

Readiness Assessment for Cross-Border Paperless Trade: Turkmenistan

Readiness Assessment for Cross-Border Paperless Trade: Turkmenistan

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Executive Summary

This report provides an assessment of the readiness of Turkmenistan for cross-border paperless trade, in other words, the current capabilities and future plans of Turkmenistan for usage of electronic data and/or documents in international trade transactions. A brief overview of ongoing projects and programmes related to trade facilitation is presented. The findings from the technical and legal readiness assessments for cross-border paperless trade will follow. Recommendations on the technical and legal aspects of cross-border paperless trade are then provided, followed by an initial action plan for Turkmenistan to move forward in this area.

Turkmenistan is making substantial progress in implementing trade facilitation measures. Implementation in the areas of institutional arrangements, cooperation, and formalities are the main challenges for the country. Although certain measures have been taken in areas of paperless trade and cross-border paperless trade, there is still room for improvement to further reduce trade costs and enhance competitiveness of the country, by accelerating its efforts to facilitate and digitalize trade procedures.

The level of technical readiness in Turkmenistan for cross-border paperless trade is improving. The implementation of ASYCUDA World and the “Single Window for import-export operations” (SW) provides a foundation for paperless trade environment for Turkmenistan. However, many agencies are still lagging behind in implementing electronic systems. Some agencies with their own electronic systems will be connected to the SW, while others will have functions for issuing licenses, permits and certificates within the SW. The implementation process of the SW includes capacity building and business processes reengineering tasks. Absence of a governance body and strategic planning, are the main challenges in moving towards cross-border paperless trade. Other challenges are related to lack of business continuity and disaster recovery plans, as well as cross-border data exchange.

From a legal point of view, Turkmenistan does not have enough rules aimed specifically at cross-border paperless trade. Accordingly, laws on domestic transactions are being revised, the provisions of which, in turn, can be improved to cover international activities. The Law of Turkmenistan “On Electronic Document, Electronic Document Management, and Digital Services” has been in force since 2020. Following this implementation, several amendments have been issued, particularly concerning the procedure for using electronic documents in public bodies. In terms of private sector transactions, the 2020 Law can be overly rigid or technically complex. On the other hand, progress has been made on many fronts, including the simplification of electronic payment procedures. In addition, the legal landscape is rapidly evolving. It was hoped that domestic legislation would soon improve in the light of international obligations related to the transition of cross-border paperless procedures. Reform efforts should be based on global and regional best practices in

the field of electronic communications, which in turn will help to harmonize the country's legal regime with that of its trading partners.

In order to advance cross-border paperless trade, three main technical areas require further improvement. Firstly, Turkmenistan should have a strategic plan for implementation of the cross-border paperless trade system. The plan should include development of disaster recovery and business continuity plans, as well as capacity building programmes and business processes reengineering studies. Secondly, relevant regulatory agencies should be able to use paperless trade systems and fully utilize the national cross-border paperless trade system. Thirdly, Turkmenistan should continue and further engage in regional, subregional and bilateral initiatives on cross-border paperless trade. Through partnerships, Turkmenistan could participate in joint inspection and sharing of results electronically, as well as conformance results.

The legal environment for paperless trade, both domestic and cross-border, also requires some reforms and improvements. Three areas of reform are crucial for Turkmenistan: first, the country should modernize and simplify its statute governing electronic documents and signatures, focusing on the work of the United Nations Commission on International Trade Law (UNCITRAL) in this area. Signatures in an informal context require greater flexibility and the effects of secure signatures should be clearer. Second, Turkmenistan should ensure that government ministries and agencies have clear authority to communicate electronically and participate in paperless multi-stakeholder platforms, especially within cross-border paperless trading systems. Third, Turkmenistan should harmonize legal norms that allow public and private participants in cross-border trade to use electronic documents and communications to the fullest extent permitted by international agreements, to which Turkmenistan is a party.

Turkmenistan has already acceded to the Framework Agreement on Facilitating Cross-Border Paperless Trade in the Asia-Pacific Region. As a result, Turkmenistan can plan and implement its trade digitalization strategy more effectively. The Framework Agreement will assist Turkmenistan in developing its national capacity, developing a long-term plan, participating in the pilot exchange of selected data and documents, and tracking new legal standards and solutions in the field of cross-border paperless trade.

The readiness assessments together with the action plan featured in this report, can serve as a foundation to elaborate more detailed activities at the national and agency levels in this area, with identifiable timelines and budget sources. It is hoped that the report will contribute to the objectives of the Government of Turkmenistan to accelerate progress towards cross-border paperless trade, including through its accession to the Framework Agreement.

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Abbreviations

AEO	Authorised Economic Operator
BPR	business process re-engineering
CAREC	Central Asia Regional Economic Cooperation Program
CPTA	Cross-border Paperless Trade in Asia and the Pacific
EDS	electronic digital signature
ESCAP	Economic and Social Commission for Asia and the Pacific
FTP	file transfer protocol
HTTPS	Hypertext Transfer Protocol Secure
ICT	information and communications technology
ITC	International Trade Center
LPCs	licenses, permits and certificates
MTFER	Ministry of Trade and Foreign Economic Relations of Turkmenistan
OGAs	other government agencies
PIAs	permit issuing agencies
REST API	Representational state transfer application programming interface
SCRMET	State Commodity and Raw Material Exchange of Turkmenistan
SCST	State Customs Service of Turkmenistan
SLA	service level agreements
TCP/IP	Transmission Control Protocol/Internet Protocol
TFA	Trade Facilitation Agreement
UN RCO	United Nations Resident Coordinator Office
UN/CEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UN/EDIFACT	United Nations rules for Electronic Data Interchange for Administration, Commerce and Transport
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
VPN	virtual private network
WCO	World Customs Organization
WTO	World Trade Organization

I. Introduction

This report provides an assessment of the readiness of Turkmenistan for cross-border paperless trade, in other words, current capabilities and future plans of Turkmenistan in usage of electronic data and/or documents in international trade transactions. Benefits from the successful implementation of cross-border paperless trade are large: including the potential to cut transaction costs by 25 per cent across the Asia-Pacific region, increase regulatory compliance, reduce illicit financial flows and facilitate engagement in the increasingly digital global economy¹.

The assessment was conducted by a team of national experts under substantive guidance by international technical and legal experts, following readiness checklists developed by the ESCAP Interim Intergovernmental Steering Group on Cross-Border Paperless Trade Facilitation (of which Turkmenistan is a member).² The team started execution of the plans in March 2022 by visiting and interviewing relevant government agencies and private sector stakeholders. A national consultation on facilitating cross-border paperless trade was co-organized by the Ministry of Trade and Foreign Economic Relations and ESCAP on 19 September 2022, during which, preliminary findings from the study were reviewed, consolidated and validated. Final findings, recommendations, inputs and suggestions received during and following the consultation, are presented in this report.

Based on these findings and recommendations, an initial action plan towards cross-border paperless trade for Turkmenistan was prepared, which is also presented in this report. It is hoped the assessment will contribute to the Government of Turkmenistan's wish to accelerate progress towards cross-border paperless trade.

Box 1. The Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific

The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA), a United Nations treaty, aims to promote cross-border paperless trade by enabling the exchange and mutual recognition of trade-related data and documents in electronic form and facilitating interoperability among national and subregional Single Windows and/or other paperless trade systems. It is designed as an inclusive and enabling platform that will benefit all participating economies, regardless of where they stand in terms of trade facilitation or Single Window/paperless trade implementation.

For more information, please see: <https://www.unescap.org/projects/cpta>

Preparation of the assessment was supported by ESCAP through a project entitled: Capacity Building on Trade Facilitation and the Asia-Pacific Trade Agreement (APTA) Promotion to Strengthen Intra-regional Cooperation (Phase III).

¹ UN ESCAP (2021). Digital and sustainable trade facilitation in Asia and the Pacific 2021. Available from <https://www.unescap.org/kp/2021/untf-survey-2021-regional>.

² UN ESCAP (2020) Cross-border paperless trade: a technical readiness checklist, version 1.1 21 August. Available from <https://readiness.digitalizetrade.org/download>

This report is structured as follows: The next section (II) provides brief information on progress the country has made towards WTO accession and other trade facilitation measure and paperless trade implementations to date. Sections III and IV present the findings from the technical and legal readiness assessments for cross-border paperless trade, respectively. Recommendations on both technical and legal aspects of cross-border paperless trade that have emerged from the assessments are discussed in section V, followed by the introduction of an initial action plan based on the recommendations in section VI. The report ends with a brief discussion in section VII of the way forward.

II. Turkmenistan's WTO accession progress and other trade facilitation measures

Turkmenistan obtained WTO observer status in July 2020. On 23 February 2022 at the General Council meeting, WTO members agreed to initiate negotiations with Turkmenistan on the accession to the organization, and to establish a Working Party to oversee the negotiations between members and Turkmenistan on the terms of its accession.³

Turkmenistan aims to achieve accession to the WTO by 2030. On 5 July 2022, the Work Programme for the Preparation of the Memorandum on the Foreign Trade Regime of Turkmenistan was jointly launched by United Nations Resident Office in Turkmenistan, the Asian Development Bank, the Government of Turkmenistan and the WTO. This memorandum is the first document in the accession process to help WTO members understand the trade regime and policies of the acceding country.⁴

The State Customs Service of Turkmenistan (SCST) implemented integrated customs information system "ASYCUDA World", developed by UNCTAD. The SCST further launched a project in cooperation with UNCTAD and UNDP: the implementation of a Single Window system for import-export operations, which is planned to be finalized by 2023.

Ministry of Trade and Foreign Economic Relations of Turkmenistan (MTFER) with support from UNDP is finalizing the project named Strengthening trade capacity of Turkmenistan; it consists of three components:

- Strengthening institutional and personnel trade capacity
- Building capacity to formulate and implement trade-related policy measures
- Strengthening the applied scientific research capacity and improving the quality of education

The only indicator available on trade facilitation is the CAREC Trade facilitation indicators for the years 2018-2020. As shown in Table 1, Turkmenistan made some improvement on the time taken to clear road border-crossing points; it dropped to 7.3 hours in 2020 from 9 hours and 8.5 hours, in 2019 and 2018 respectively. While the costs incurred at road border-crossing clearance slightly increased to USD 229 in 2020 - from USD 211 and USD 204 in 2019 and 2018 respectively. Simultaneously, the cost incurred to trade a corridor section (per 500km, per 20-ton cargo) on road transport saw a decline to USD 1029, from USD 1094 and USD 1017 in 2019 and 2018 respectively.

³ https://www.wto.org/english/thewto_e/acc_e/a1_turkmenistan_e.htm

⁴ https://www.wto.org/english/news_e/news22_e/acc_05jul22_e.htm

Time taken to clear a rail border-crossing point has seen an increase to 5.7 hours in 2020 from 3.5 and 3.3 hours in 2019 and 2018 respectively. Cost incurred at rail border-crossing clearance decreased to USD 87 in 2020 from USD 97 and USD 94 in 2019 and 2018 respectively. Similar improvement in cost-efficiency was seen in the cost incurred to travel a corridor section (per 500km, per 20-ton cargo) on rail transport, which decreased to USD 1319 in 2020, from USD 1499 and USD 1462 in 2019 and 2018 respectively. Speed to travel on CAREC corridors, and speed without delay both for road transport and rail transport experienced little change over the period of 2018 to 2020.

Table 1. CAREC Trade Facilitation Indicators for Turkmenistan

Trade Facilitation Indicators		Road Transport			Rail Transport				
		2018	2019	2020	2018	2019	2020		
TFI1	Time taken to clear a border-crossing point (hour)	8.5	9.0	7.3	●	3.3	3.5	5.7	●
	<i>Outbound</i>	7.4	7.5	8.9		3.6	3.6	3.6	
	<i>Inbound</i>	9.1	10.0	6.9		3.2	3.5	5.9	
TFI2	Cost incurred at border-crossing clearance (\$)	204	211	229	●	94	97	87	●
	<i>Outbound</i>	62	63	65		108	108	108	
	<i>Inbound</i>	284	302	311		90	93	86	
TFI3	Cost incurred to travel a corridor section (\$, per 500 km, per 20-ton cargo)	1,017	1,094	1,029	●	1,499	1,462	1,319	●
TFI4	Speed to travel on CAREC corridors (km/h)	19.5	19.5	19.0	●	14.1	14.0	13.7	●
SWOD	Speed without delay (km/h)	53.9	54.3	53.8	●	27.8	28.5	28.2	●

Legend: ● Improved by at least 3% ● Deteriorated by at least 3% ● Insignificant change [-3% to 3%]

Figure 1: CAREC Trade Facilitation Indicators for Turkmenistan. CAREC = Central Asia Regional Economic Cooperation, km = kilometer, km/h = kilometer per hour, SWOD = speed without delay, TFI = trade facilitation indicator. Source: Asian Development Bank.

Turkmenistan joined Central Asia Regional Economic Cooperation (CAREC) Program in 2010, and is participating in the planning of regional projects in transport, trade, and energy security. CAREC Corridor 2 and Corridor 3 pass through Turkmenistan, and connect the country to a network extending westward through Azerbaijan to Turkey and Europe; eastward to the PRC, north to Kazakhstan and the Russian Federation, and south to Pakistan's warm-water ports of Karachi and Gwadar, on the Arabian Sea.⁵

According to the initial consultations with the national stakeholders under the current assessment, it was concluded that the country's legislation already provides a relatively good framework to implement trade facilitation initiatives, namely the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific. However, as proposed in the recommendations section of the report, there is room for improvement for both the technical and legal sides of Turkmenistan's efforts towards the establishment of cross-border paperless trade.

⁵ https://www.carecprogram.org/?page_id=11

III. Technical readiness for cross-border paperless trade: key findings

Key findings on the technical readiness of Turkmenistan for cross-border paperless trade are summarised below. The findings of the study are presented in accordance with the structure of the cross-border paperless trade technical readiness checklist. Adopted by the Interim Intergovernmental Steering Group on Cross-border Paperless Trade Facilitation at its sixth meeting held in January 2021, the completed checklist contains further details and elaborations, and is available in Annex III.

Turkmenistan is aware of the importance of paperless trade domestically and internationally, and is taking significant measures in many areas towards the digitalization of trade procedures. For instance, the implementation of a State program for the development of the digital economy in Turkmenistan (The Program) between 2021-2025 covers almost all areas of the economy in moving towards digitalization. The Program addresses implementation of E-Government platform, digital signatures, data centers, and many other measures to be taken.

The State Customs Service of Turkmenistan (SCST), UNDP and UNCTAD are working on a project: "Single Window for import-export operations". It aims to provide a single, centralised platform for all import-export operations, and is expected to finalise by the end of 2023. The Single Window platform will be integrated with the ASYCUDA system, which was implemented by the SCST in 2021. The Single Window platform will also have components for electronic application, processing, and issuance of licenses, permits and certificates (LPCs) by other government agencies (OGAs) and permit issuing agencies (PIAs).

ICT infrastructure requirements and information security are given great importance during digitalization of the economy.

III.A. Paperless trade system at the national level

III.A.1. Governance bodies

Turkmenistan is demonstrating strong commitments to implement paperless trade systems and recognizes the urgency of such implementation. In 2019, the President of Turkmenistan introduced the Concept for the development of the digital economy in Turkmenistan (The Concept) for 2019-2025. The Interdepartmental Commission for the development of the digital economy was created on 10 January 2020 to oversee the implementation of The Concept. The General Director of the Agency for Transport and Communications under the Cabinet of Ministers is chairing the commission. Participants of the commission were established on 17 December 2021, but the list of participants could not be obtained. It seems the commission is comprised of government agencies, there is no sign of involvement of private sector stakeholders from the trading community.

“Türkmenaragatnaşyk” Agency, a state organization that participates in the implementation of state policy in the field of communications, space, and cyber security, is also responsible for the development of and transformation to the digital economy. The State Customs Service of Turkmenistan is also taking measures in digitalization of cross-border trade related procedures.

There is no other governance structure established with focus on paperless trade and/or on trade facilitation.

III.A.2. Level of automation

The SCST and UNCTAD in 2020 implemented the integrated customs management information system ‘ASYCUDA World’, which is able to receive, process and issue documents electronically. All customs declarations should be encouraged to be processed electronically, however there may still be some that require physical equivalents to be printed out and signed. It is mostly customs brokers who are able to get access to ASYCUDA World, which requires a special procedure to obtain. ASYCUDA World was implemented considering all necessary security measures accepted in international practice. Although ASYCUDA World could implement multi-factor authentication and biometrics as an additional layer of authentication, only a basic login and password method is currently required. Implementation of additional authentication methods will be possible after the implementation of electronic signatures nationwide. ASYCUDA World is not yet integrated with an electronic payment system.

