACT IN DIGITALIZED TRADE

The integration of e-contracts into business operations leads to significant process optimization. Contract negotiation, review, and approval cycles are expedited, reducing the time required to finalize agreements. Moreover, automated notifications and reminders ensure that key contract milestones are met, preventing potential delays and disputes. E-contracts have transcended geographical boundaries and are particularly valuable in international trade. Facilitating agreements between parties located in different countries, e-contracts eliminate logistical challenges and language barriers. This digital approach ensures that all parties have a clear understanding of the terms, reducing the likelihood of disputes. While the benefits of e-contracts are evident, challenges such as data security, privacy concerns, and the digital divide must be addressed. Robust cybersecurity measures, encryption protocols, and education initiatives can help mitigate these challenges, fostering a more secure and inclusive digital environment.

V. Future Trends in E-Contracts

The trajectory of e-contracts is poised for further innovation. The integration of artificial intelligence holds promise in contract analysis, enabling automated review and risk assessment. Additionally, the application of blockchain technology can enhance security, transparency, and traceability in e-contracts, further building trust among contracting parties.

Adoption Across Industries: E-contracts are not confined to a single industry but find applicability across diverse sectors. Industries such as real estate, healthcare, finance, and manufacturing have all embraced e-contracts to optimize their processes, reduce costs, and enhance overall efficiency.

Ethical and Privacy Considerations: As organizations increasingly digitize their operations, ethical concerns surrounding data privacy and consent come to the forefront. Striking a balance between the convenience of e-contracts and safeguarding sensitive information requires transparent data handling practices and a commitment to upholding privacy rights.

Importance of digitalization of trade

Trade conducted online has the potential to level the playing field for all participants. New opportunities for consumers, companies, and economies can arise as a result of digital trade, which can help more people and more sectors. Developing countries can bypass traditional intermediaries like retailers, wholesalers, and media publishers in favor of digital technology, which allow them to bypass high entry barriers to international markets. On top of that, these technologies provide micro, small, and medium-sized enterprises (MSMEs) with affordable platforms where they may showcase their goods and services, boost productivity, and compete more effectively. By utilizing flexible business tactics on digital platforms, women entrepreneurs are able to break down social and cultural boundaries and engage in global trade. To make these opportunities a reality, we must remove the financial, social, and technical obstacles that prevent underprivileged people from participating in online commerce and reaping its financial rewards. As said before, digital trade is not much affected by LDCs and other rising economies. In developing economies, small and medium-sized enterprises (SMEs) face several obstacles when trying to use digital platforms. These include poor internet connectivity, an outdated digital infrastructure, a lack of regulations that help SMEs access online marketplaces, and insufficient funding for the internet equipment SMEs need. Emerging economies, particularly those in the Least Developed Countries (LDCs), can benefit from digital trade. The use of digital technology has the potential to improve e-commerce in LDCs by linking their remote economies to international marketplaces.

Economies that aren't ready for the digital age must be helped to catch up if digitalization is to have more equitable effects. Least developed countries (LDCs) can improve their economic growth prospects by strengthening regulatory frameworks, expanding digital skills, and improving transportation and infrastructure. This would make it easier for them to take advantage of the extensive online marketplace. Take Bangladesh for instance, the benefits of business-to-business (B2B) e-commerce in the ready-made clothing sector can be realized by emerging economies, according to Hoque and Boateng. There may be new chances for countries that have been on the periphery of international trade to export digitally delivered goods.[5]

The World Trade Organization found that distance is still a major factor in total trade costs, but digital technologies have diminished the significance of factors like transportation infrastructure quality and geographical distance from markets. For the digital products sector to thrive, there has to be better internet access, a more favourable regulatory climate, and a strong digital payment infrastructure. Several poor nations have been significantly increasing their exports of digitally provided services, according to the World Bank and the World Trade Organization.[6] Exports of computer services from Bangladesh increased by 31% on average between 2019 and 2022, suggesting that the country's IT industry, particularly software creation and IT-enabled services, is thriving. The allure of more conventional parts of comparative advantage may fade in this age of online trade. Although not as crucial as in conventional offline trade, particularly for specific skill sets, labour expenditures and capital investments are still taken into account in digital trade. Technological developments like 3D printing, sophisticated robots, and AI have displaced certain workers and diminished the

