



**NEW ZEALAND**  
**FOREIGN AFFAIRS & TRADE**  
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# **UK to simplify paperwork for traders**

A faint, light blue world map is visible in the background, centered behind the text.

**MARKET REPORT**

**December 2022**

# Summary

- As part of post-Brexit efforts to foster economic growth and boost competitiveness, the United Kingdom (UK) is taking steps to reform its trade rules.
- The Electronic Trade Documents Bill, currently going through the UK Parliament, is seeking to reduce the transaction costs of international trade by allowing for the legal recognition of electronic versions of trade documents, such as bills of lading and bills of exchange. The Bill is expected to pass in 2023.
- Over a slightly longer timeframe, the “2025 UK Border Strategy” also looks to reduce the administrative burden of trading with the UK, and sets out the UK’s vision for a more seamless, digital, and user-centric management of the border. Of particular relevance for New Zealand exporters are the plans for a “Single Trade Window,” to create a single gateway for all data from traders into government, and an enhanced “Trusted Trader” programme. This is a complex project. Development of the Single Trade Window is expected to begin in earnest in 2023.
- As New Zealand exporters navigate the additional opportunities available in the context of the New Zealand-UK free trade agreement, New Zealand exporters should be aware of the planned changes to UK border changes.

# Report

Prepared by the New Zealand High Commission in London in consultation with Ministry for Primary Industries (MPI), Customs Service (NZCS), and New Zealand Trade and Enterprise (NZTE)

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## Electronic Trade Documents Bill

Following public consultations over the past few years, the Electronic Trade Documents Bill, introduced to the UK Parliament in October, looks to smooth and simplify the administrative burden associated with trading into the UK. The regulations governing business-to-business documents such as bills of lading (a contract between parties involved in shipping goods) and bills of exchange (used to help importers and exporters complete transactions) – currently stipulate that these documents must be paper-based. The Electronic Trade Documents Bill seeks to put digital trade documents on the same legal footing as paper-based equivalents, giving businesses more choice and flexibility in how they trade.

The new rules will require trade documents in electronic form to meet certain criteria designed to replicate the key features of paper versions. The UK Government has stated that this “includes ensuring only one person, or parties acting jointly, can exercise exclusive control over it at any time, and removing the previous holder’s ability to exercise control over it once it has been transferred on.” The commonly used documents that are captured by this change include: a bill of exchange, a promissory note, a bill of lading, a ship’s delivery order, a warehouse receipt, a mate’s receipt, a marine insurance policy, and a cargo insurance certificate.

The UK Government is expecting this to give businesses a boost by increasing efficiency, reducing trade contract processing times from days to seconds, reducing physical and operating costs, increasing security and reducing carbon emissions. The Digital Container Shipping Association has also argued that such a move would help fight crime, as it would provide customs officials with the data in digital format from end to end to better spot inconsistencies in shipping documentation from origin to destination and target their checks. The International Chamber of Commerce (ICC) has predicted that digitising trade documents could generate £25 billion in economic growth by 2024.

