17 September 2019

Ministers of Trade
WTO Member States

By email

Honourable Minister

A permanent prohibition on customs duties on electronic transmissions

I am writing to you on behalf of the International Chamber of Commerce (ICC), the institutional representative of over 45 million companies worldwide, to express our deep concern over the possible expiration of the World Trade Organization’s moratorium on customs duties on electronic transmissions.

The moratorium, since its introduction in 1998, has enable digital trade to flourish, preventing the creation of trade barriers and burdensome customs duties or tariffs. It has helped consumers access new products and services, and enabled businesses – in particular micro, small and medium-sized enterprises – to access new markets. It also made a powerful statement: the default position with new forms of trade arising after the conclusion of the WTO Agreement is with no tariffs.

We consider it essential that WTO Members engage without delay to extend the moratorium – preferably on a permanent basis – by the end of 2019.

I attach for your consideration a new ICC paper exploring the inevitable disruption that would arise from any move to impose tariffs on cross-border data flows. As you will note, our paper explores the manifold complexities for both business and government of imposing customs duties on electronic transmissions and recommends alternative means of protecting domestic revenue bases.

In this, our centenary year, I am driven to consider what policy environments are necessary to ensure success of the private sector for the next 100 years. Given the degree to which information technology has revolutionised trade within and across borders, a move to unilaterally impose customs duties on electronic transmissions would be highly disruptive to business, result in economic losses far in excess of potential revenue raised, and will further fragment an already strained multilateral trading system.

We hope you will be able to give positive consideration to renewing the moratorium before the end of the year, and stand ready to provide any further support that would be helpful to your government in the months ahead.

Yours faithfully

John WH Denton AO
Secretary-General, International Chamber of Commerce