[5] López González, J., S. Sorescu and P. Kaynak (2023), "Of bytes and trade: Quantifying the impact of digitalisation on trade", *OECD Trade Policy Papers*, No. 273, OECD Publishing, Paris, <https://doi.org/10.1787/11889f2a-en.> accessed 25 December 2023

[6] The International Monetary Fund, the Organisation for Economic Co-operation and Development, the United Nations, The World Bank and the World Trade Organization, 2023, WTO ISBN 978-92-870-7543-7 (PDF) <https://www.wto.org/english/res_e/booksp_e/dtd2023_e.pdf> accessed 26 December 2023

importance of several industries. New areas of comparative advantage for countries have emerged as a result of digital trade. Investments in R&D, relevant digital knowledge, and first-rate digital infrastructure are critical components that provide businesses an advantage in the digital economy. Important laws that influence digital trade include those that protect consumers' privacy and security, those that manage electronic payments, those that regulate the flow of data across borders, those that protect intellectual property, and those that govern competition policy.

In the digital economy, *data is king when it comes to financial transactions*, *customer preferences, and demand forecasting.* Businesses in bigger economies have access to more data, thus market size matters when data mobility across borders is limited. Digital trade has been a game-changer for certain developing nations, but many middle- and lower-income nations still don't have what it takes. Trade, especially transactions involving digitally purchased and delivered commodities, is out of reach for Less Developed Countries (LDCs) due to high trade expenses. Transportation network and border control process inefficiencies is the main cause of these expenses. Five online service provision is an area in which some African nations shine. Half of the digitally provided services exported from the region in 2022 came from South Africa, Ghana, and Morocco. According to the World Bank and the World Trade Organization, countries like Egypt, Ghana, and Madagascar saw a substantial increase in their service exports due to the IT and business processing outsourcing (BPO) sectors. A simulation was carried out using the WTO Global Trade Model. The results showed that digital services exports might increase by more than US$ 70 billion from 2023 to 2040 if Africa made more use of digital technology in 2023.[7] Reason being, locations lacking high-speed internet may see a bigger drop in trade expenses in industries dependent on in-person meetings than regions enjoying lower trade costs overall, thanks to improved broadband access. The call centre, banking, and healthcare industries in the Philippines have grown substantially, similar to other emerging nations.

VI. INTERNATIONAL TRADE ORGANISATION & ITS LEGAL-REGULATORY POLICIES

[7] WTO, 'Turning DIGITAL TRADE into a Catalyst for African Development JOINT WBG -WTO POLICY NOTE' (2023) <https://www.wto.org/english/thewto_e/minist_e/mc13_e/policy_note_digital_trade_africa_e.pdf> accessed 29 December 2023

A regulatory and legislative framework that permits trade and aggressive trade policies are essential components of the digital trade ecosystem. The promotion of online commerce cannot be achieved without a strong local regulatory framework. A domestic regulatory structure that is both well-designed and effective gives consumers and businesses peace of mind that digital transactions are safe. According to Nemoto and López González,[8] the following areas are regulated by the domestic regulatory framework: privacy, electronic authentication and signature, cybersecurity, electronic payments, consumer protection, and intellectual property. The local regulatory system controlling digital trading is dynamic, always changing in response to new technology and changes in the market. For instance, it is of the utmost importance to guarantee that new forms of digital technology, such as decisions made by AI, are impartial, fair, and considerate to human values. Domestic policy and regulatory frameworks are also giving greater attention to other crucial issues, as we will see below. Online consumer protection, digital global competitiveness, and cross-border data flows are all part of this category. The challenge of resolving regulatory issues associated with digital trade remains, however, for many developing nations, particularly LDCs. When it comes to digital trade, many developing nations' legislation are out of date. In an open regulatory environment, the benefits of digital connection for global trade—particularly digitally supplied services—are magnified. Trade Cost Index data from the World Trade Organization suggests that average trade costs might go down by 10% for low-income nations and 4% for high-income economies. Countries with excellent mobile broadband access, such as South Africa, Austria, Indonesia, and Uruguay, would stand in stark contrast.