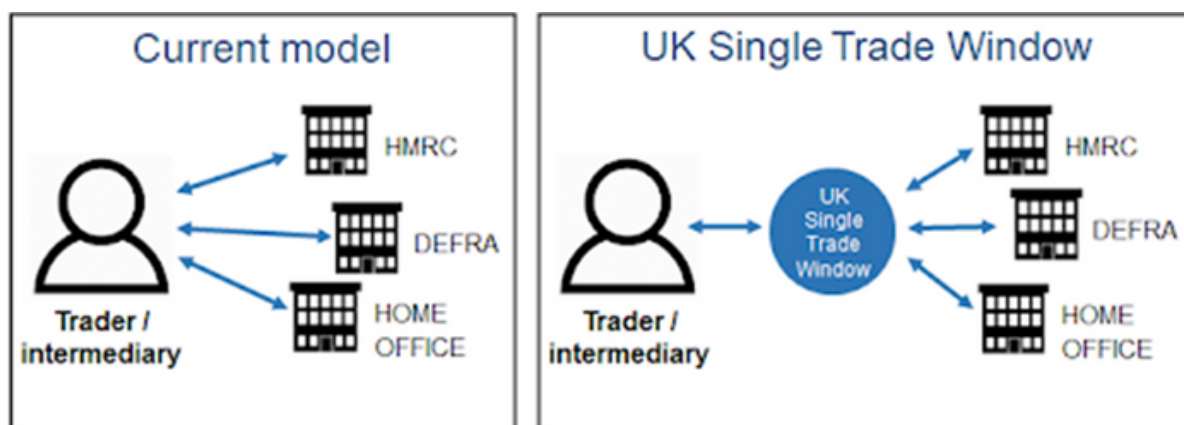
The Bill is expected to pass in 2023, at which point the Government has indicated it will broadly leave it to industry to decide standards and develop technology platforms.

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## 2025 UK Border Strategy

The new regulatory space opened by the UK's withdrawal from the European Union prompted the Government to take a fresh look at its border settings, which paved the way for the 2025 UK Border Strategy. Through technological advances and modernisation, the UK is aiming to have a border that looks more like New Zealand's, including a "Single Trade Window" and "Trusted Trader" programme to facilitate more frictionless trade.

The UK Government has committed £180 million to build the UK Single Trade Window, which will reduce the cost of trade by streamlining trader interactions with border agencies. In effect, those exporting to the UK will be able to avoid duplication by making use of a single entry point for border data in a standardised format, which will take account of areas of devolved competence, rather than submitting the information to several relevant agencies (as illustrated in the below graphic):



The precise design of the system is currently being worked through as the Government consults a wide range of stakeholders, with development expected to begin in earnest next year. Given this timeframe for the development of the Single Trade Window, it is not expected that the platform will be ready by the time of entry into force of the New Zealand-UK free trade agreement. Nonetheless, New Zealand exporters should be aware that this is in train. In the meantime, the "Customs Declaration Service" (CDS) remains His Majesty's Revenue & Customs (HMRC) digital customs declaration platform for import and export declarations. New Zealand companies are likely to be familiar with the CDS because either they have their own CDS account or the declaration is taken care of by their freight agent/customs broker. The CDS is expected to interact with the final Single Trade Window solution once operational.

The theme of biosecurity is only referred to at a high level in the UK's signalled reforms, i.e. that the Government expects the changes to enable the UK to "embrace innovation, simplify processes for traders and travellers, and improve the security and biosecurity of the UK."

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The government has also launched the Ecosystem of Trust pilots, run by six different consortia, to demonstrate how supply chain visibility and physical assurance technology can produce benefits for traders and government, with results expected by the end of this year. In practice, an Ecosystem of Trust combines the latest technologies, blockchain-encryption and state-of-the-art auditing and stockpiling programmes to give the government the information it needs to reduce checks and therefore streamline the data input requirements of traders. It is expected that the learnings from the Ecosystem of Trust pilots will have a significant impact on the next chapter of trade digitalisation in the UK.

- [UK Government press release: Paperless trade for UK businesses to boost growth - GOV.UK \(www.gov.uk\)](#)
  - [Link to the actual Bill in Parliament: Electronic Trade Documents Bill \[HL\] - Parliamentary Bills - UK Parliament](#)
  - [Analysis of the Bill by a consultancy: The Electronic Trade Documents Bill: A revolutionary step | Hill Dickinson](#)
  - [UK Government's public consultation on The UK Single Trade Window: Consultation on Features to Inform Design and Legislation - GOV.UK \(www.gov.uk\)](#)
  - [UK Government's policy discussion paper on UK Single Trade Window - Policy discussion paper - GOV.UK \(www.gov.uk\)](#)
  - [2025 UK Border Strategy](#)
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