The SCST implemented “Digital customs procedure” software at all road traffic border points, and works are underway to connect railway border points too. The software is for customs inspectors and other OGA employees, but is not accessible by private sector stakeholders. It is not integrated with a payment system; like with ASYCUDA World, SCST also uses basic login and password authentication. The printing out and the signing of documents is still a requirement at border points.

Electronic systems at PIAs and OGAs are almost non-existent. The State Commodity and Raw Material Exchange of Turkmenistan (SCRMET) and the Central Bank of Turkmenistan are the only agencies that currently have electronic systems in place. The Main State Service “Turkmenstandartlary” is working on its own system for processing and issuing electronic conformity certificates. Other PIAs and OGAs will be using the Single Window platform for electronic licenses and permits, which is currently at initial stage of implementation.

The SCST together with UNDP and UNCTAD are working on a project called “Single Window for import-export operations”, which is expected to finalize by the end of 2023.⁶ The Interdepartmental commission for implementation of the “Single Window for export-import operations” project was created and is chaired by the SCST. All the PIAs and OGAs are participating in that commission. The project includes the

⁶ <https://www.undp.org/turkmenistan/projects/single-window-export-import-operations>

implementation of Automated System Certification (ASYCER) for processing and issuing electronic phytosanitary certificates. The Single Window system will be implemented with the considerations of internationally accepted security practices. The following agencies will be connected to Single Window:

- State Customs Service of Turkmenistan
- “Turkmenaragatnashyk” Agency (Communications)
- Ministry of Finance and Economy
- Ministry of Agriculture and Environmental Protection
- Ministry of Trade and Foreign Economic Relations
- Ministry of Health and Medical Industry
- Ministry of Internal Affairs
- Central Bank of Turkmenistan
- Main State Service “Turkmenstandartlary”
- State Commodity and Raw Materials Exchange of Turkmenistan
- State Migration Service of Turkmenistan
- State Concern “Turkmenhimiya”
- “Turkmenawtoulaglary” Agency
- “Turkmenhowayollary” Agency (Airlines)
- Chamber of Commerce and Industry of Turkmenistan
- Union of Industrialists and Entrepreneurs of Turkmenistan

III.A.3. ICT Infrastructure for Paperless Trade

Secure network services with adequate bandwidth are available at all Customs stations, including ports, airports, and cargo clearance houses in the country. ASYCUDA World connects to a single network with support of TCP/IP, HTTPS, FTP and REST API communication protocols. The same is planned for Single Window. ASYCUDA World server is within the SCST premises with a disaster recovery site located at another place. The same network design could be used for Single Window. SCRMET is using its own premises and resources for their ICT infrastructure, with low disaster recovery levels. The Single Window system will support API protocol for connection/communication with other electronic systems, such as ones at SCRMET and Central Bank.

Currently, the country is realising a State Program for the Development of the Digital Economy in Turkmenistan for 2021-2025. The program consists of an action plan targeting various sectors of economy for digital transformation, including general nationwide ICT infrastructure aspects such as creation of a central data center, and intergovernmental data exchange system.

“Turkmenaragatnashyk” Agency, in line with its responsibilities assigned in The Program, introduced some requirements related to ICT infrastructure that should be met by all government agencies in their digital transformation initiatives. Those requirements are aimed at preventing disruptions following natural disasters as well

as the measures required to resume operations. Works are underway to introduce more requirements and/or policies aimed at ICT infrastructure at national level.

III.A.4. Security

Security is an important consideration in implementation of information technology systems and is approached seriously in Turkmenistan. The Interdepartmental Commission for the development of the digital economy reviews all electronic systems to be implemented in the country for its security capabilities.

In 2019, the Law on Cyber Security was introduced along with creation of a Cyber Security Service under the “Turkmenaragatnasyk” agency. The Cyber Security Service is responsible for the development and control of information security implementation.

Electronic systems used for cross-border trade procedures are equipped with firewalls, while authentication mechanism consist of basic logins and passwords.

III.A.5. Business process re-engineering

The SCST is regularly holding various events with cross-border trade stakeholders to optimize import and export operations. One of the objectives of the project for the implementation of the “Single Window for Export-Import Operations” system is the optimization of business processes related to issuance, use and monitoring of the main export and import licenses, permits and certificates (LPCs).

Other PIAs and OGAs are making limited progress in conducting re-engineering and streamlining of business processes to support paperless trade.

III.A.6. Data harmonization and standardization

Turkmenistan joined the International Convention on the simplification and harmonization of Customs procedures (Revised Kyoto Convention) on the 3rd of February 2021. The SCST with implementation of information systems, including ASYCUDA and currently ongoing implementation of the “Single Window” system, is guided by international recommendations and standards of the WCO, UNECE, WTO, UN/EDIFACT, UN/CEFACT and others (No. 25 data interchange, 33-36 Single Window).

Other PIAs and OGAs are making limited progress in conducting data harmonization and standardization for the data elements for paperless trade.

III.A.7. Capacity building

The SCST held several events to familiarize trade community participants with the ASYCUDA World system. Meetings are periodically held with the customs services of

neighbouring countries, with the participation of representatives of the ministries and departments of Turkmenistan involved in the ongoing project “Single Window for Export-Import Operations”.

Various capacity-building activities/projects are being carried out with the participation of international organizations, government agencies and traders focused on trade facilitation and other cross-border trade related topics.

III.A.8. Other matters

Generally, the level of computer literacy in the trading community is sufficiently high to meet the requirements in transition to paperless trade and support electronic transactions. The Program action plan encourages continuously increasing computer literacy for all participants in every sector of economy. This demonstrates the willingness and readiness of the trading community to accept changes arising from transformation to digital economy.

Private sector stakeholders welcome the positive developments associated with the introduction of a paperless trading systems, which they believe will benefit everyone in the trading community by reducing cost and increasing efficiency.

The country does not encounter any budget constraints in implementing paperless trade systems and digitalizing the economy.

III.B. National status towards cross-border data exchange

III.B.1. Electronic systems

ASYCUDA World, which was implemented by the SCST as an integrated customs management information system, fully supports cross-border data exchange, and will regularly be updated as to meet requirements arising from multilateral or bilateral cross-border data exchange agreements. Turkmenistan has signed agreements on the exchange of customs data in electronic format with Azerbaijan, Iran, Afghanistan, Uzbekistan and Kazakhstan.

As other PIAs and OGAs have yet to implement electronic systems, no cross-border data exchange is available now.

III.B.2. Single Window System

The Single Window for export-import operations is currently in its initial stage of implementation. Once fully enrolled, it will support cross-border data exchange. The overall mechanism of the Single Window for cross-border data exchange capabilities is not clear yet.

III.B.3. Business process re-engineering

The SCST and other agencies involved in Single Window, with the help of UNCTAD, are conducting business process re-engineering and optimization in accordance with agreements for cross-border data exchange.

III.B.4. Data harmonization and standardization

The SCST with implementation of information systems, including ASYCUDA and currently ongoing implementation of “Single Window” system, is guided by international recommendations and standards of the WCO, UNECE, WTO, UN/EDIFACT, UN/CEFACT and others (No. 25 data interchange, 33-36 Single Window).

Limited progress has been made by other PIAs and OGAs in conducting data harmonization and standardization for the data elements for paperless trade.

III.B.5. International transit

The SCST has implemented paperless customs declarations for national transit procedures, however implementation for international transits is still required. The SCST estimates the implementation of paperless customs declarations for international transits by 2025.

“Digital customs procedure” software implemented at automobile border points acts as a one-stop inspection system that speed ups transit times at border points.

III.B.6. Awareness programme

The SCST organized several events to raise awareness on implementations of ASYCUDA World and Single Window systems. Periodic events to exchange experience with the customs services of third countries and international organizations, could help in identifying and addressing inhibitors for establishing cross-border data exchange. International organizations play an important role in carrying out business process analysis, data harmonization and simplification, system development, and project management aspects of cross-border trade initiatives.

The Program aims to implement several actions that address the need for raising awareness, and a capacity-building program aimed at overall digitalization of the economy.

III.B.7. Other matters

Currently, Turkmenistan has not yet implemented an Authorised Economic Operator scheme. Mutual recognition of AEO is seen as a possibility in the future, but no significant steps have been taken yet.

Certain documents and related processes for cross-border data exchange are considered for implementation in Turkmenistan. The documents are as below:

- (Advance) Manifest – State Customs Service
- Customs transit declaration – State Customs Service
- Phytosanitary certificate – State Quarantine Service
- Fumigation certificate – State Quarantine Service
- Pharmaceutical certificate - State Registration Center for Medicinal Products of the Ministry of Health and Medical Industry of Turkmenistan

Only customs transit declaration is available in electronic format, but it is still being printed out and signed on a paper.

IV. Legal readiness for cross-border paperless trade: key findings

IV. A. Electronic transactions and signature law

In 2020, Turkmenistan adopted the Law of Turkmenistan “On Electronic Document, Electronic Document Management and Digital Services”, which defines the legal status of electronic documents, electronic document management, and digital services, sets out the main requirements for them, and is aimed at regulating relations arising in this area.

Despite the existence of the above law, the government should adopt a number of by-laws that reveal the legal aspects of the implementation of electronic document management in practice. For example, the legislation lacks a clear distribution of roles and responsibilities between stakeholders in matters of application, protection and recognition of electronic signatures. This complicates the introduction of electronic signature and e-document management in the intersectoral exchange of information.

Furthermore, after the adoption of by-laws, it will be necessary to develop and adopt appropriate instructions for their implementation. These should be created by participants of the e-document management system at department-level, such as: ministries and departments of Turkmenistan, logistics companies, exporters and importers, residents and non-residents, and so on.

IV.A.1. General principles

In accordance with article 19 of the above-mentioned Law, the basic principles of the electronic document management, performed in state and non-state information systems, are:

1. the use of electronic documents in all areas of activity where information and communication technologies are used to create, process, store and transmit data;
2. one-time registration of the document, allowing it to be uniquely identified;
3. the possibility of multiple operations being carried out at the same time, increasing the efficiency of their execution;
4. the constant circulation of documents, allowing the creator of each electronic document to be identified at every stage of the process;
5. a single database of document information, eliminating the possibility of duplicate documents;
6. an organized document search system, which allows the document to be found with minimal information provided about it;

7. a developed system of reporting on various statuses and throughout the circulation of electronic documents, enabling management decisions based on the data from these reports;
8. ensuring information security when using electronic documents;
9. ensuring identification and integrity via electronic digital signatures.

IV.A.2. Electronic signatures and trust services

IV.A.2.1. Using electronic digital signatures

The Law of Turkmenistan “On Electronic Document, Electronic Document Management and Digital Services” defines the legal status of electronic documents, electronic document management and digital services, and sets out the main requirements that apply to them. It is aimed at regulating relations arising in this area.

Article 10 of the Law defines the legal status of an electronic document, a paper document, and copies of them. According to its provisions, an electronic document and a paper document that are identical in content and details (except for electronic digital and handwritten signatures), have the same legal force.

The requirement to provide a document (including as written evidence) is considered fulfilled if the original of an electronic document or its copy on paper meets the relevant requirements of the Law.

The admissibility of an electronic document as evidence (regardless of the content and purpose of the electronic document) cannot be denied solely on the basis that it is in electronic form.

Some electronic documents cannot be used as an original, such as:

- 1) certificate of the right to inheritance;
- 2) documentation that, in accordance with the legislation of Turkmenistan, can be created only in one original copy;
- 3) other documents provided for by the legislation of Turkmenistan.

If the legislation of Turkmenistan provides for notarization of a civil law transaction, such a transaction may be formalised by drawing up the appropriate documentation, which must be certified by a state notary by overlaying his electronic digital.

IV.A.2.2. The nature of electronic digital signatures

An electronic digital signature (EDS) results from using special cryptography to transform a portion of the message to be signed into a form that can be read only by a related cryptographic process. (For this reason the method is called “dual key encryption”). The encryption data used to sign is the “private key” known only to the signatory. The decryption data used to read the signature is the “public key” which may be widely shared or given only to the intended recipient(s).

Proper use of the keys allows recipients of signed messages to confirm the authenticity and integrity of a signed document.

The ownership of the private key is usually confirmed by a certificate issued by a “certification center” – which often creates the signing keys too. The certificate can accompany the signed document, or be obtained separately from the certification center.

There is a lack of understanding among stakeholders on the practical details of the concept of electronic digital signature, which potentially may lead to oversimplifying it, or to making it optional for several kinds of transactions.

In accordance with article 53 of the above-mentioned Law, electronic commerce is understood as a type of distance selling carried out by exchanging electronic documents in transactions using electronic information systems, telecommunication networks and electronic procedures.

IV.A.3. Privacy and data protection

In accordance with article 11 of the Law of Turkmenistan “On Electronic Document, Electronic Document Management and Digital Services”, an electronic document must be created, processed, stored and transmitted using electronic technical means and means of telecommunication. These must be undertaken in compliance with the necessary degree of protection provided for by the legislation and international treaties of Turkmenistan, to guarantee the prevention of unauthorized exposure, disclosure, and access to protected information.

All personal information within electronic document management may be visible to the various parties who have appropriate access, therefore, it must be protected and confidential.

Each party to the electronic document flow is obliged to comply with the procedures and take measures to protect against unauthorized access to electronic documents.

As is reflected in the above Law, the protection of electronic documents and the information contained in them is the responsibility of the owners of these systems and networks.

In addition, these aspects are regulated in other legislative acts of Turkmenistan, in particular in the Law of Turkmenistan “On Trade Secrets” and the Law of Turkmenistan “On Information and Its Protection”.

IV.A.4. Data sharing

A key and integral part of e-commerce is the exchange of data through electronic procedures.

The article 18 elaborates on the electronic document management, defining the objectives as:

- 1) improving the efficiency of public administration on the basis of modern organization of intra-sectoral and intersectoral information exchange;
- 2) improving the efficiency and speed of managerial decision-making;
- 3) optimising information flow on paper and electronic media;
- 4) creating a single space for information exchange;
- 5) organizing the accounting, control and storage of documents of subjects of electronic document management;
- 6) preventing document loss;
- 7) increasing the degree of protection and security of the information used in information and communication technologies (ICT);
- 8) ensuring the confidentiality, integrity and accessibility of information resources of electronic document management.

The targets of electronic document management are:

- 1) creation of flexible management and enforcement control tools for public authorities;
- 2) formation of state information resources and organization of access to them;
- 3) organization of the exchange of electronic documents between the subjects of electronic document management;
- 4) development and introduction of a single format of electronic document and electronic exchange of information;
- 5) ensuring unified requirements for office work;
- 6) organization of service functions for effective conduct of interdepartmental records management;
- 7) fulfilment of information security requirements in the organization of interdepartmental information interaction.

Thus, this law is a fundamental element of the exchange of information in the conduct of electronic commerce. In part, the statutes just mentioned are supplemented by the Law of Turkmenistan “On legal regulation of the development of the Internet and the provision of Internet services in Turkmenistan”, and the Customs Code of Turkmenistan.

IV.A.5. Data retention and electronic advance

Article 13 of the Law of Turkmenistan “On Electronic Document, Electronic Document Management and Digital Services” contains provisions on the storage of electronic documents and archives of electronic documents.

According to that article, electronic documents must be stored on an electronic storage medium in a form that allows their integrity and authenticity to be verified on the applicable medium.

The period of storage of electronic documents on an electronic data carrier should be at least the period established by the legislation of Turkmenistan for the relevant documents on paper, including for electronic documents establishing the rights and obligations of the parties in civil law relations - not less than the limitation period.

The obligation associated with the storage of electronic documents lies with the involved parties of electronic document management. This includes any party whether public or private that own the documents, or in whose interests they are to be used, or by whom they are to be stored, protected, blocked or removed, and so forth.

Subjects of electronic document management can ensure the storage of electronic documents independently, as well as using the services of an intermediary, archival and other institution in electronic document management, subject to compliance with the requirements of the legislation of Turkmenistan.

When storing electronic documents, compliance with certain requirements is mandatory. Namely, the information contained in electronic documents must be available for its further use, including: for the provision of copies of electronic documents on paper; the management system provides the ability to restore an electronic document to the format in which it was created, sent or received; the management system makes available information that allows the appropriate people to establish the origin and purpose of the electronic document, sender, addressee, as well as the date and time of its sending or receipt; the system provides ongoing backup copies of electronic documents; electronic documents may be stored in the format in which they were created, sent or received, unless otherwise established by the legislation of Turkmenistan or by the contract (agreement) of the subjects of electronic document management.

In accordance with article 52 of the above-mentioned Law, the procedure for making payments in electronic form in credit institutions of Turkmenistan, shall be established by the Central Bank of Turkmenistan in accordance with the legislation of Turkmenistan.

