



Business and Industry Advisory Committee to the **OECD**

Comité Consultatif Economique et Industriel Auprès de l' **OCDE**

May 1998
FINAL

BIAC Declaration of POLICY PRINCIPLES FOR GLOBAL ELECTRONIC COMMERCE

The emergence of global networks has already begun to profoundly influence the way individuals interact with each other, businesses conduct their affairs, and governments provide services to their constituents.

Business believes that a number of fundamental principles should shape the policies which are ultimately adopted by governments, if the promises of electronic commerce are to be fulfilled. International discussions on a framework for global electronic commerce have already begun and have recently been gaining impetus by a series of high-level initiatives and declarations.

In this context, BIAC, the Business and Industry Advisory Committee to the Organisation for Economic Co-operation and Development (OECD) provides the following Declaration of Policy Principles for Global Electronic Commerce. We expect that these Principles may be extended as additional knowledge and insights are gained relative to electronic commerce.

**BIAC, THE BUSINESS AND INDUSTRY ADVISORY COMMITTEE TO THE
ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD):**

CONGRATULATES the OECD on its past accomplishments in the information, computer and communications policies area, which have created a framework for the private sector to develop an underlying telecommunications infrastructure for electronic commerce;

APPLAUDS all Member countries of the OECD for their foresight and flexibility in developing and implementing general policy recommendations for the Global Information Infrastructure-Global Information Society (GII-GIS) which provide a conducive environment for electronic commerce;

SUPPORTS the OECD's efforts to engage in forthright and constructive discussions regarding electronic commerce;

INVITES the governments to lead by example by using commercially available electronic commerce systems in the conduct of governmental functions, and,

URGES government and business in all countries to co-operate and consider policies consistent with the Principles expressed below in order to encourage the development of electronic commerce:

1. The development of electronic commerce should be led primarily by the private sector in response to market forces.
2. Government intervention, when required, should promote a stable, international legal environment, allow a rational allocation of scarce resources and protect general interest. Such intervention should be no more than is essential and should be clear, transparent, objective, non-discriminatory, proportional, flexible, and technologically neutral.
3. Mechanisms for private sector input and involvement in policy making should be promoted and widely used in all countries and international fora.
4. In recognition of the global nature of electronic commerce, government policies which affect it should be internationally co-ordinated and compatible and those policies should facilitate interoperability within an international, voluntary and consensus-based environment for standards setting.
5. Transactions conducted using electronic commerce should receive neutral tax treatment in comparison to transactions using non-electronic means. Taxation of electronic commerce should be consistent with established, internationally-accepted practices, and administered in the least burdensome manner.
6. Regulation of the underlying telecommunications infrastructure, when necessary, should reduce impediments to competition, enabling new services and new entrants to compete, globally, in an open and fair market.
7. Participation in electronic commerce should be pursued through an open and competitive market.
8. The protection of users, in particular with regard to privacy, confidentiality, anonymity and content control should be pursued through policies driven by choice, individual empowerment, industry-led solutions, and should be in accordance with law where applicable.
9. Business should make available to users the means to exercise choice with respect to privacy, confidentiality, content control and, under appropriate circumstances, anonymity.
10. A high level of trust in the Global Information Infrastructure-Global Information Society (GII-GIS) should be pursued by mutual agreement, education, further technological innovations to enhance security and reliability, adoption of adequate dispute resolution mechanisms, and private sector self-regulation.