Improving digital connectivity leads to a doubling of the reduction in trade expenses in low- and middle-income economies with policies that favour digitally offered services. Decreased trade costs as a result of digital connectivity are a boon to digital services. Many nations are tightening their regulations that allow for online transactions. Domestic regulations impacting digital commerce have been tightened as a result of data localization efforts, data flow limits, and other policies pertaining to infrastructure, according to the OECD's Digital Services commerce Restrictiveness Index (DSTRI). On a scale from zero to one, the DSTRI is most severe at one. In order to measure restrictiveness in different areas, the DSTRI employs a benchmark. In some industries, the lack of regulation becomes a restricting factor because of this. The DSTRI database shows substantial geographical variation for the year 2022. When

[8] Nemoto, T. and J. López González (2021), "Digital trade inventory: Rules, standards and principles", *OECD Trade Policy Papers*, No. 251, OECD Publishing, Paris, <https://doi.org/10.1787/9a9821e0-en.> accessed 1 January 2024

compared to economies in Asia and Africa, OECD countries and the Americas tend to have less restrictive policies. On the other side, the DSTRI agrees that Africa has come a long way in lowering obstacles to digital trade. Digital trade, global acceptance of new digital technologies, and involvement in digital commerce are all improved by removing appropriate barriers.

There may be a need to revise certain legislation to accommodate the changing digital trade landscape, even if digital trade is already encompassed by WTO rules. Online trade is covered under the current WTO accords. Although not specifically mentioned, most research on the applicability of WTO regulations to online trade has found that e-commerce is covered by existing WTO agreements.[9] Digital trade is considered to be within the purview of the World Trade Organization's regulations. Nevertheless, there is still no clear consensus on whether digital things should be classified as commodities or services, and therefore whether they are eligible to be included in the GATT or GATS. The GATS oversees regulating all online service transactions. All means of service delivery, including electronic ways, are treated similarly by the General Agreement on Trade in Services (GATS). It is acknowledged that measures affecting the electronic commerce of services are included by the General Agreement on Tariffs and Commerce (GATS). Aside from any promises of liberalization, all services covered by the Agreement must follow rules including transparency and most-favoured-nation (MFN) treatment. Market access and national treatment regulations only come into play in industries where member states have opted to open up to competition and have actually put it into action. When requirements are defined and made public, the best environment for digital service trade can flourish. It is difficult to foresee the outcomes of digital trade in services due to the fact that several GATS obligations pertaining to such trade are almost 30 years old and might not represent the modern services market. The current rules of the World Trade Organization allow for the trading of digitally ordered goods. Products traded, whether bought online or delivered physically, are covered by the General Agreement on Tariffs and Trade (GATT) and other applicable WTO accords. Because of this, norms like openness and non-discrimination (including MFN and national treatment) govern the commerce of digitally ordered goods. Several World Trade Organization agreements, like the Customs Valuation Agreement and the Trade Facilitation Agreement (TFA), impact digital trade. The TRIPS agreement governs the trade of digital intangibles. It is a World Trade Organization pact. Digital goods, such as movies, music, and software, are fundamentally defined by the intellectual property license

[9] WIPO, 'WIPO Lex' (*www.wipo.int*2017) <https://www.wipo.int/wipolex/en/treaties/details/231> accessed 1 January 2024

that governs their ownership and transfer of usage rights. Despite its omission of any mention of digital trade, the TRIPS Agreement covers all forms of electronic commerce and the products traded online without favouring any one technology over another. For digital trade to function, the TRIPS regulations must ensure that copyright (including software), patents, trademarks, secret information, and enforcement procedures are all treated equally. To keep up with the evolving nature of trade and make digital trade easier, the majority of WTO members believe that the present WTO norms on digital commerce require updating and supplementation.