IV.B. Laws regarding paperless trade systems

IV.B.1. Establishment of a paperless trade system

In accordance with national and state programs, large-scale reforms are currently being implemented in Turkmenistan aimed at diversifying and modernizing the economy, giving it an innovative character and transferring it to a digital platform.

Turkmenistan has laid the foundations for the development of paperless trade as a result of the adoption of various policy documents. In particular, the Program for the Development of Foreign Economic Activity of Turkmenistan for 2020-2025, and the Foreign Trade Strategy of Turkmenistan, were adopted by Presidential decree. These program documents are aimed at strengthening cooperation with international organizations and world economic and financial institutions, and at providing opportunities for expanding and strengthening foreign economic activity.

Recently the Law on e-government was adopted to fill in the gaps in legislation by establishing the e-government procedures and rules, and providing a regulatory framework for collaboration by various subjects within the landscape of e-government services.

As for the creation of a system of paperless trade and digitalization of the economy, the integration of Turkmenistan into international trade, economic, and financial ties, and the strengthening of its reputation will be facilitated by the widespread use of various electronic systems and information networks, including in the field of trade and taxation.

Another important stage in the development of the paperless trade system in Turkmenistan is the accession to the Framework Agreement on the Facilitation of Cross-Border Paperless Trade in the Asia-Pacific Region. Accession to this instrument followed the adoption on 17 April 2022 of the relevant Law of Turkmenistan: “On Accession to the Framework Agreement on The Facilitation of Cross-Border Paperless Trade Procedures in the Asia-Pacific Region”. This has created legal conditions for the progressive development of national legislation in the area, the essence of which was disclosed in the section “Electronic payments and electronic transferable records”.

IV.B.2. Quality of information exchanged with the paperless trade system

The same standards of accuracy and completeness of information will be applied to digital information as the law has traditionally applied to data on paper.

IV.B.3. Service level agreements (SLA) and memoranda of understanding (MOUs)

The new Single Window system in Turkmenistan is not operational yet. Accordingly, the service level agreements (SLA) between the operator of the system (State

Customs Service) and its users are not in place yet. But there has already been a lot of progress towards the implementation of the Single Window system in the country.

For the full functioning of the Single Window system in Turkmenistan, the Government is carrying out extensive work with local ministries and departments of the country and issuing domestic laws and regulatory legal acts.

In addition, Turkmenistan actively cooperates with international organization. For example, on 13 October 2020, a memorandum of understanding on joint cooperation was signed by the UNDP, UNCTAD and Ministry of Foreign Affairs of Turkmenistan in order to facilitate the implementation of the Single Window for an export-import operation project in Turkmenistan.

On 13 December 2020, the decree of the President of Turkmenistan No. 1337 approved the Project document on the “Single Window for export-import operations for 2021-2023, between the State Customs Service of Turkmenistan, UNDP and UNCTAD.

Furthermore, on 12 February 2021, the decree of the President of Turkmenistan No. 2142 “Concerning the creation of the “Single Window for Export-Import Operations” was adopted. According to the decree, a commission of 18 members was appointed, drawn from ministries and departments of Turkmenistan, responsible for the creation of a “Single Window” system. The Customs Service of Turkmenistan is the coordinator of this work. This commission also includes the Union of Industrialists and entrepreneurs of Turkmenistan. The law of Turkmenistan on standardization allows for the adoption and implementation of technical standards from global and regional bodies, as well as the standards of other countries. This provides an opportunity to align national legal and technical frameworks with those international norms, adopted and implemented by countries including trade partners of Turkmenistan.

IV.C. Cross-border aspects

IV.C.1. International agreements relevant for cross border paperless trade facilitation

Turkmenistan is a party to a number of international agreements designed to support and facilitate international trade. In particular, the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (Geneva, 14 November 1975), and the Convention establishing the Customs Cooperation Council (Brussels, 15 December 1950).

Moreover, Turkmenistan has concluded bilateral international agreements on cooperation in customs practices with Azerbaijan, Kazakhstan, Afghanistan, Uzbekistan, Iran and other countries, which is an important step towards the establishment of cross-border paperless trade in the region. Turkmenistan is considering a more modern international regime for customs administration in the electronic era, aligned with the Revised Kyoto Agreement.

Turkmenistan is also a party to a number of international treaties and international organization regulating certain aspects of the use of electronic documents and communications in international relations. In particular, in connection with the adoption on 17 April 2022, of the Law of Turkmenistan “On Accession to the Framework Agreement on the Facilitation of Cross-Border Paperless Trade Procedures in the Asia-Pacific Region”, Turkmenistan joined and became a full participant in the Framework Agreement on the Facilitation of Cross-Border Paperless Trade procedures in the Asia-Pacific region, adopted on 19 May 2016 in Bangkok. Being a part of the Framework Agreement will support harmonization of the principles for developing laws applicable to cross-border paperless trade, it promotes the mutual recognition of electronic documents and signatures, and it provides a forum for expert advice on technical and legal questions that arise as paperless trade expands.

In addition, in April 2022, Turkmenistan became a party to the United Nations Convention on Contracts for the International Sale of Goods, adopted on 11 April, 1980 in Vienna, which will bring into Turkmenistan law widely-recognized rules for international contracts that can apply to paperless trade as well as to paper-based transactions.

As a full-fledged subject of international economic relations, Turkmenistan is striving to bring its legal system in line with international standards, aimed at facilitating and systematising these legal relations. In particular, it expects that by being a party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (ratified in April 2022), it will be able to create legal prerequisites for resolving such disputes in general, and in the field of international paperless trade. Moreover, Turkmenistan should consider a membership to the Convention on the Procedure for the Settlement of Investment Disputes between States and Foreign Persons (Washington, 18 March 1965).

Turkmenistan is considering becoming a party to the UN Convention on the use of electronic communications in international contracts (the Electronic Communications Convention), as the basis for harmonising basic e-transaction principles with international trading partners.

IV.C.2 International standards, guidelines and recommendations

The Law of Turkmenistan “On Standardization” provides that normative documents should be based on international and interstate (regional) standards, norms, rules and recommendations for standardization, progressive standards of foreign states, modern scientific, technical and technological achievements, while taking into account the conditions for the use of products (works, services).

International and interstate (regional) standards and standards of foreign states are applied on the basis of international agreements (treaties) on cooperation, as well as agreements of the authorized body with relevant international, regional standardization organization.

A number of regulatory documents in Turkmenistan adopt international standards, notably the ISO and EASS (Euro-Asian Council for Standardization, Metrology and Certification) standards on information security.

IV.D. Other considerations

IV.D.1. Ownership of information in the paperless trade system

Issues of ownership of information are regulated in the Law of Turkmenistan “On Information and Its Protection” adopted on May 3, 2014. In accordance with article 10, paragraph 3, of the Law, the right of ownership and property rights for the carriers of documented information are established by the legislation of Turkmenistan. These rights under the legislation of Turkmenistan are unpacked below.

In accordance with part 4 of article 14 of the Law, the transfer of information through the use of information and telecommunication networks may be carried out without restrictions, subject to compliance with the requirements for the dissemination of information and the protection of intellectual property established by the legislation of Turkmenistan. The transfer of information may be restricted only in the manner and under the conditions established by the legislation of Turkmenistan. For example, Article 30 of the Law “On legal regulation of the development of the Internet and the provision of Internet services in Turkmenistan” imposes concrete restrictions on certain topics and pieces of information that should not be disseminated, sent or received, such as state secrets, changing the constitutional regime, war propaganda, pornography, and so on.

In accordance with article 5 of Law 1, the owner of the information may be the state, individuals or legal entities of Turkmenistan.

On behalf of Turkmenistan, the rights of the holder of information are exercised by State and local self-government bodies within the limits of their powers established by the relevant regulatory legal acts of Turkmenistan.

The owner of the information, unless otherwise provided by the legislation of Turkmenistan, has the right to allow or restrict access, determine the procedure and conditions for such access, use (including distribution) at its discretion; transfer information to other persons under a contract or on another basis established by law; protect their rights in the case of illegal receipt of information or its illegal use by other persons by the methods established by law; and perform other actions with information or authorize the implementation of such actions.

The owner of the information, in exercising his rights, is obliged to respect the rights and legitimate interests of other persons; take measures to protect information; and restrict access to information, if such an obligation is established by the legislation of Turkmenistan.

IV.D.2. Liability issues related to cross-border paperless trade system

In accordance with Article 16 of the Law of Turkmenistan “On Information and Its Protection”, violation of the requirements of this Law entails liability established by the legislation of Turkmenistan. Persons whose rights and legitimate interests have been violated via the disclosure of confidential information or any other illegal activity have the right to apply to the court for the protection of their rights, including compensation for damages, compensation for moral damage, protection of honor and dignity. However, a person with a duty to protect confidential information who has not done so, is not allowed to make a claim for damages if his/its own data is compromised/stolen.

In accordance with the fourth part of article 8 of the Law, the legislation of Turkmenistan must establish the conditions for classifying information as information constituting a trade secret or other secrets protected by law, and observe the confidentiality of such information, as well as responsibility for its disclosure. National legislation protects the confidentiality of electronic transactions and information/data via different legal acts, namely: the Law of Turkmenistan “On Trade Secrets”, the Law of Turkmenistan “On information and its protection”, “On cybersecurity”, the Criminal Code of Turkmenistan, and the Code of Administrative Offenses.

Some information offences are criminalised in the Criminal Code of Turkmenistan, In particular, article 271 of the Criminal Code provides for liability for the illegal collection, disclosure or use of information constituting a commercial or bank secret.

Under this rule, the collection of information constituting a trade or bank secret by theft of documents, bribery or threats against persons (or their relatives) holding commercial or banking secrets, an interception of means of communication, and other illegal means of entering a computer system or network for the purpose of illegal disclosure or use of this information, are punishable by a set of fines and other more severe measures.

Illegal disclosure or use of information constituting a commercial or bank secret, without the consent of their owners or through the use of information technology, committed out of selfish or other personal interest and causing damage on a large scale, is punishable by a fine in the amount of fifty to one hundred times the size of the established base value, or correctional labour for a period of up to two years.

IV.D.3. Dispute settlement and conflict of laws

Disputes are resolved in Turkmen legislation by the rules of substantive and procedural law. In particular, in accordance with the Law “On International Commercial Arbitration”. Inspired by the UNCITRAL model law on International Commercial Arbitration, disputes from contractual and other civil law relations arising in the implementation of foreign trade and other types of international economic relations are referred to arbitration, if the commercial enterprise of at least one of the parties is located outside Turkmenistan. The procedure may apply as well to disputes between

enterprises with foreign investments and to international associations and organization established in the territory of Turkmenistan, disputes between their participants, as well as their disputes with other subjects of law of Turkmenistan.

In accordance with article 47 of the above-mentioned Law, an arbitral award, regardless of the country in which it was made, shall be recognized and enforced taking into account the requirements of this Law, as well as in accordance with the procedural legislation of Turkmenistan and its international treaties. Turkmenistan has recently become a party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

In the event that the parties come to an agreement on the resolution of the dispute in Turkmenistan, the norms of the Code of Arbitration procedure and the Code of Civil Procedure shall apply when considering disputes.

IV.D.4. Electronic payments and electronic transferable records

A number of legislative acts regulate the e-payment systems. In particular, the Law “On Currency Regulation and Currency Control in Foreign Economic Relations”, which establishes the legal framework and principles of currency regulation and currency control in foreign economic relations, is aimed at conducting a unified state currency policy in Turkmenistan, ensuring the stability of the national currency and the stability of the foreign exchange market of Turkmenistan. It determines the competence of the bodies of currency regulation, law and obligations of residents and non-residents, authorities and agents of foreign exchange control including their ability to use electronic payments.

This report has already mentioned Article 52 of the law “On Electronic Document, Electronic Document Management and Digital Services”, which authorizes the Central bank to create the procedure for making payments in electronic form in credit institutions. The procedure for conducting international electronic payments is determined by the relevant contracts among transacting parties.

One of the objectives of Central Bank of Turkmenistan is to ensure the effective functioning of the settlement and payment system.

Article 23 of the Law “On Credit Institutions and Banking Activity”, sets out how the credit institution carries out settlements according to the rules, forms and standards established by Central Bank of Turkmenistan and adopted in international banking practice, including settlements using the electronic payment system and the Internet.

These legal relations are regulated by a number of regulatory legal acts. In particular, the Decree of the President of Turkmenistan No. 4583 of 22 February, 2000 “On the introduction of an electronic payment system in Turkmenistan”. This decree adopted a Regulation on the procedure for making and accounting for electronic payments in the interbank sphere; as well as monitoring their conduct in order to accelerate the turnover of funds in settlements and the effective functioning of the monetary system.

In pursuance of the above legislative and regulatory legal acts, in 2012 the Central Bank of Turkmenistan issued Order No. 145-Ö which developed and approved the Procedure for the exchange and control of electronic documents in the electronic payment system of Turkmenistan.

In accordance with part 7 of Article 53 of the Law, a contract in electronic commerce is drawn up as a result of agreeing on the terms of the contract and forming it through the exchange of electronic documents between the parties to an electronic transaction, Subarticle 20(4) provides that if in the process of electronic document management, there is a need to determine additional rights and obligations of subjects of electronic document management, not specified in the legislation of Turkmenistan, such rights and obligations may be established by these entities on a contractual basis.

Summarising the above, it can be noted that the national legal system of Turkmenistan contains sufficient legal regulation of legal relations in the field of electronic payments and electronic transferable records. It also has sufficient potential for their development, as evidenced by the above-mentioned legal acts, as well as accession to such an international legal agreement as the Framework Agreement on the Facilitation of Cross-Border Paperless Trade Procedures in the Asia-Pacific Region. In order to implement its provisions, the national legal framework will require supplementary legislation in due course.

Turkmenistan does not, to date, have any laws on electronic transferable records, i.e. records that themselves represent the goods described in them and whose transfer also transfers the property in the goods. The law will evolve to support commercial practices, both on paper and electronically, and will follow international precedents when that happens.

IV.D.5. Competition laws

Issues of antimonopoly legislation are regulated in the Law of Turkmenistan “On Trade Activities” and other regulatory legal acts of Turkmenistan.

The purposes of the adoption of this Law were: the creation of an appropriate legal framework for the implementation of trade activities in Turkmenistan in conditions of free competition and the formation of a competitive environment (Article 3).

A separate piece of legislation, the Law “On Entrepreneurial Activity”, prohibits of the restriction of competition in entrepreneurship, and stipulates the kinds of activity that it prohibits: actions that undermine the reputation of a competitor, the conclusion of conspiracies to limit production, divide markets, maintain monopolistically high or low prices; assignment of other people’s trademarks (brands), information that allows unauthorized copying of products of other manufacturers, as well as other actions not permitted by law. Profits obtained as a result of restriction of competition and other actions not permitted by law are subject to recovery.

The Law “On State Support of Small and Medium-Sized Businesses” provides measures to improve the legal framework for state regulation of entrepreneurial activity, antimonopoly activities and the development of competition. Certain specific actions prejudicial to small business interests are also specifically prohibited (article 17).

Thus, Turkmenistan has a sufficient legal framework in the field of antimonopoly legislation.

V. Recommendations for moving towards cross-border paperless trade

Based on the findings from the technical and legal readiness of Turkmenistan for cross-border paperless trade in sections III and IV of this report, a series of technical and legal recommendations, for Turkmenistan to accelerate progress towards cross-border paperless trade, are presented in this section.

A. Recommendations emerging from the technical readiness assessment

To further improve the paperless environment within the country and its capabilities to participate in cross-border paperless trade, Turkmenistan is recommended to continue development of paperless trade systems that are interoperable with other systems, including development of long-term plan and establishing data and document exchange with other countries. Recent ratification of Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA) should provide significant help in narrowing technical gaps in (cross-border) paperless trade and support its journey to move into a knowledge-based economy. Recommendations arising from technical readiness assessment on each area are discussed below.

Institutional and governance bodies

Recommendation 1 : (High priority)

Currently there is no national council or inter-agency body that coordinates paperless trade in Turkmenistan. It is recommended that Turkmenistan establishes a national trade facilitation committee or a similar inter-agency governance body (NTFC/IAGB), institutionalised by laws that will coordinate the facilitation of trade procedures and effectively steer and manage the implementation of paperless trade initiatives. It will also contribute to effective management of paperless trade systems implemented or being implemented in Turkmenistan, as well as supporting a country's accession to WTO and fulfilment of the TFA requirements. This structure should be led by top management of the country who has the authority to address issues about financial support and access to other necessary resources. Setting up such a committee will be an actual implementation of the CPTA. According to Article 6.3 of the Framework Agreement, "The Parties may establish a national committee, comprising relevant representatives of government and private sector parties, in accordance with their domestic environment. The committee will promote a legally enabling domestic environment for exchange of trade-related data and documents in electronic form as well as facilitate interoperability of cross-border paperless trade."

Level of automation

Recommendation 2 : (High priority)

Currently in Turkmenistan electronic documents/transactions are almost non-existent, if they exist, the paper form of the document is also still required. Turkmenistan should implement an electronic signature system as soon as possible to support and enable paperless trade systems to receive and process electronic documents.

Recommendation 3 : (High priority)

All the licenses, permits and certificates including customs declarations in Turkmenistan are issued in paper form. It is recommended to develop and implement paperless/electronic systems at OGA/PIAs that issue licenses, permits and certificates to process and issue those electronically. This policy should be implemented in batches with priority to the OGA/PIA issued licenses, permits and certificates, which are crucial to the country's trade. Paperless/electronic systems should have capability to be interlinked/interconnected with the Single Window system.

Recommendation 4 : (High priority)

Currently in the SCST is in collaboration with UNDP and UNCTAD working on implementation of "Single Window for export-import operations". The SCST should continue implementation of the Single Window system and aim to finalise it within the timeframes set in the project. The Single Window system should be interlinked and enable paperless transactions throughout the whole cross-border trade related process at all involved OGA/PIAs.

Information and communication technology (ICT) infrastructure

Recommendation 5 : (High priority)

The State Program for the Development of Digital Economy for 2021-2025 addresses most of the ICT infrastructure issues in Turkmenistan. It is recommended that the country continues enhancing/improving the strategic plan that would address ICT infrastructure issues to support paperless trade. The strategic plan should reflect future requirement, such as software, hardware, and technology upgrades. Also, the strategic ICT infrastructure development at the national level should incorporate the paperless trade requirements of network connectivity among trading partners all over the country, especially in the remote customs posts and areas. The strategic plan and guidelines should be considered in implementation of planned DATA center.

Recommendation 6 : (High priority)

There is currently no disaster recovery plan at national level. It is recommended that a disaster recovery plan is implemented at national level. Government agencies should implement their own disaster recovery plans in accordance with the national disaster recovery plans. Disaster recovery plans provide guidelines on how work can be resumed quickly and effectively after a disaster, thus mitigating/minimising operational disruptions of paperless trade systems.

Recommendation 7 : (Medium priority)

The “Turkmenaragatnasyk” agency established several ICT requirements but no business continuity plan at national level exists. The “Turkmenaragatnasyk” agency should establish a business continuity plan (BCP) at the national level in addition to the ICT requirements currently implemented. The BCP will outline steps and actions to take during different scenarios to return to normal operations. The BCP should be regularly tested and practiced for effectiveness and preparation before a real incident occurs.

Business process re-engineering

Recommendation 8 : (High priority)

Turkmenistan should carry out business process re-engineering (BPR) in implementing electronic systems and trade facilitation initiatives, both at agency and national levels. It is important that a clear and detailed picture of the as-is business processes involved in importing, exporting or transiting of goods is available. Adoption of standards and standards tools, e.g. UN/CEFACT Modelling Methodology (UMM), and UNNExT Business Process Analysis Guide to Simplify Trade Procedures, is recommended for re-engineering and streamlining of business processes to support paperless trade or a national Single Window.

Capacity building

Recommendation 9 : (Medium priority)

Turkmenistan should conduct capacity building and training workshops for different levels of stakeholders such that they understand and develop necessary skills to take their respective roles. NTFC/IAGB should lead and monitor implementation of capacity building initiatives and have a periodic plan of the events to conduct. WTO trade facilitation agreements, business process analysis to simplify trade procedures, paperless trade/Single Window strategic planning, monitoring mechanisms, data harmonization, ICT strategy, security policy and cross-border data exchange are the topics that should be covered in training workshops.

Facilitation of cross-border data exchange

Recommendation 10 : (Medium priority)

Turkmenistan should continue to actively participate in regional, subregional and bilateral initiatives on cross-border paperless trade. This way, Turkmenistan will benefit from cross-border trade developments by taking part in paperless trade initiatives. It should be noted that by ratifying the Framework Agreement, Turkmenistan gets greater involvement in relevant cross-border paperless trade initiatives (Article 13 Pilot projects and sharing of lessons learned). It is also advised to launch pilot projects on cross-border exchange of trade related data and documents in electronic form, in collaboration with customs and regulatory agencies of other countries. NTFC/IAGB should lead and monitor implementation of these initiatives.

Recommendation 11 : (Medium priority)

The SCST should actively collaborate with dialogue country partners to establish agreements, in order to implement single customs transit declaration and single guarantee validity for the international transit route in the region.

Recommendation 12 : (Medium priority)

Turkmenistan should proactively participate in joint inspection and sharing (recognition) of results electronically among relevant regulatory agencies, and also with trading partner countries. For sharing (recognition) of results with trading partner countries, ratifying the Framework Agreement helps Turkmenistan to initiate and operationalise joint inspection and sharing (recognition) of results (Article 8 Cross-border mutual recognition of trade-related data and documents in electronic form). Either the NTFC/IAGB or the SCST should lead and monitor implementation of these initiatives.

Recommendation 13 : (High priority)

Turkmenistan should introduce an Authorised Economic Operator (AEO) programme and conclude mutual recognition agreements with its main trading partner countries to improve the level of trust in Turkmenistan traders, which can help initiating cross-border paperless trade. The NTFC/IAGB or the Ministry of Trade and Foreign Economic Relations should lead and monitor introduction of AEOs in Turkmenistan.

B. Recommendations emerging from the legal readiness assessment

Based on the conclusions reached in the previous sections, as well as taking into account the fact that Turkmenistan joined the Framework Agreement on Facilitation of

Cross-Border Paperless Trade in Asia and the Pacific, adopted by ESCAP on 19 May 2016, Turkmenistan will strive to facilitate paperless cross-border trade between interested ESCAP member countries.

To this end, appropriate mechanisms are recommended for the development of legal and technical solutions.

Electronics transactions and signatures law

Recommendation #1: (High Priority)

Turkmenistan should modernize and simplify its statutes governing electronic documents and signatures. Specifically, Turkmenistan should:

1.1 Consider practical implementation of the provisions of the Law of Turkmenistan “On Electronic Document, Electronic Document Management and Digital Services” to increase digitalization of technological processes and flexibility, particularly for e-signatures in non-official contexts. More clarity is needed on the implications of secure signatures, their legal effect, and the responsibilities of all parties involved in their creation and use. The lack of common understanding and awareness among stakeholders of the e-signature concept and its practical implementation, is seen as the major bottleneck in implementation of a broader concepts such as e-document management, paperless trade, and so on;

1.2 Consider full recognition of electronic communications/documents as directly meeting requirements for those paper-based documents by law.

In this process, attention should be paid to the work of UNCITRAL in this field, especially the Convention on the Use of Electronic Communications in International Contracts; the principles of the Convention can also be used in domestic law. By acceding to the Convention, the country would attain a shortcut to internationally recognized and sound electronic transaction laws applicable to domestic and international transactions. Being a party to this Convention would help Turkmen companies enter into transactions that can be processed through paperless trading.

Recommendation #2: (High Priority)

Turkmenistan should explicitly make electronic evidence appropriately admissible in judicial and administrative and regulatory proceedings, and also consider making the same rules apply to electronic evidence generated, stored or collected abroad.

Paperless Trade and Single Window Laws

Recommendation #3: (High Priority)

Turkmenistan should provide a legal basis for establishing and operating a Single Window for cross-border trade and for creating a paperless trade environment. Such

a legal basis can be provided by revision of existing laws, or ideally by enacting new laws and frameworks. The essence of this set of laws is to authorize and frame the electronic exchange of information among all public-sector and private-sector participants in trade. See Recommendation 8 in this regard.

Recommendation #4: (High Priority)

Turkmenistan should review provisions of legal acts related to information security, cybercrime and confidentiality and legal acts that establish requirements for the accuracy and integrity of data submitted and processed specifically for paperless trade, without compromising the confidentiality of personal data. Existing laws on general applications may already cover these areas, but it is necessary to analyze all provisions and their actions in relation to paperless trade, and fill any gaps.

Cross-border aspects

Recommendation #5: (Medium Priority)

The creation of a legal framework that provides equal legal status and acceptability of modern authentication methods is crucial for cross-border trade. While forming a cross-border authentication policy for a paperless trade system, Turkmenistan should agree on a common authentication standard in information exchanges with trading partners, or mutually recognize the standards of other cooperating states.

Recommendation #6: (Medium Priority)

Turkmenistan should conduct an inventory of international treaties affecting paperless trade issues to which Turkmenistan is a party. Subsequently, it is necessary to organize educational activities for government bodies, organization and the private sector about the opportunities these tools provide. This process may be more beneficial than seeking out new conventions to join, with the exception of the one already mentioned in recommendation 1.2.

Recommendation No. 7: (Medium Priority)

Turkmenistan should continue to be willing to make bilateral or regional agreements as well as those promoted by global bodies, as required. This can give it practice in supporting paperless communications for trade elsewhere.

Recommendation No. 8: (Medium Priority)

Turkmenistan should consider how to incorporate relevant international legal standards, regulations and guidelines into its legal frameworks. In doing so, it should take the opportunity to share the knowledge on the benefits of such standards

throughout the public sector, so agencies across the government recognize opportunities to go electronic. (A special effort may be useful for internal legal advisors so they give consistent informed advice on such questions.) As the law of Turkmenistan on standardization allows, the country should consider adopting global, regional, as well as country-level standards which are used by its trading partners (such as CEFACT, ASEAN, ESCAP, etc.) to harmonize and smoothen bilateral and multilateral procedures. Some international legal standards and guidelines that Turkmenistan has not yet expressly incorporated, which could be beneficial, include:

- 1) UNECE CEFACT Recommendation 33 on the establishment of a Single Window.
- 2) UNECE CEFACT Recommendation 35 on the legal status of a Single Window.
- 3) UNECE CEFACT Recommendation 36 on interoperability of cross-border systems.
- 4) UNNEExT guidelines on Paperless Trade and Single Window.

Other considerations

Recommendation #9: (High Priority)

Based on the analytical work carried out, the existing payment system in Turkmenistan comprises mainly of country's [state-owned] commercial bank networks with limited e-payment services and legislation/regulations, without an explicit focus on cross-border paperless trade. Accordingly, Turkmenistan should adopt a normative act which provides a legal framework for integration and coordination of activities within the payment systems area. This integration and coordination concerns the following areas: the interaction of national payment cards, the interaction of financial messages and settlement systems (including the introduction of international standards for financial messages), fast payment systems, development and adoption of financial technologies for cross-border payments, digital identification, cybersecurity and other aspects. The implementation of these provisions should be the main objective of the relevant institutional bodies of the country.

Recommendation #10: (High Priority)

Turkmenistan should clearly establish the criteria for the liability of parties involved in cross-border paperless trade, and for the liability of intermediaries in relation to the information and data passing through their systems. This may allow for some private contractual disclaimer of liability, subject to statutory or regulatory limits. The principle that harm is repaired by the person who caused it should be maintained, unless good reasons of public policy require an exception – in which case, the fact of the exception should be made clear as well. However, it may be necessary to study the kinds of responsibilities that can arise and the kinds of harm that can be done, and to build safeguards, before a full liability regime can be instituted.

Recommendation No. 11: (High Priority)

Turkmenistan should clearly set out how choice of forum and choice of law issues relevant for paperless trade facilitation are determined in its laws. It should be clear whether these rules apply to arbitration proceedings as well as to court cases.

Recommendation No. 12: (High Priority)

Turkmenistan should consider establishing laws defining who owns the data in a cross-border paperless trade system, and how the data can be used.

Note: According to the provisions of the Framework Agreement, ESCAP technical assistance should be made available to the parties for implementation of the above recommendations and beyond.

VI. Turkmenistan action plan for cross-border paperless trade

Part 1: Technical Aspect

Institutional and governance bodies for electronic data exchange in paperless environment				
Indicative action	Priority level	Timeline	Capacity building needs	Potential key agencies
Establish National Trade Facilitation Committee including private sector representatives.	High	Fourth quarter 2022	Yes	Ministry of Trade and Foreign Economic Relations State Customs Service of Turkmenistan Union of Industrialists and Entrepreneurs of Turkmenistan
Automation				
Indicative action	Priority level	Timeline	Capacity building needs	Potential Key agencies
Implement/introduce electronic signatures	High	Q4 2022	Yes	"Turkmenaragatnasyk" agency
Develop and Implement paperless/electronic systems at relevant OGA/PIAs that issue LPCs	High	Q4 2024	Yes	State Main Service for Standardization "Turkmenstandartlary", State Veterinary Service, State Quarantine Service, OGA/PIAs
Finalise implementation of "Single Window for export-import operations"	High	Q4 2023	No	State Customs Service of Turkmenistan
Implement MFA methods of authentication for all electronic systems	High	Q4 2023	No	State Customs Service of Turkmenistan, OGA/PIAs
ICT Infrastructure				
Indicative action	Priority level	Timeline	Capacity building needs	Potential Key agencies
Enhancement of strategic plan to support paperless trade.	High	2023	Yes	"Turkmenaragatnasyk" agency, Ministry of Trade and Foreign Economic Relations, State Customs Service of Turkmenistan
Develop and implement Disaster Recovery Plan at national level	High	2022-2023	Yes	"Turkmenaragatnasyk" agency, Ministry of Trade and Foreign Economic Relations, State Customs Service of Turkmenistan
Develop and implement business continuity plan	Medium	2022-2023	No	"Turkmenaragatnasyk" agency
Business process re-engineering				
Indicative action	Priority level	Timeline	Capacity building needs	Potential Key agencies

Carry out business process re-engineering in implementing electronic systems and trade facilitation initiatives	High	2023	Yes	Ministry of Trade and Foreign Economic Relations, State Customs Service of Turkmenistan, OGA/PIAs
Awareness and capacity building				
Indicative action	Priority level	Timeline	Capacity building needs	Potential Key agencies
Prepare plan for capacity building and awareness-raising events	High	2022	Yes	NTFC/IAGB, Ministry of Trade and Foreign Economic Relations, State Customs Service of Turkmenistan, OGA/PIAs
Conduct capacity building and awareness raising activities and increase accessibility of trading community to trade related educational resources and programs	Medium	Ongoing	Yes	Ministry of Trade and Foreign Economic Relations, State Customs Service of Turkmenistan, OGA/PIAs
National status towards cross-border data exchange				
Indicative action	Priority level	Timeline	Capacity building needs	Potential Key agencies
Continue activities in participating in regional, subregional and bilateral initiatives on cross-border paperless trade eg. CAREC, UNESCAP and ITC.	Medium	Ongoing	No	Ministry of Trade and Foreign Economic Relations
Launch pilot projects on cross-border exchange of trade related data and documents in electronic form in collaboration with customs and other regulatory agencies of other countries participating in Framework Agreement.	Medium	2024-2025	Yes	State Customs Service of Turkmenistan, Ministry of Trade and Foreign Economic Relations
Collaborate with dialogue country partners to establish agreements for recognition of single customs transit declaration and single guarantee valid for the international transit routes in the region.	Medium	2023	Yes	State Customs Service of Turkmenistan
Participate in joint inspection and sharing (recognition) of results electronically among relevant regulatory agencies	Medium	Ongoing	No	NTFC/IAGB, State Customs Service of Turkmenistan, Ministry of Foreign Trade and Economic Relations
Introduce Authorised Economic Operator (AEO) programme and conclude mutual recognition agreement	High	2023	Yes	NTFC/IAGB, State Customs Service of Turkmenistan, Ministry of Trade and Foreign Economic Relations

with main trading partner countries				
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Part 2: Legal Aspect