The Joint Statement Initiative (JSI) on E-Commerce will have initiated rule-making negotiations with more than 90 WTO members by October 2023. Among these members are several developing economies and a small number of least developed nations (LDCs).[10] Significant breakthroughs have been made in several industries, such as paperless commerce, online consumer protection, and electronic signatures. Customs fees on electronic transfers are one of the main concerns that are still being addressed in ongoing technical conversations. Additionally, the necessity to provide developing and least developed nations with distinct and specialized treatment is being considered. The negotiators have begun to address data-related concerns and questions over the veracity of these meetings. It is anticipated that the E-Commerce JSI negotiations will reach a conclusion by the year 2023's end. Several new international trade cooperation initiatives aim to get developing nations' economy involved in digital trade talks, especially the Least Developed Countries (LDCs). In the beginning of 2023, the "E-commerce Capacity Building Framework" was launched by Switzerland, Japan, Singapore, and Australia. To help developing and LDC members use digital trade prospects, it combines various forms of technical support, training, and capacity building.[11] This will increase their involvement with the E-Commerce JSI. Improving online corporate efficiency, increasing trust in online markets, and providing policymakers with specialized training are all goals of the World Bank's Digital Advisory and Trade Assistance Fund (DATA Fund), a capacity-building initiative.

[10] World Trade Organization, 'Re-Globalization for a Secure, Inclusive and Sustainable Future' (2023) <https://www.wto.org/english/res_e/booksp_e/wtr23_e/wtr23_e.pdf> accessed 2 January 2024

[11] *Ibid.*

VII. LEGAL FRAMEWORK IN INDIA

The legal landscape of digitalization of trade mainly consists of two important frameworks, namely, UNCITRAL Model Law on Electronic Commerce[12] and Model Law on Electronic Transferable Records (MLETR)[13] which are primarily international laws. The digital trade law is designed to regulate the digital trade by fostering trust, encouraging online transactions, thereby impetus to electronic commerce and giving due validation to the electronic documents and their corresponding aspects like digital signatures.

There is a pertinent issue to be discussed here, namely, at localised level in India, there is no particular law that exclusively deals with digital trade. In India, you will find various laws which deal with ancillary legal aspects of the digital trade like electronic contract, data protection, cybersecurity, and the like. So, all in all, it is important to understand that an exclusive digital trade law does not exist in India but various laws that support it are enacted like the Digital Personal Data Protection Act, 2023,[14] Information Technology Act, 2000,[15] Indian Contract Act, 1872[16] etc.

Cross border digital trade is very good for the economy in general and it gives rise to a better access of materials available across the nations. Hence electronic commerce is on the rise due to digital trade. Even though there are few laws at international level, still the framework is not sufficient to address the various issues associated with digital trade. Legal Regulation is the key to flourish any trade in a healthy manner and if that is lacking then there will be problems in carrying out digital trade in the long run.

VIII. ELECTRONIC TRANSACTIONS- AN IMPETUS TO DIGITAL TRADE

Trade in digitalized form is regulated by the World Trade Organization's TRIPS agreement.[17] Digital goods like music, software, and movies are essentially defined by the intellectual property license that controls their ownership and transfer of usage rights. While the TRIPS Agreement is neutral with regard to specific technologies, it does cover e-commerce and products traded online generally, excluding digital trade. Digital commerce relies on copyright,

[12] UNCITRAL Model Law on Electronic Commerce 1996
[13] UNCITRAL Model Law on Electronic Transferable Records 2017
[14] Digital Personal Data Protection Act 2023
[15] Information Technology Act 2000
[16] Indian Contract Act 1872
[17] WIPO, 'WIPO Lex' (*www.wipo.int*2017) <https://www.wipo.int/wipolex/en/treaties/details/231> accessed 3 January 2023

patents, trademarks, and intellectual property rights (including software) to function, and the TRIPS guidelines aim to level the playing field in these areas. In order to keep up with the changing economic landscape and encourage digital trade, many WTO members think that the present WTO regulations on digital commerce should be updated and improved. By October 2023, the Joint Statement Initiative (JSI) on E-Commerce rule-making negotiations would have been begun by over 90 WTO members, including a number of developing economies and a small number of least developed countries (LDCs).[18] Electronic signatures, online consumer protection, and paperless commerce are just a few areas that have made significant strides. Customs duties on electronic transactions are one of the additional difficulties that are still the subject of current technical discussions. It is also important to give developing and least developed nations with unique and specialized treatment. Talks on data concerns and the veracity of these debates have started among the negotiators. By the end of 2023, the E-Commerce JSI talks have reached a definitive agreement. Less developed countries (LDCs) are trying to get more involved in digital trade dialogues as a result of recent international trade cooperation initiatives. Australia, Japan, Singapore, and Switzerland have already launched the "E-commerce Capacity Building Framework" in early 2023. To help less developed and developing nations take part in the E-Commerce JSI and make the most of digital trade opportunities, it incorporates several kinds of technical support, training, and skill development. Online marketplace trust, corporate online productivity, and policymaker-specific training are the three main goals of the World Bank's DATA Fund capacity-building effort.