Electronics transactions and signatures law				
Indicative action	Priority level	Timeline	Capacity building needs	Potential key agencies
1. Modernise and simplify its statutes governing electronic documents and signatures	High	Ongoing	Yes	Min of Trade and Foreign Economic Relations, State Customs Service
1.1. Consider practical implementation of the provisions of the Law of Turkmenistan “On Electronic Document, Electronic Document Management and Digital Services”	High	Ongoing	Yes	All stakeholders
1.2. Consider full recognition of electronic communications/ documents as directly meeting requirements for documents that the law has traditionally considered to require paper	High	2023	Yes	All stakeholders
2. Make electronic evidence appropriately admissible in judicial and administrative and regulatory proceedings, and also consider making the same rules apply to electronic evidence generated, stored or collected abroad	High	2023	Yes	Min of Adalat (Justice), Agency “Turkmenaragatnashyk”
Paperless trade and Single Window laws				
Indicative action	Priority level	Timeline	Capacity building needs	Potential Key agencies
3. Revise existing laws or enact new laws for establishing and operating a Single Window for cross-border trade and for creating a paperless trade environment	High	2023	No	State Customs Service
4. Expedite the adoption or updating of laws on	High	2023	Yes	Min of Trade and Foreign Economic

information security, cybercrime and privacy, as well as laws/regulations establishing requirements of accuracy and integrity of data submitted and processed for paperless trade				Relations, State Customs Service
Cross-border aspects				
Indicative action	Priority level	Timeline	Capacity building needs	Potential Key agencies
5. Create a legal framework that provides equal legal status and acceptability of modern authentication methods and agree on a common authentication standard in information exchanges with trading partners, or mutually recognize the standards of other cooperating states	Medium	2023 - 2024	Yes	Agency “Turkmenaragatnashyk” and others
6. Conduct an inventory of international treaties affecting paperless trade issues to which Turkmenistan is a party and organize educational workshops for all stakeholders on the opportunities that these tools provide.	Medium	2023-2024	No	Ministry of Foreign Affairs, Mejlis
7. Continue to make bilateral or regional agreements as well as those promoted by global bodies, as required	Medium	Ongoing	No	All stakeholders
8. Consider incorporating relevant international legal standards, regulations and guidelines into country’s legal frameworks	Medium	Ongoing	Yes	All stakeholders
Other considerations				
Indicative action	Priority level	Timeline	Capacity building needs	Potential Key agencies
9. Adopt a normative act which provides a legal framework for integration and coordination of activities within the payment systems	High	2023	Yes	Central Bank

10. Clearly establish the criteria for liability of parties involved in cross-border paperless trade and for the liability of intermediaries in relation to the information and data passing through their systems	High	2023-2024	Yes	Min of Trade and Foreign Economic Relations, Min of Adalat, State Customs Service
11. Clearly set out how choice of forum and choice of law issues relevant for paperless trade facilitation are determined in its laws	High	2023-2024	Yes	Min of Adalat, Mejlis
12. Establish laws defining who owns the data in a cross-border paperless trade system and how the data can be used	High	2023-2024	Yes	State Customs Service

VII. Conclusion and way forward

Turkmenistan has demonstrated strong political will and is making significant progress in implementing trade facilitation and paperless trade. However, much more remains to be done to further enhance trade efficiency in Turkmenistan, in particular, by adopting digitalization of trade procedures. In this report, findings from technical and legal assessment of the readiness of Turkmenistan for cross-border paperless trade were presented, along with recommendations derived from these findings. An initial action plan was formulated based on the experts' recommendations and input gathered during the national consultations. This will provide a useful basis for the preparation by Turkmenistan of an Individual Action Plan under the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific, of which Turkmenistan is already acceded to and ratified.⁷

The readiness assessments, together with the action plan featured in this report, can serve as a foundation for elaborating more detailed activities at the national and agency levels in this area, with identifiable timeliness and responsible agencies. Additional meetings and consultations among stakeholders may be useful for further refining and specifying actions and their sequencing to achieve the long-term goal of cross-border paperless trade and identify specific pilot projects, capacity-building, and technical assistance needs.

There should be a continuation of Turkmenistan's participation in the Interim Intergovernmental Steering Group on Cross-border Paperless Trade Facilitation, to gather and exchange information on good practices that could help the country further enhance its readiness to conduct cross-border paperless trade.

⁷ Under the Framework Agreement and the associated draft implementation roadmap, participating states would have to develop such individual action plans as part of implementing the Agreement, i.e., after the Agreement has entered into force and the Parties have agreed on a template as well as on a timeline for submission of the plans.

Annexes

Annex I. List of stakeholders interviewed

Organization	Name	Job Position
Ministry of Adalat	Mr. M. Hanov	Head of the Department of Law and International Relations
Ministry of Trade and Foreign Economic Relations	Mr. M. Myradov	Head of Foreign Economic Relations Department
State Commodity and Raw Materials Exchange	Mr. O. Charyev	Legal department specialist
	Mr. S. Berdiyev	Head of Analysis and Innovations Department
	Mr. S. Amandurdyev	Head of Innovations Department
The Ministry of Textile Industry	Mr. B. Orazberdiyev	Head of the legal department
Union of Industrialists and Entrepreneurs	Mr. B. Durdymammedov	Head of International Relations Department
	Mr. I. Durdyev	Head of Industrial and Chemical Production Department
Ministry of Finance and Economy	Mr. A. Chapaev	Chief Specialist of the International Department
	Mr. B. Akmyradov	Chief Specialist of the Financial Analysis Department of the Consumer Complex, Transport and Communications
	Mr. G. Shamuhammedov	Head of Computer Technology Department
	Mr. A. Tayliev	Head of Legal Department
Central Bank	Mr. G. Akmyradov	Head of the Department of Accounting and Control of Foreign Trade Operations of the Department of Currency Regulation and Foreign Economic Relations
	Mr. K. Bayliev	Chief Specialist of the Legal Service
Main State Service "Turkmenstandartlary"	Mr. H. Orazov	Lawyer consultant
	Mr. M. Garajayev	Head of Standardization and Certification Department
	Mr. S. Jumayev	Deputy Head of Standardization and Certification Department
	Mr. G. Nurgeldiyev	Head of Digital Technologies Development Department
"Turkmengas" state concern	Mr. M. Nurmyradov	Legal Department Lawyer
Turkmenbashi oil processing complex	Ms. B. Kakabaeva	Head of Department of Oil Products Export and Marketing Department

“Turkmenhimiya” State concern	Mr. A. Shamuhammedov	Leading Specialist of the Department of Foreign Economic Relations
State Customs Service	Mr. D. Jepbarov	Head of Departments of Law and International Relations
	Mr. A. Rahmanov	Head of Customs Procedures Automation Department
	Mr. A. Niyazov	Head of Customs Control Organization Department
	Mr. G. Jumayev	Head of Technical Support Department
Chamber of Commerce and industry	Ms. E. Rahmanova	Advisor to the Chairman of the Chamber of Commerce and Industry on international relations
Ministry of Foreign Affairs	Mr. D. Chotbaev	Employee of the Department of International Organizations
Mejlis of Milli Gengesh	Mr. S. Arazov	Deputy Chairman of the Committee on Economic Affairs of the Mejlis Milli Genesh of Turkmenistan
“Turkmenavtoulaglary” State Agency [road transport]	Mr. D. Muhammedov	Deputy Head of “Turkmenulaggozegcilik” state enterprise
State Plant Quarantine Service	Mr. T. Kakajanov	Head of External Quarantine
Turkmen Logistics Association	Mr. M. Bekmuradov	Chairman
	Ms. S. Amanova	Deputy Chairman
“Hazar Tolkuny” IE	Mr. S. Niyazov	General Director
“Halk Hazyna” ES	Mr. B. Annabayev	Supply Chain Manager

Annex II. List of participants at the national consultation workshop

Organization	Name	Job Position
Ministry of Trade and Foreign Economic Relations	Mr. Myrat Myradov	Head of Foreign Economic Relations Department
Ministry of Adalat	Ms. Ogultach Vellayeva	Legal advisor
Ministry of Finance and Economy	Mr. B. Babayev	Specialist
	Mr. Ata Chapayev	Specialist
	Mr. Atamyrat Taylyyev	Head of Legal Department
Ministry of Textile Industry	Mr. Bagtyyar Orazberdiyev	Head of Legal Department
State Chamber of Commerce	Ms. Nurjema Melekeeva	Specialist
	Mr. A. Shamuhammedov	Specialist
“Turkmenavtoulaglary” State Agency [road transport]	Mr. Dovran Muhammedov	Deputy Head
	Mr. Kakajan Yagmyrov	Division Chief
“Turkmendermansenagat” association	Mr. Bayram Armedov	Chief of Marketing Department
State Sanitary and Epidemiology Service	Mr. Amanmyrat Yonmedov	Specialist
	Mr. Bayram Suleymanov	Specialist
State Veterinary Service	Mr. Pena Baymyradov	Specialist
“Turkmenstandartlary” state standardization agency	Mr. Kerim Annayev	Chief state inspector
“Turkmengas” state concern	Mr. Myratberdi Hakberdiyev	Legal Department
	Mr. Tayly Batyrov	Specialist
	Ms. Ogulhan Ernepesova	Specialist
State Customs Service	Mr. Ata Babayev	Chief Inspector
Registry of Drugs and Medicine	Mr. G. Ishangulyyev	Specialist
“Turkmenaragatnashyk” State Agency [communications]	Mr. R. Hekimov	Division Chief
Turkmen Logistics Association	Mr. Geldimyrat Amanov	Specialist
“Garagum Kerveni” IE	Mr. Gurbangylych Geldiyev	CEO
International Trade Center	Mr. Rustam Alymov	Project Manager

Annex III. Cross-border paperless trade: a technical readiness checklist: Turkmenistan

Scope and structure of the checklist

The Checklist is to assess technical gaps in implementing cross-border paperless trade systems. The Checklist takes into consideration national issues such as the implementation of electronic and paperless transactions at national level and Single Window system, pre-requisites for cross-border paperless trade data exchange.

The Checklist is structured in two sections as below:

Section A - Paperless trade system at the national level

This section focuses on technical issues related to implementation of electronic trade systems in paperless environment at the national level. Technical issues are grouped into the following categories.

1. Institutional and governance bodies
 - a. Strong political commitment
 - b. Coordination
 - c. Inter-agencies governance structure
2. Level of automation
 - a. Electronic systems
 - b. Single Window System
3. Information and communication technology (ICT) infrastructure
 - a. Network service availability
 - b. Common/single network (E-Systems)
 - c. Single Window System
 - d. Strategic plan for ICT infrastructure issues
 - e. Disaster recovery
 - f. Business continuity plan
4. Security
 - a. IT security policy
 - b. Security measures (E-Systems)
 - c. Authentication mechanism
 - d. Communication protocol
5. Business process re-engineering
 - a. BPR For paperless trade
 - b. Implementation of paperless trade transactions
6. Data harmonization and standardization
7. Capacity building
8. Other matters
 - a. Computer literacy
 - b. Budget constraints

Section B – National status towards cross-border data exchange

This section is aimed at assessing the status of a country or an organization to embark on cross-border paperless trade data exchange projects.

1. Electronic systems
2. Single Window System
3. Business process re-engineering
4. Data harmonization and standardization
5. International transit
6. Awareness program
7. Other matters
 - a. Authorised Economic Operator
 - b. Stakeholders and trade community
 - c. Government budget
 - d. Documents being considered for cross-border data exchange & prioritization
 - e. Further information

A. Paperless trade system at the national level

No.	Questions	Elaboration on status/issues/future plan Timeline (if relevant) for future plan
A1.	Governance bodies	
A1.1	Is there a governance structure established for paperless trade, (e.g. national trade facilitation council)?	Concept for the development of the digital economy in Turkmenistan in 2019-2025. Interdepartmental Commission for the development of the digital economy was created in Jan 20.
A1.2	Does it include all the community partners/stakeholders (government and private sector)?	No. As it is at this point a “Government only” structure, most of the ministries and other government agencies are participating. Participants of commission were established by presidents decree # 2534 dated 17 December 2021 There is no private sector participant in the commission. “Turkmenaragatnasyk” Agency is responsible for implementation of the concept.
A1.3	Who chairs this governance structure?	General Director of the Agency for Transport and Communications under the Cabinet of Ministers.
A2.	Level of automation	
A2.1	Electronic systems	ASYCUDA
A2.1.1	Has your country implemented electronic customs (and other services that facilitate customs declarations in an electronic format)?	Yes.

	If yes, please answer A2.1.1.1–A2.1.1.6.	State Customs Service of Turkmenistan (SCST) in 2020 together with UNCTAD implemented integrated customs management information system ASYCUDA World.
A2.1.1.1	Does it have the capability to receive, process and issue documents electronically?	ASYCUDA World is capable to receive, process and issue documents electronically. The system is in place and it covers almost all trade but it does not eliminate paper as customs declarations and any other document are still required to be printed out and signed.
A2.1.1.2	Is it integrated with an electronic payment system?	No.
A2.1.1.3	Does it have the ability to authenticate users electronically?	Yes. Login and Password. Additional methods of authentication like MFA and biometrics will eventually be added in the future but SCST did not provide any dates. System does support those methods.
A2.1.1.4	Does it ensure data/document security?	Yes. The information stored in database is encrypted and it has necessary firewalls in place. The system was implemented with help of UNDP and UNCTAD and in accordance with generally accepted security standards.
A2.1.1.5	What is the percentage of trade covered under this system?	High (99%) That is the percentage of imports and exports covered by the system. Customs declarations and any other documents are still required to be printed out and physically signed.
A2.1.1.6	Are community partners/stakeholders connected to it electronically?	Partially. Customs brokers get access to ASYCUDA World. The rest are still interact with paper-based customs procedures. The SCST has a special registration procedures and requirements for customs brokers and those who wish to access the system. Thus mainly customs brokers get access to it and other trade participants use services of customs brokers.
A2.1.2	Has your country implemented electronic port systems (including air, sea, road, rail, and inland ports)? If yes, please answer A2.1.2.1–A2.1.2.6.	“Digital customs procedure” software is implemented at all automobile border points. Work is underway to connect railway points.
A2.1.2.1	Does it have the ability to receive, process and issue documents electronically?	Partially Yes.
A2.1.2.2	Is it integrated with an electronic payment system?	No.

A2.1.2.3	Does it have the ability to authenticate users electronically?	Yes. Login and password.
A2.1.2.4	Does it ensure data/document security?	Yes.
A2.1.2.5	What is the percentage of trade covered under these systems?	High (99%) The system is in place and it covers almost all trade but it does not eliminate paper as documents are still required to be printed out and signed.
A2.1.2.6	Are community partners/stakeholders connected to it electronically?	Partially Yes.
A2.1.3	Has your country implemented electronic licenses, electronic permits and electronic certificates? (Please fill out the appendix for this question.)	No. SCST together with the ministries, departments and public organization that are part of the interdepartmental commission for the implementation of the “Single Window for Export-Import Operations” system, within the framework of the Project Document aimed at introducing the “Single Window” system, work is being carried out on the digitalization of licenses and other permits issued by ministries and departments regulating export-import operations in our country, as well as to simplify and speed up interdepartmental workflow. Main State Service “Turkmenstandartlary” is working on the introduction of an electronic certificate system. The time frame is set in accordance with the Concept for the development of the digital economy in Turkmenistan in 2019-2025.
A2.1.4	Has your country implemented any cross-border trade systems other than those specified above? If yes, please answer A2.1.4.1–A2.1.4.5.	State Commodity and Raw Material Exchange of Turkmenistan (SCRMET) implemented a system for registration of import-export contracts. Other permit, license or certificate issuing agencies do not have own electronic systems.
A2.1.4.1	Does it have the ability to receive, process and issue documents electronically?	For SCRMET - No.
A2.1.4.2	Is it integrated with an electronic payment system?	For SCRMET - No.
A2.1.4.3	Does it have the capability to authenticate users electronically?	For SCRMET - Yes. Login and password.

A2.1.4.4	Does it ensure data/document security?	For SCRMET - Yes. Using latest technologies, firewalls and cybersecurity measures.
A2.1.4.5	What is the percentage of trade covered under these systems?	For SCRMET - High (99%) Almost all import and export contracts are registered at SCRMET and those are covered by the SCRMET system. However, that does not eliminate use of paper as the documents are still printed out and the physical registration journal is in place.
A2.1.5	What is your country's targeted timeline to cover all trade transactions through these systems (i.e., e-customs, e-port, e-certificates, e-licenses, e-permits and others)?	The time frame is set in accordance with the Concept for the development of the digital economy in Turkmenistan in 2019-2025.
A2.2	Has a Single Window system been implemented in your country to expedite cargo movement/clearance and to facilitate the international trade supply chain? If yes, please answer A2.2.1–A2.2.4. If no, please answer A2.2.5.	Not yet. According to the project document signed between the SCST and UNCTAD, the system of "Single Window for export-import operations" is being introduced. Also, in order to speed up the transportation of goods / customs clearance of goods and to activate the supply system within the framework of international trade, the software "Digital customs procedure" (i.e. "e-window" at the border) was created at border automobile checkpoints. Work is underway to connect railway points.
A2.2.1	How does it receive data electronically, i.e., what kind of user interface and communication channel is used (Internet based network or dedicated/secured private network)?	Dedicated/secured private network.
A2.2.2	Does it support a paperless environment?	Yes, but due to lack of electronic signatures its use is limited.
A2.2.3	How many agencies are connected to the Single Window? Please list them.	16 agencies. <ul style="list-style-type: none"> - State Customs Service of Turkmenistan - "Turkmenaragatnashyk" Agency (Communications) - Ministry of Finance and Economy - Ministry of Agriculture and Environmental Protection - Ministry of Trade and Foreign Economic Relations - Ministry of Health and Medical Industry - Ministry of Internal Affairs - Central Bank of Turkmenistan - Main State Service "Turkmenstandartlary" - State Commodity and Raw Materials Exchange of Turkmenistan - State Migration Service of Turkmenistan

		<ul style="list-style-type: none"> - State Concern “Turkmenhimiya” - “Turkmenawtoulaglary” Agency - “Turkmenhowayollary” Agency (Airlines) - Chamber of Commerce and Industry of Turkmenistan - Union of Industrialists and Entrepreneurs of Turkmenistan
A2.2.4	Who operates this system?	State Customs Service of Turkmenistan.
A2.2.5	What is your country’s future plan and the targeted timeline to implement a Single Window system?	SCST, UNDP and UNCTAD are working on a project “Single Window for import-export operations” which expected to finalize by end of 2023.
A3.	Information and communications technology infrastructure for paperless trade	
A3.1	Is network service available at all border posts, including ports, airports and cargo clearance facilities, in your country? If not, what is your country’s future plan and targeted timeline to connect the stakeholders of the logistic and supply chain, including controlling agencies?	Yes. Secure network services with adequate bandwidth are available at all Customs stations, including ports, airports and cargo clearance houses in the country.
A3.2	Are any of the systems mentioned in A2.1, “Electronic systems”, connected via a common or single network? If yes, please answer A3.2.1–A3.2.6.	Yes. ASYCUDA World connected to single network. Same is planned for Single Window.
A3.2.1	Is it integrated and secure?	Yes. No more details provided.
A3.2.2	Is it able to provide a high availability rate of minimum 99.9 per cent in terms of service level agreement for trade data exchange in paperless environment?	Yes.
A3.2.3	Is it able to support various communication protocols?	Yes. TCP/IP, HTTP, FTP are most common ones.
A3.2.4	Is it able to provide secure information exchanges that ensure confidentiality and data integrity?	Yes. ASYCUDA World provides with secure information exchange that ensures confidentiality and integrity of data.
A3.2.5	Is it designed to take into account future requirements such as device and technology upgrades?	Yes. ICT infrastructure is designed to take into account the requirements that will arise in the future, such as the upgrading of devices and technologies.
A3.2.6	If any of the above (A3.2.1–A3.2.5) is lacking, what is your country’s future plan to upgrade it and what is the targeted timeline?	

A3.3	Is the Single Window system, if implemented, interoperable with other systems?	Single Window system is in the initial stage of implementation.
A3.3.1	Is it able to integrate, interface and/or interoperate with other existing heterogeneous systems (i.e., with systems on a different platform)?	Yes.
A3.3.2	If it does support (i.e., is interoperable with) heterogeneous systems, what is the method of integration/interfacing?	API?
A3.4	Strategic plan to address ICT infrastructure issues	Improve and update as needed.
A3.4.1	Does your country have a strategic plan to address ICT infrastructure issues (for paperless trade)?	There is no specific plan at national level aimed at paperless trade. Concept for the development of the digital economy in Turkmenistan in 2019-2025 and covers some aspects of ICT infrastructure.
A3.4.2	If not, what is your country's future plan and targeted timeline to establish a strategic plan?	
A3.5	Disaster recovery	
A3.5.1	Is there a policy for the establishment of a disaster recovery plan at the agency level?	Partially yes.
A3.5.1.1	If yes, please indicate the level of implementation for the disaster recovery plan (specify percentage of agencies).	SCST – Backup copies were installed in 4 places, spare equipment was purchased, the location of the backup equipment was installed at distance of 30 km from the main equipment. Other agencies are following requirement set by “Turkmenaragatnasyk” agency.
A3.5.2	Is there a policy for the establishment of a disaster recovery plan at the national level?	Yes/No.
A3.5.2.1	If yes, please indicate whether the disaster recovery plan is implemented at the national level.	“Turkmenaragatnasyk” agency introduced several requirements related to ICT infrastructure that should be meet by all government agencies. The 4 technical requirements are. <ol style="list-style-type: none"> 1. Server room and equipment 2. Web-site creation and implementation 3. General technical requirement on electronic documents flow 4. Automated electronic data systems

A3.5.3	If there is no policy for the establishment of a disaster recovery plan, what is your country's future plan and targeted timeline to set up a disaster recovery plan?	According to concept for the development of the digital economy in Turkmenistan in 2019-2025.
A3.6	Does your country have a business continuity plan for paperless trade systems?	Yes. No details provided.
A3.6.1	If yes, is it regularly tested at an established frequency?	Yes.
A3.6.2	If not, what is your country's future plan and targeted timeline to develop a business continuity plan?	-
A4.	Security	
A4.1	Is there an information technology security policy for your country? If yes, please specify.	Yes. State Cybersecurity Program for 2022-2025. Law on Cyber Security. Cyber Security Service established in 2020.
A4.2	If any of the systems mentioned in A2.1, "Electronic systems", have been implemented, what kind of security measures are in place to protect them from unauthorized access?	Firewalls. Any system that is going to be implemented passes the approval process from Interdepartmental Commission for the development of the digital economy in regards of its security.
A4.3	What kind of authentication mechanism is used to ensure security of information transmitted electronically?	Login and password. Some agencies are planning to implement additional authentication mechanism like MFA, but details of such plans not provided.
A4.4	What kind of communication protocol is used for electronic data exchange currently?	HTTPS and secure private network.
A4.5	What is your country's future plan and targeted timeline to enhance the security level in A4.1 and A4.2?	Continue to take necessary cyber security measures.
A5.	Business process re-engineering	
A5.1	Have the stakeholders in your country conducted re-engineering and streamlining of business processes to support paperless trade or a national Single Window:	
A5.1.1	At the agency level? (Please list them.)	SCST – Yes. Regular events are held with the stakeholders, including the private sector, to optimize import and export operations. One of the objectives of the project for the implementation of the "Single Window for Export-Import Operations" system is the optimization of business processes related to issuance, use and monitoring of the main export and import licenses, permits and certificates (LPCs).

		Other agencies – No.
A5.1.2	At the national level?	No.
A5.2	Has your country implemented any paperless trade transactions?	No/Partially Yes. ?
A5.2.1	If yes, what kind of transactions have been implemented, and what type of electronic documents are exchanged?	SCST implemented ASYCUDA World system but due to lack of electronic signatures system at national level customs declarations are still required to be printed out. Implementation of electronic LPCs is planned within the implementation of “Single Window for import-export operations” project. Future plans are aligning with the concept for the development of the digital economy in Turkmenistan in 2019-2025.
A6.	Data harmonization and standardization	
A6.1	Has data harmonization and standardization been conducted for the data elements for paperless trade:	
A6.1.1	At the agency level?	Yes. The SCST with implementation of ASYCUDA World conducted data harmonization and standardization. Otherwise, implementation of ASYCUDA World wouldn't be possible.
A6.1.2	At the national level?	Turkmenistan on 3 rd Feb 2021 joined The International Convention on the simplification and harmonization of Customs procedures (Revised Kyoto Convention).
A6.1.3	If yes, has a data model been adopted and is it based on international standards/guidelines such as the United Nations Rules for Electronic Data Interchange for Administration, Commerce and Transport, United Nations Code for Trade and Transport Locations, Core Component Technical Specification, core component library and/or the World Customs Organization Data Model?	Yes. SCST with implementation of information systems, including ASYCUDA and currently ongoing implementation of “Single Window” system is guided by international recommendations and standards of the WCO, UNECE, WTO, UN/EDIFACT, UN/CEFACT and others (No. 25 data interchange; 33-36 Single Window).
A7.	Capacity-building	
A7.1	Has your country conducted any awareness programme and/or workshop to ensure the stakeholders, including government agencies and traders, have a common understanding on paperless trade as well as their respective	SCST – Yes. Events were held to familiarize trade community participants with the ASYCUDA World system and meetings are periodically held with the customs services of neighboring countries with the participation of representatives of the ministries and

	roles to help realise cross-border paperless trade data exchange?	departments of Turkmenistan involved in the ongoing project “Single Window for Export-Import Operations”. Various capacity-building activities/project are being carried out with the participation of international organization, government agencies and traders focused on trade facilitation and other cross-border trade related topics. Events specific to paperless trade were not carried out.
A7.2	Do the stakeholders of cross-border trade in your country fully understand the Single Window approach?	Yes. Main stakeholders, and participants of cross-border trade have full understanding of the Single Window approach.
A7.3	Has your country conducted any awareness programme or workshop on Single Window?	Yes. The SCST organized events to raise awareness within trade community on the Single Window approach.
A7.4	What is your country’s future plan and timeline to enhance capacity-building for cross-border paperless trade data exchange?	Turkmenistan has signed agreements on the exchange of customs data in electronic format with Azerbaijan, Iran, Afghanistan, Uzbekistan and Kazakhstan. On April 5, 2022, the SCST approved and signed the Joint Action Plan between the SCST and the Federal Customs Service (Russian Federation). This document establishes the algorithm of actions of the parties to develop cooperation in such areas as information exchange, personnel training, as well as in the field of customs offenses. It is planned to expand agreements with foreign countries on electronic data interchange. No time frame given.
A8.	Other matters	
A8.1	Computer literacy	
A8.1.1	What is the level of computer literacy in the trading community in your country as a whole to support electronic transactions? (70–100%=high, 20–69%=medium, 0– 19%=low)	High.
A8.1.2	Are they ready to accept changes arising from re-engineered business processes in implementing paperless trade systems?	Yes. Changes aimed at improving import-export operations are always welcomed by trade community.
A8.2	Budget constraints	
A8.2.1	Does your country encounter budget constraints in implementing paperless trade systems?	No.

A8.2.2	If yes, what is your country's future plan to overcome this financial constraint and what is the targeted timeline?	
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B. National status towards cross-border data exchange

No.	Questions	Elaboration on status/issues/future plan Timeline (if relevant) for future plan
B1.	Electronic systems	
B1.1	If any of the systems mentioned in A2.1, “Electronic systems” have been implemented, what percentage support cross-border data exchange?	ASYCUDA World fully supports cross-border data exchange.
B2.	Single Window system	
B2.1	If a Single Window system mentioned in A2.2 has been implemented, does it support cross-border data exchange?	Single Windows system is in the initial phase of implementation. Once completed it will support cross-border data exchange. It will be separate and connected with ASYCUDA.
B2.2	If yes, does it function as the national Single Window, which acts as the national single point of connectivity for any cross-border data exchange with other dialogue partners?	Single Window project just started, and cross-border data exchange yet. However, it is planned to support data exchange initiatives.
B3.	Business process re-engineering	
B3.1	If your country has implemented paperless transactions at the national level, as mentioned in A5.2, has re-engineering and streamlining of business processes been conducted to support cross-border data exchange?	SCST and other agencies involved in Single Window are conducting business process reengineering and optimization in accordance with agreements for cross-border data exchange.
B3.2	If not, what is your country’s future plan and targeted timeline to develop a regional business process for cross-border data exchange?	-
B4.	Data harmonization and standardization	
B4.1	Has data harmonization and standardization been conducted based on international standards/guidelines, such as the United Nations Rules for Electronic Data Interchange for Administration, Commerce and Transport, United Nations Code for Trade and Transport Locations, Single Window recommendation of the United	SCST with implementation of information systems, including ASYCUDA and currently ongoing implementation of “Single Window” system is guided by international recommendations and standards of the WCO, UNECE, WTO, UN/EDIFACT, UN/CEFACT and others (No. 25 data interchange; 33-36 Single Window).

	Nations Centre for Trade Facilitation and Electronic Business, to support cross-border paperless trade data exchange?	
B4.2	If not, what is your country's future plan and targeted timeline to minimise changes in your system process and database structure for cross-border data exchange electronically?	
B5.	International transit	
B5.1	Has the country implemented a paperless customs declaration for national transit procedures (inbound transit, outbound transit, inland transit)?	Yes.
B5.2	Has the country implemented a paperless customs declaration for international transit?	No. Details not provided.
B5.2.1	If yes, is the customs regime in your country able to support the implementation of a single customs transit declaration and single guarantee valid for the international transit route taking into consideration the following: (i) To agree on a guarantee registered at the country of departure, covering the highest duty amount calculated based on the duty rate of each country in the transit route, to be valid and accepted throughout the transit route? (ii) To agree on a regional/subregional format and content of the single guarantee?	
B5.2.2	If not, what is your country's future plan and targeted timeline to address this issue?	By 2025. No details provided.
B5.3	Has your country implemented a one-stop inspection system by all controlling agencies at the borders at the time of exit/export?	Yes. "Digital customs procedure" software is implemented at all automobile border points.

B5.3.1	If yes, are the inspection results shared with the importing country?	No.
B5.4	If not, is there any intention to implement a single-stop inspection and what is the timeline?	Single-stop inspection system is already in place.
B6.	Awareness programme	
B6.1	Does your country have an awareness programme (for example, capacity-building, training, workshops) for stakeholders to have a better understanding of the following issues?	Awareness programs are limited to the topics of the Single Window and the implementation of the ASYCUDA World system. There were no programs/activities to raise awareness of the trade community on cross-border data exchange.
B6.1.1	How could cross-border data exchange be implemented?	Agreements with other countries.
B6.1.2	Potential business transactions and documents for cross-border data exchange?	SCST exchange of information of the products and the vehicles in accordance with agreements with other countries.
B6.1.3	Methods of identifying inhibitors that need to be addressed?	SCST – Events/Meetings/Workshops. Periodic events are held for the exchange of experience with the customs services of third countries and consultations with international organization in the field of customs.
B6.2	If your country has not conducted any awareness and capacity-building programmes related to B6.1.1–B6.1.3, what is your country's future plan and targeted timeline to conduct an awareness programme?	No plans.
B6.3	Does your country have the capacity to carry out the following: (a) business process analysis; (b) data harmonization and simplification; (c) system development; and (d) project management?	Yes. Details were not provided.
B7.	Other matters	
B7.1	Authorised Economic Operator (AEO)	
B7.1.1	In general, what is the level of compliance of traders in your country (high, medium or low)?	High.

B7.1.2	Has the authorized economic operator scheme been implemented in your country	No.
B7.1.2.1	If yes, how extensive is the implementation in terms of the percentage of economic operators registered for the scheme?	
B7.1.3	Is your country ready to sign any mutual recognition agreements for authorized economic operators with dialogue partners?	Yes. Ministry of Trade has not implemented anything relating to AEO. The SCST indicated that they are ready to consider and sign any related agreements.
B7.2	Are the stakeholders and the trade community ready to accept changes arising from the re-engineered processes towards cross-border data exchange? <ul style="list-style-type: none"> • Regulatory agencies • Agents/customs brokers • Traders • Port community • Financial institutions • Other (please specify) 	Yes.
B7.3	Has your country's government budget provisioned for the transition to cross-border paperless trade data exchange?	No.
B7.3.1	If not, what is your targeted timeline?	No details provided.
B7.4	Is your country considering cross-border data exchange for any of the documents and related processes? (Y=Yes, N=No. Please select the top five prioritized documents) <ul style="list-style-type: none"> (i) Seaway bill (ii) (Advance) Manifest (iii) Customs transit declaration (iv) Transit bond (v) Phytosanitary certificate (vi) Sanitary certificate (vii) Fumigation certificate 	SCST – Yes. <ul style="list-style-type: none"> - (Advance) Manifest - Customs transit declaration - Phytosanitary certificate - Fumigation certificate - Pharmaceutical certificate

	<ul style="list-style-type: none"> (viii) Convention on International Trade in Endangered Species of Wild Fauna and Flora certificate (ix) Certificate of origin (preferential) (x) Certificate of origin (non-preferential) (xi) Pharmaceutical certificate (xii) National standard and quality certificate (xiii) International Organization for Standardization (ISO) and other international standards and quality certificates (xiv) Certificate for medical devices (xv) Certificate of electrical and electronic components, equipment and products (xvi) Dangerous Goods List (xvii) Material safety data sheet (xviii) Letter of credit (xix) Bill of lading (xx) Invoice (xxi) Packing list (xii) Import permit (xiii) Others (please specify) 	
B7.5	<p>For each of the five prioritized documents identified in B7.4, please provide/specify further information on the following: document name; implementing agency; and percentage of the paperless documents and related processes.</p>	<ol style="list-style-type: none"> 1. Customs transit declaration <ul style="list-style-type: none"> - State Customs Service - 100% electronic but still being printed out on paper. 2. Phytosanitary certificate <ul style="list-style-type: none"> - State Quarantine Service - Paper based. 3. Fumigation certificate <ul style="list-style-type: none"> - State Quarantine Service - Paper based. 4. Pharmaceutical certificate <ul style="list-style-type: none"> - State Registration Center for Medicinal Products of the Ministry of Health and Medical Industry of Turkmenistan - Paper based.