IX. CONCLUSION

The process of creating and carrying out business agreements has undergone a radical shift with the advent of e-contracts in the commercial sector. Companies can achieve efficiency, security, and convenience of access using e-contracts, which offer an enhanced answer to the challenges of traditional contractual systems. As long as technology keeps getting better, electronic contracts will be a game-changer in business, providing a more streamlined and modern way for companies to do business. An all-encompassing and varied strategy is required to improve the uptake and effective utilization of digital technology. Improving digital literacy and skills, building legal frameworks to enable digital commerce, and allocating money to

[18] World Trade Organization, 'WTO | Joint Initiative on E-Commerce' (*www.wto.org*2024) <https://www.wto.org/english/tratop_e/ecom_e/joint_statement_e.htm> accessed 5 January 2023

physical and digital infrastructure are all parts of this strategy. The gaps between different cultural and socioeconomic groups must be filled in immediately. To overcome these obstacles and facilitate the proper integration and utilization of digital technologies in developing markets, international cooperation and the exchange of knowledge can be of great assistance. Trade agreements at the regional and bilateral levels have formed the backbone of international cooperation in digital trade. Separately under the aegis of the World Trade Organization (WTO), discussions on revising and drafting new trade norms have been ongoing. The World Trade Organization must act swiftly to resolve the pressing matter of the maintenance of the customs tariff moratorium on electronic communications. Regarding the extension of the moratorium, WTO members hold divergent opinions. The prohibition's backers say it has helped the expansion of online shopping by making the market more stable and predictable. On the other hand, a growing number of WTO member nations are worried about the potential losses that might arise from the interim suspension and the haziness around its boundaries and the categorization of electronic transmissions. Some of the things to think about are the potential drop in customs revenue and the need to keep policies flexible in the face of the unpredictability that comes with fast technological advancement. Plus, they are worried that the embargo may hinder their capacity to implement industrial policy through customs charges. The present research paper acknowledges the challenge of precisely estimating the monetary effects on customs income due to the ban. From 0.01% to 0.33% of total government revenue can go missing in developing economies. It is important to think about how much it will cost to establish customs charges on electronic transmissions, including the infrastructure that will be required. Under electronic transactions, several methods of monetizing electronic communications, specifically through the utilization of VAT/GST are easily understood. Value Added Tax (VAT) advantages include not taxing intermediate inputs utilized by domestic producers, uniform application across products, and equal treatment of domestically provided and imported items. Digital trade would suffer as a result of a reduction in tax revenue from electronic transmissions.

In addition, it has the potential to affect the competitiveness and involvement of businesses, particularly MSMEs and firms run by women. In addition to the prohibition, there exist regulatory hurdles that would necessitate international remedies in order to realize the benefits of digital trade, narrow the digital gap, and promote equitable economic development. Online businesses rely on data transfers across borders, yet there are obstacles to data protection and digital transactions due to different data flow rules around the world. To achieve the appropriate level of privacy while yet facilitating efficient and effective cross-border data flow, better international cooperation is needed to establish a balanced framework for data management. The digital economy has become more concentrated as a result of technological developments and network effects. Because of this, concerns about unfair competition and monopolistic market dominance have arisen. To tackle the worldwide competition issues caused by digitization, it is essential to improve international cooperation among competition organizations. Inconsistencies in legal frameworks for digital payments and a lack of regulatory protections and enforcement to protect online clients can erode trust and hamper the expansion of digital commerce. Globally, if national consumer protection authorities are serious about enforcing online consumer protection and dealing with infractions in several countries, they must work together more effectively. Ultimately, it is crucial to prioritize leveraging digital trade to promote economic development and achieve equitable growth, even though it offers enormous prospects for consumers and businesses worldwide, especially in LDCs. The promotion of digital trade and the enhancement of emerging economies' capabilities to engage in digital commerce can accomplish this.