Annex IV. Cross-border paperless trade: a legal readiness checklist:

A. Electronic transactions and signatures law

Legal matters	Focus questions	Response
<p>Related provisions of the Framework Agreement:</p> <ul style="list-style-type: none"> ○ Article 5: General principles ○ Article 6: National policy framework, enabling domestic legal environment and paperless trade committee ○ Article 7: Facilitation of cross-border paperless trade and development of Single Window systems (<i>More specific questions on Single Window systems appear below in part II.</i>) 		
<p><i>The first block of questions aims to explore the laws generally, with special attention to those that affect Single Window and/or cross-border trade documentation practices.</i></p>		
<p>1. Electronic transactions legal issues, including:</p> <p>a. Legal recognition of electronic communications</p> <p>b. Legal issues related to identity management and trust services, including electronic signatures</p>	<ol style="list-style-type: none"> 1. What are the conditions for the recognition of the legal validity of electronic communications? 2. Do laws establish requirements for functional equivalence between paper- based documents and electronic communications? Do they recognize electronic communications as directly meeting requirements for documents, writing, signature, etc.? 3. Are there laws that inhibit technological neutrality by mandating or favouring the use of specific technologies or business solutions for e-communications to be given legal effect? 4. Do laws address how identification, authorization and authentication are carried out in an electronic environment? 5. For all the questions above, are those laws applicable to all electronic communications or transactions or only to some business sectors or categories of documents or users? 6. In particular, are there special rules for specific types of electronic documents such as bills 	<ol style="list-style-type: none"> 1. The legal force of electronic messages is recognized on the basis of the Law of Turkmenistan “On electronic document, electronic document management and digital services” 14 March, 2020 No. 226-VI. (hereinafter the Law) 2. In accordance with the above Laws, articles 7,8,9,10 set out the requirements for the functional equivalence of paper documents and electronic messages. 3. There is no Law that prevents the application of technical neutrality in using electronic communications. Except as contemplated by the rules described in paragraph 5 below – re state secrets etc. 4. Articles 1,2,7,19,29,33 of the Law specify how identification is carried out. They define the concept and provisions of a document on paper or an electronic document issued by an electronic digital signature registration and certification center to verify the authenticity of an electronic digital signature and identify the owner of an electronic digital signature. 5. Based on the above-mentioned Law, the Civil Code of Turkmenistan and other normative legal acts of Turkmenistan, electronic messages or transactions, documents, subjects of legal relations and users are treated equally. <i>The only exceptions are if the content of electronic documents can be information that is a state, official or commercial secret, or contains other information, the distribution of which is prohibited or restricted by the legislation of Turkmenistan. The rules for the use and protection measures for such information are established by the legislation of Turkmenistan.</i> 6. No such rules exist

	of lading, manifests, certificates of origin, invoices, phytosanitary certificates, etc.?	
<i>The second block of questions explores laws relating to data retention and archiving, actions that take a different form in the electronic world from that of paper.</i>		
2. Regulatory/legal requirements for data retention and electronic archiving	<p>7. Are there laws requiring preservation of stored information?</p> <p>8. Do they prescribe a minimum data retention period or a maximum retention period?</p> <p>9. Do they clearly apply to electronically stored data? If so, are there rules to ensure its integrity while stored and its accessibility to anyone with sufficient cause to inspect it?</p>	<p>7. Yes. See the above-mentioned Law article 13</p> <p>8. Yes. See the Law Article 13</p> <p>Law of Turkmenistan “On archives and archival affairs of Turkmenistan” May 4, 2013 No. 392-IV. article 20 requires “documents in electronic form” to be retained for 3 years. Subject to a different agreement between the Archives and the custodial agency.</p> <p>9. Yes. See the mentioned Law above, articles 13 and 56</p>
<i>The final block of questions in this first set looks to the law of evidence, i.e., whether businesses or even government will have difficulties proving their cases in a court or before a regulatory body because the records involved are in electronic form.</i>		
3. The admissibility of electronic evidence, for example in judicial and enforcement proceedings	<p>10. Is electronic evidence admissible in judicial and administrative/ regulatory proceedings?</p> <p>11. If so, are there special rules for collecting or producing electronic evidence or for ordering the disclosure of electronic evidence?</p> <p>12. Is a distinction made between evidence for criminal proceedings and for civil proceedings?</p> <p>13. Is electronic evidence generated, stored or collected abroad admissible in judicial and administrative/regulatory proceedings? Are the rules about such “foreign” evidence different from those applicable to other kinds of “foreign” evidence?</p>	<p>10. In accordance with the above Law, article 14 “An electronic document is recognized as evidence equal in importance to written evidence in a court or other competent authority.”</p> <p>11. In accordance with the above Law, Part 2, Article 14 “The procedure for using electronic documents as evidence in court or other competent authority is determined by the legislation of Turkmenistan.” as well as</p> <p>Arbitration Procedure Code of Turkmenistan March 13, 2021. No. 331-VI.</p> <p>Code of Civil Procedure Turkmenistan August 18, 2015 No. 260-V.</p> <p>Criminal Procedure Code of Turkmenistan April 18, 2009 No. 28-IV. NO ‘specific Rules for Collecting or Presenting Electronic Evidence or for Ordering Electronic Evidence”</p> <p>12. Provided for in procedural codes</p> <p>13. Electronic evidence received, held or collected abroad is admissible in judicial and administrative/regulatory proceedings. There is no distinction between foreign and domestic evidence. See the above Law, article 17. Recognition of foreign documents depends on treaties or other</p>

agreements in place.

“On International Commercial Arbitration” Law of
Turkmenistan
August 16, 2014
No. 101-V.
chapter VI. Conducting arbitration proceedings

B. Laws regarding paperless trade and Single Window systems

Legal matters	Focus questions	Response
<p>Related provisions of the Framework Agreement:</p> <ul style="list-style-type: none"> ○ Article 6: National policy framework, enabling domestic legal environment and paperless trade committee ○ Article 7: Facilitation of cross-border paperless trade and development of single-window systems 		
<p><i>The first block of questions aims to assess a country's readiness to implement a paperless trade system/Single Window system.</i></p>		
<p>1. Laws relating to the establishment of a Single Window system/paperless trade system</p>	<p>14. What legal instruments are used or need to be enacted to authorize or to establish the Single Window system and a paperless trading environment?</p> <p>15. Is there a national or coordinating agency to promote the domestic paperless trading environment (e.g., a Single Window system committee)? If so, does it have government and private representatives on it?</p> <p>16. Is there a dedicated budget to establish the Single Window system (or paperless trading platform)?</p>	<p>14. According to the above Law Article 49 Decree of the President of Turkmenistan No. 1337 03.12.2020 Project document on the "Single Window for export-import operations" for 2021-2023 between the State Customs Service of Turkmenistan, UNDP and UNCTAD</p> <p>Decree of the President of Turkmenistan No. 2142 dated February 12, 2021, Concerning the creation of the "Single Window for Export-Import Operations" system</p> <p>Number 1337 is the <u>Order of Intent to cooperate</u> with the mentioned departments regarding the Single Window. And under the number 2142 is the <u>Resolution concerning the creation of the system "Single Window for export-import operations"</u></p> <p>15. The Decree of the President of Turkmenistan No. 2142 dated February 12, 2021, appointed a commission of 18 members, drawn from ministries and departments of Turkmenistan, responsible for the creation of a "Single Window" system. The Customs Service of Turkmenistan is the coordinator of this work. This commission also includes the Union of Industrialists and entrepreneurs of Turkmenistan.</p> <p>16. There is a special budget for the establishment of a Single Window system in the amount of US\$ 3.8 million</p>
<p><i>The second block of questions aims to explore laws relating to information security and data confidentiality, with special attention to those that affect Single Window systems and/or cross-border trade documentation practices.</i></p>		
<p>2. Legal aspects relating to information security</p> <p>a. Laws and regulations on information security and data confidentiality</p>	<p>17. Do the national laws mandate information security standards?</p> <p>18. Do the national laws protect the confidentiality of</p>	<p>17. ISO and EACC standards on information security are given legal effect in Turkmenistan by being entered into the state register of such documents.</p> <p>Law of Turkmenistan "On information and its protection" 3 May 2014 No. 72-V. Law of Turkmenistan "On legal regulation of the development of the Internet and provision of Internet services in Turkmenistan" 20 December, 2014 No. 159-V.</p> <p>The main standards of information security are regulated in the Law of Turkmenistan "On cybersecurity» 6 September 2019 No. 171-VI.</p> <p>18. Yes. National laws protect the confidentiality of</p>

<p>b. Laws and regulations relating to data accuracy and integrity when such data are shared for cross-border paperless trade systems</p>	<p>electronic transactions/information ?</p> <p>19. Are there laws about cybercrimes, i.e., crimes using a computer (or other information and communication technologies) or targeting a computer or a network, such as unauthorized access to computers, introducing malware, interfering with proper operations, etc.?</p>	<p>electronic transactions/information. Law of Turkmenistan "On Trade Secrets" 19 December 2000 No. 53-II Law of Turkmenistan "On information and its protection" May 3, 2014 No. 72-V</p> <p>19. There are laws to combat Cybercrime; this is regulated in the Laws of Turkmenistan "On cybersecurity » 6 September 2019 No. 171-VI. Criminal Code of Turkmenistan 10 May 2010 No. 104-IV. Code of Administrative Offenses of Turkmenistan 29 August 2013 No. 422-IV</p>
<p>c. Laws and regulations for accessing and sharing information and data between and among government agencies</p>	<p>20. Are there national laws/regulations establishing requirements for the accuracy and integrity of data submitted and processed for paperless trade? Are these laws of general application or specifically directed at paperless trade?</p> <p>21. Do these laws impose obligations on persons submitting such information and require processes to ensure correct attribution? Do they apply equally to paper and electronic communications? Are they consistent with the authentication and identity management rules mentioned earlier?</p> <p>22. Are there agreements or policies for the sharing of data between</p>	<p>20. There are national laws/regulations defining accuracy and privacy requirements for data submitted and processed in relation to paperless trade: Law of Turkmenistan dated 17 April 2022 About additions and changes to the Customs Code of Turkmenistan Customs Code of Turkmenistan 25 September 2010 No. 137-IV. Article 359. Information resources used in the customs Case "documents provided for this Code or submitted in the manner prescribed by it, including customs declarations, may be submitted electronically. The method used for information exchange must be in compliance with the document design requirements established by the authorized state body in the field of customs, as well as with other requirements established by the legislation of Turkmenistan." article 53 Electronic commerce Law of Turkmenistan "On legal regulation of the development of the Internet and the provision of Internet services in Turkmenistan"</p> <p>21. Answer number 20 refers to this question.</p> <p>22. There is an agreement on the exchange of data between government agencies Article 22 Interdepartmental and departmental electronic document management of public authorities Law of</p>

	<p>government agencies within the country? Are there limits on such sharing based on personal privacy or commercial confidentiality?</p>	<p>Turkmenistan “On legal regulation of the development of the Internet and the provision of Internet services in Turkmenistan”</p> <p>For example: Customs Service - State Committee for Statistics, Customs Service-Ministries of the Interior, Customs Service-Central Bank, Customs Service-State Commodity Exchange of Turkmenistan</p> <p>The restriction on the exchange of information is determined by the above laws of Turkmenistan mentioned above.</p>
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The third block of questions aims to explore legal mechanisms to regulate the relationship between paperless trade service providers and service users to facilitate electronic trade-related transactions.

<p>3. Service-level agreements and memorandums of understanding on paperless trade operations, e.g., operation of Single Window systems (service level agreements may be applicable for matters such as availability, reaction time, processing time, etc.)</p>	<p>23. Are there service-level agreements or memorandums of understanding governing paperless trade operations? Who are the parties and what is their legal authority for making these agreements or memorandums of understanding?</p> <p>24. If yes, what level of service is expected from paperless trade service providers?</p> <p>25. What level of service is expected from Single Window system operators?</p>	<p>23. There is a Memorandum of Understanding among UNDP, UNCTAD and the Ministry of Foreign Affairs of Turkmenistan on joint cooperation to promote the implementation of the “Single Window for Export-Import Operations” project in Turkmenistan. The MoU runs from 13 October 2020</p> <p>24. Paperless trade service providers expect to obtain permits from government agencies without hindrance.</p> <p>25. “Single Window” operators are expected to provide services of export-import operations without impeding the movement of goods and / or services across borders on time and within the period prescribed by current law.</p> <p>The Single Window system is under development and will be implemented in the future and, accordingly, there are currently <u>no rules for Single Window operators</u>. But there are legislative norms regarding the deadlines for filing a customs declaration in the Customs Code of Turkmenistan. As noted in Article 79, “The customs declaration for goods imported into the customs territory of Turkmenistan is submitted no later than thirty days from the day the goods are presented to the customs authority at the place of their arrival or from the day the internal customs transit is completed, if the declaration of goods is not made at the place of their arrival, except for the cases provided for by Articles 228, 234 of this Code. If the period specified in paragraph 1 of this article is insufficient for the declarant to collect the necessary documents and information, at the written request of this declarant, the customs authority shall extend the deadline for filing the customs declaration. The extension of the deadline for filing a customs declaration should not lead to a violation of the term for the temporary storage of goods. and other legislative norms, that is, by analogy.</p>
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C. Cross-border aspects

Legal matters	Focus questions	Response
<p>Related provisions of the Framework Agreement:</p> <ul style="list-style-type: none"> ○ Article 8: Cross-border mutual recognition of trade-related data and documents in electronic form 		

- o Article 9: International standards for exchange of trade-related data and documents in electronic form
- o Article 10: Relation to other legal instruments enabling cross-border paperless trade

<p>1. Existing bilateral or regional agreements for cross-border paperless trade data exchange, including e-commerce and paperless trade facilitation provisions in regional trade agreements</p>	<p>26. Is the country party to an international agreement, such as a regional trade agreement or a bilateral trade facilitation agreement, that requires or favours the legal recognition of electronic messages exchanged across the border?</p>	<p>26. At the moment, there is no law in Turkmenistan specifically regarding “cross-border paperless trade” but there are analogues to it.</p>
<p>27. Is the country party to an international agreement providing legal recognition of electronic messages exchanged across the border?</p>	<p>27. Is the country party to an international agreement providing legal recognition of electronic messages exchanged across the border?</p>	<p>Turkmenistan is a party to international agreements on customs cooperation, for example; Turkmenistan-Azerbaijan, Turkmenistan-Kazakhstan, Turkmenistan-Afghanistan, Turkmenistan-Uzbekistan, Turkmenistan-Iran</p>
<p>28. Are there arrangements that provide for mutual recognition of electronic messages and transmitted information? If yes, is mutual recognition granted on a bilateral or multilateral basis?</p>	<p>28. Are there arrangements that provide for mutual recognition of electronic messages and transmitted information? If yes, is mutual recognition granted on a bilateral or multilateral basis?</p>	<p><u>27</u></p> <p>NOTE: TKM IS PARTY TO REVISED KYOTO AGREEMENT (2021), ESCAP FRAMEWORK AGREEMENT (2022), ICSID CONVENTION AT LEAST.and now the NY Convention on Foreign Arbitral Awards</p> <p>28. Article 17 Recognition of an electronic document created in accordance with the rules of a foreign state and international standards. See Law of Turkmenistan “On the legal regulation of the development of the Internet and the provision of Internet services in Turkmenistan” Recognition is by treaty or by agreement of affected parties, so generally reciprocal and normally bilateral.</p>
<p>29. Does the country recognize foreign electronic signatures and certificates? If so, on what basis?</p>	<p>29. Does the country recognize foreign electronic signatures and certificates? If so, on what basis?</p>	<p>29. On the basis of the Law of Turkmenistan “On international treaties of Turkmenistan” 10 May 2010 No. 108-IV. Articles 17,18,19,20 set out the application of international treaties of Turkmenistan. Article 38. Recognition of an electronic digital signature with a foreign certificate under applicable treaties. See Law of Turkmenistan “On legal regulation of the development of the Internet and the provision of Internet services in Turkmenistan”</p>
<p>30. Are national laws relevant to paperless trade facilitation based on international models (e.g., United Nations Commission on International Trade Law (UNCITRAL), Council of Europe, Organization for Economic Cooperation and Development, etc.)? (Note also the questions below about international standards and agreements that may apply to some or all of a country’s communications.)</p>	<p>30. Are national laws relevant to paperless trade facilitation based on international models (e.g., United Nations Commission on International Trade Law (UNCITRAL), Council of Europe, Organization for Economic Cooperation and Development, etc.)? (Note also the questions below about international standards and agreements that may apply to some or all of a country’s communications.)</p>	<p>30. National laws have been enacted concerning the simplification of procedures for paperless trade, for example of one with an international model: Law of Turkmenistan dated 17 April 2022 About additions and changes to the Customs Code of Turkmenistan</p> <p>Customs Code of Turkmenistan 25 September 2010 No. 137-IV. Article 359. Information resources used in the customs Case “documents provided for this Code or submitted in the manner prescribed by it, including customs declarations, may be submitted electronically. The method used for information exchange must be in compliance with the document design requirements s established by the authorized state body in the field of customs, as well as with other requirements established by the legislation of Turkmenistan.”</p>
		<p>There is no special law on rules regarding the facilitation of</p>

		<p>paperless trade procedures in Turkmenistan. These legal relations are regulated by other legislative acts, in particular the Law of Turkmenistan “On Electronic Documents, Electronic Document Management and Digital Services”, the Law of Turkmenistan “On International Commercial Arbitration” and others, that is, by analogy. For example, when developing the Law of Turkmenistan “On International Commercial Arbitration”, UNCITRAL model rules were introduced, as evidenced by a comparative analysis of these regulatory legal acts.</p>
<p>2. International standards/guidelines</p>	<p>31. Do participants in cross-border trade use or rely on standards/regulations/guidelines for the exchange of electronic messages? United Nations Centre for Trade Facilitation and Electronic Business recommendations 35 and 36 on legal issues raised by cross-border interoperability are examples of such guidelines.⁴</p> <p>32. Have international legal standards/regulations/guidelines been incorporated into a country’s legal framework for its cross-border paperless trade? If so, how? Does the incorporation of such rules at the domestic level also affect cross-border activity?</p>	<p>31. 32. ISO and EACC standards on information security are incorporated into Turkmenistan law by statute and listed on the state register of such documents.</p> <p>ISO and EACC information security standards are entered into the state register, there is a specific provision for entering standards into the state register. The procedure approved by the Order of the State Main Service for Standardization “Turkmenstandartlary” dated 23 September 2013 No. 167 and registered by the Ministry of Justice (Adalat) dated 1 October 2013 No. 706 “on the application in the territory of Turkmenistan of international, interstate (regional) standards, other regulatory documents adopted by foreign states”. Also, the Law of Turkmenistan “On Standardization” 19 October 2012 No. 343-IV states “International, interstate (regional) standards, standards of foreign states are applied on the basis of international agreements (contracts) on cooperation, as well as agreements of the authorized body with the relevant international, regional organization for standardization”.</p> <p>Normally the rules would apply on their face to domestic and to cross-border activity, unless they are expressly limited in some way.</p>
<p>3. Existing bilateral or multilateral technical/operational agreements</p>	<p>33. Are there technical or operational agreements which provide for the unilateral or mutual recognition of electronic messages? Examples are the sanitary and phytosanitary exchange agreement between China and the Netherlands as well as the Association of Southeast Asian Nations’ electronic Association of Southeast Asian Nations Trade in Goods Agreement programme.</p>	<p>33. <i>There are none.</i></p> <p>But the Law of Turkmenistan “On Electronic Document, Electronic Document Management and Digital Services” in Article 17 and Article 38 provides for legal recognition of an electronic document created in accordance with the law of a foreign state and international standards, is recognized on the territory of Turkmenistan on the basis of concluded international treaties of Turkmenistan and (or) agreements between the subjects of electronic document management subject to the requirements established by the legislation of Turkmenistan.</p> <p>It also provides that an electronic digital signature that has a foreign certificate is recognized as an electronic digital signature on the territory of Turkmenistan in accordance with the international treaties of Turkmenistan.</p>

4. Other international legal instruments, regulations and standards relevant to enabling the use of data for cross-border paperless trade	34. Which other laws may be relevant to cross- border paperless trade facilitation? For example, bilateral or multilateral agreements on cybercrime and the taking of electronic evidence abroad.	34The answer is, None
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Treaty/Model law	Implementation status
Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (2016)	Yes. Acceded in 2022
Association of Southeast Asian Nations Single Window Agreement (2005) and Legal Protocol (2017)	
International Maritime Organization Amendments to the Annex to the Convention on Facilitation of International Maritime Traffic, 1965, as amended (2005)	
International Maritime Organization Guidelines for the Use of Electronic Certificates (2016)	
United Nations Centre for Trade Facilitation and Electronic Business recommendation 35 Establishing a Legal Framework for International Trade Single Window	
UNCITRAL Model Law on Electronic Signatures (2001)	
UNCITRAL Model Law on Electronic Transferable Records (2017)	
UNCITRAL Model Law on Electronic Commerce (1996)	
United Nations Convention on the Use of Electronic Communications in International Contracts (2005)	
Protocol of Amendment to the International Convention on the Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention, 2006)	On 3 May 2021, the International Convention on the Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention) entered into force for Turkmenistan, and in June of the same year, the National Parliament of Turkmenistan considered and adopted the Laws "On Accession to the Customs Convention Concerning Containers" and "On accession to the Convention on the customs regime applicable to containers transferred to the pool and used for international transport".
World Trade Organization Agreement on Trade Facilitation (2013)	
Others (please specify):	<i>Answer 26 above suggests not, except for bilateral trade agreements with neighboring states.</i>

D. Other considerations

Legal matters	Focus questions	Response
<p>Related provisions of the Framework Agreement:</p> <ul style="list-style-type: none"> ○ Article 6: National policy framework, enabling domestic legal environment and paperless trade committee ○ Article 10: Relation to other legal instruments enabling cross-border paperless trade ○ Article 12: Action plan ○ Article 14: Capacity-building 		
<p><i>The first block of questions aims to ascertain the legal liability of the parties operating in a Single Window or other paperless trade system.</i></p>		
<p>1. Liability issues related to operations of cross-border paperless trade systems, including cross-border paperless trade transactions (includes liability for inaccurate data, loss of data, delay, programming errors and machine learning error</p>	<p>35. Can public authorities (e.g., government agencies) accept liability in relation to their role in cross-border paperless transactions? If so, is there a limitation on their liability? Is the limitation statutory or contractual?</p> <p>36. May Single Window system operators be liable with respect to their services? To whom? If so, is there a limitation on their liability? Is the limitation statutory or contractual?</p> <p>37. Do paperless trade service providers accept liability arising from their role in cross-border paperless transactions? If so, is there a limitation on their liability? Is the limitation statutory or contractual?</p> <p>38. Is the potential liability of other parties involved in cross-border paperless trade facilitation clearly established?</p> <p>39. Are there clear laws on intermediary liability in relation to their responsibility for the information and data passing through their systems?</p>	<p>35. These issues are regulated in accordance with the requirements of the Procedure approved with the relevant resolution of the President of Turkmenistan</p> <p>36, 37, 38, 39. As mentioned above, there is currently no law in Turkmenistan specifically “on cross-border paperless trade” but there are analogues to it. Therefore, Single Window operators should be responsible for the quality of their services. Questions of liability to whom, the ability to limit their liability, deciding if liability depends on general law or contract, etc. have not to date been specifically regulated by a special law. But there are other pieces of legislation that may be applied to actions taken, for example; Criminal Code of Turkmenistan 10 May 2010 No. 104-IV.</p> <p>Code of Administrative Offenses of Turkmenistan 29 August 2013 No. 422-IV</p>
<p><i>The second block of questions aims to examine the dispute settlement mechanisms for the operators of a Single Window or other paperless trade system.</i></p>		
<p>2. Dispute settlement considerations for cross-border paperless trade transactions; legal issues related to conflict of laws in cross-border transactions</p>	<p>40. Do national laws clearly set out how choice of forum and choice of law issues relevant to paperless trade facilitation are determined? Are these laws specifically applicable to paperless trade, or cross-border trade, or of general application? Have they been applied in practice to paperless trade? Are they based on international models?</p> <p>41. Is arbitration possible? Are domestic and foreign arbitral awards enforceable?</p>	<p>40, 41. There are no laws expressly governing the choice of law or the choice of forum in general civil disputes. Parties have some flexibility on such questions.</p> <p>However, the law of arbitration has considered the questions in detail. In accordance with the second part of Article 1 of the Law of Turkmenistan “On International Commercial Arbitration”, disputes from contractual and other civil law relations arising from the implementation of foreign trade and other types of international economic relations can be referred to international commercial arbitration by agreement of the parties, if a commercial enterprise of at least one of the parties is outside Turkmenistan. International arbitration may also apply to disputes between enterprises with foreign investments and international associations and organization established on the</p>

	<p>territory of Turkmenistan and to, disputes between their participants, as well as their disputes with other subjects of the law of Turkmenistan.</p> <p>In accordance with Article 46 of the aforementioned Law, an arbitral award, regardless of the country in which it was made, upon filing a written petition with the court of Turkmenistan, is recognized and enforced, taking into account the requirements provided for in part two of the statute about documenting the claim. If the arbitral award or agreement is set out in a foreign language, the party must submit a certified translation of these documents into the state language of Turkmenistan. Article 47 of the Law sets out the grounds for refusal to recognize and enforce an arbitral award, in accordance with the procedural legislation of Turkmenistan and its international treaties.</p> <p>In addition, in accordance with Article 121 of the Law of Turkmenistan “On Enforcement Proceedings and the Status of Bailiffs”, the enforcement in Turkmenistan of judgments of international courts and courts of foreign states, as well as arbitrations, is carried out in the manner prescribed by the relevant international treaties of Turkmenistan and the legislation of Turkmenistan</p> <p>There are national laws that can resolve disputes and legal issues, but they are of a general nature and there is no specific law for paperless trade facilitation.</p> <p>Arbitration Procedure Code of Turkmenistan March 13, 2021 No. 331-VI., Civil Procedure Code of Turkmenistan August 18, 2015 No. 260-V.</p> <p>In accordance with Article 30 of the Law of Turkmenistan on International Commercial Arbitration, the parties may, at their discretion, agree on the place of arbitration. Failing such agreement, the place of arbitration shall be determined by the arbitration court in the light of the circumstances of the case, including the convenience of the parties. And in accordance with Article 29 of the mentioned Law, the parties may, at their discretion, agree on the procedure for conducting proceedings in the arbitration court.</p> <p>In accordance with Article 1 of the Law, which defines the scope of its application, it applies to international commercial arbitration if the place of arbitration is in the territory of Turkmenistan. The provisions provided for in Articles 8, 9, 25, 26, 27, 46 and 47 of this Law shall also apply in cases where the place of arbitration is outside Turkmenistan. By agreement of the parties, the following can be referred to international commercial arbitration: disputes from contractual</p>
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		<p>and other civil law relations arising from the implementation of foreign trade and other types of international economic relations, if the commercial enterprise of at least one of the parties is located outside Turkmenistan, as well as disputes between enterprises and foreign investments and international associations and organization established on the territory of Turkmenistan, among themselves, disputes between their participants, as well as their disputes with other subjects of the law of Turkmenistan.</p> <p>This Law contains provisions on settlement agreement. Thus, in accordance with Article 40 of the Law, if during the arbitration proceedings the parties conclude a settlement agreement, the arbitration court terminates the proceedings and fixes the settlement agreement reached in the form of an arbitral award on the terms agreed by the parties. This award shall have the same effect and be enforceable in the same way as any other award on the merits of the dispute. Thus, the national legislation procedure determines the forms for the settlement of disputes, including legal issues related to the facilitation of paperless trade procedures. These rules are of a general nature for all civil legal disputes. This law was developed in accordance with international standards and UNCITRAL model laws with the involvement of international experts.</p>
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The third block of questions aims to examine intellectual property issues involved in a Single Window or other paperless trade system.

<p>3. Intellectual property rights and database ownership issues, including the ownership of data and information stored or archived in the cross-border paperless trade system</p>	<p>42. Do the law or contractual agreements define who owns the data in a cross-border paperless trade system and how the intellectual property and the database can be used?</p>	<p>42. The use of intellectual property and the database is regulated by the Law of Turkmenistan "On Scientific Intellectual Property" September 30, 1992. No. 755-XII Someone outside TKM can enforce his/her/its intellectual property rights in TKM courts. TKM law would allow someone in TKM to enforce its IP rights against a foreigner in a foreign state.</p>
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The fourth block of questions aims to examine the use of electronic payments in a Single Window or other paperless trade system.

<p>4. Examination of banking/payments law for electronic payments in the cross-border paperless trade system</p>	<p>43. Does the national Single Window or paperless trade system accept electronic payments? Do the Government or State agencies accept them? If yes, are electronic payments restricted to a specific method or provider (e.g., credit cards or an exclusive bank)?</p>	<p>43. Since the Single Window system itself or the paperless trading system is not yet fully implemented, payments do not go through the aforementioned system. But in Turkmenistan there is a system of electronic payments and they are carried out through credit cards and through all banks of Turkmenistan. Currency payments are regulated by the Law of Turkmenistan “On currency regulation and currency control in foreign economic relations” October 1, 2011 No. 230-IV. Article 52 Payments in electronic form The Law of Turkmenistan “On legal regulation of the development of the Internet network and the provision of Internet services in Turkmenistan” December 20, 2014 No. 159-V.</p>
<p><i>The fifth block of questions aims to examine the competition law issues involved in a Single Window or other paperless trade system.</i></p>		
<p>5. Competition law issues, including treaties and conventions and General Agreement on Tariffs and Trade/World Trade Organization requirements applicable to the cross-border paperless trade system</p>	<p>44. Is competition law applicable to Single Window system operators or other paperless trade service providers?</p>	<p>44. Yes. There is a law on competition in the general sense. Law of Turkmenistan “On trading activities” March 26, 2016 No. 370-V. Turkmenistan is an active observer member of the World Trade Organization</p>

Annex V. Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific

The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (“Framework Agreement”) was adopted as a UN treaty on 19 May 2016, and deposited with the Secretary General of the United Nations in New York.⁸ More than 25 countries participated in the development and negotiation of the Agreement.⁹ It is designed as an inclusive and enabling platform that will benefit all participating economies, regardless where they stand in terms of trade facilitation or Single Window/paperless trade implementation.

Paperless trade makes international trade more efficient and transparent while improving regulatory compliance, particularly if trade-related data and documents in electronic form are exchanged across borders. The Framework Agreement, by supporting the region’s progress towards cross-border paperless trade, could bring benefit to parties such as:

- Accelerated progress towards a digital and paperless trade environment.
- Opportunity to integrate emerging cross-border paperless trade considerations and best practices early in the development of national Single Window and other paperless trade systems.
- Easier access to information, knowledge and resources to achieve full digital implementation of the WTO Trade Facilitation Agreement (TFA).
- Reduction in overall investment costs and maximization of return from investments in paperless trade systems.
- Increased opportunities for capacity building through trainings, workshops and knowledge-sharing platforms.
- Compliance with commitments the party may have made through in its bilateral and plurilateral trade agreements to collaborate on exchanging electronic of data and documents.
- Ready access to potential counterpart countries interested to negotiate and achieve cross border data exchange.
- Direct participation in the development of pragmatic solutions for the cross-border exchange of trade documents.

Potential benefits from achieving cross-border paperless trade in Asia and the Pacific have been quantified in terms of trade costs reductions and trade gains. A study by Shepherd et al. estimated that if Turkmenistan achieves at least partial implementation of cross-border paperless trade, it would reduce its cost and time of export/import by

⁸ Text of the FA-PT and other relevant documents can be found here:

<https://www.unescap.org/resources/framework-agreement-facilitation-cross-border-paperless-trade-asia-and-pacific>

⁹ For the list of countries that have officially nominated focal points (i.e., which means they were actively involved) see: <http://communities.unescap.org/cross-border-paperless-trade-facilitation/national-focal-points-resolutions-683-and-706>

over 50%, and help it boost its exports by 29 percent.¹⁰ A more recent study finds that, if Turkmenistan implements the WTO TFA with cross-border paperless trade measures, it could achieve trade cost reductions of 38%, instead of only about 18% if it aims at basic compliance with the TFA.¹¹

¹⁰ ESCAP (2014). Estimating the Benefits of Cross-Border Paperless Trade. Available from: <https://www.unescap.org/sites/default/files/Benefits%20of%20Cross-Border%20Paperless%20Trade.pdf>

¹¹ ESCAP (2017). Digital Trade facilitation in Asia and the Pacific. Studies in Trade, Investment and Innovation, No. 87. Available from <https://www.unescap.org/publications/digital-trade-facilitation-asia-and-pacific-studies-trade-investment-and-innovation-87>. See also ADB(2017) “Trade Facilitation and Better Connectivity for an Inclusive Asia and Pacific”, available from <https://www.adb.org/publications/trade-facilitation-connectivity-inclusive-asia-pacific>