

DIGITAL TRADE & CROSS-BORDER DATA FLOWS

Connecting the world, going from the ancient Silk Road to modern cross-border e-trade.

A smart TRUSTED platform for GLOBAL B2B e-Commerce & B2G e-Services.

MAPPING AZERBAIJAN' TRANSFORMATIONS

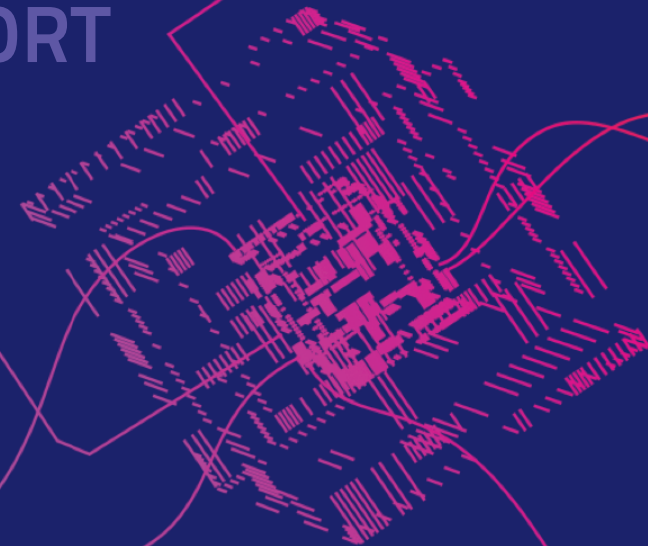
SECURING PEOPLE AND PROCESSES
ACCESS AND ADOPTION
EMERGING TECHNOLOGIES
INFORMED GOVERNANCE
LOGISTIC PROPERTY AND INFRASTRUCTURE
DIGITAL ECONOMY

INTERNATIONAL TRADE AND INVESTMENT
DIGITAL ECONOMY AND SOCIETY

SUPPLY CHAIN AND TRANSPORT

GLOBAL VALUE CHAINS
TRADE AND DEVELOPMENT
DATA SHARING AND PERMISSIONS
E-COMMERCE AND DEMAND CHAINS
RESPONSIBLE TRANSFORMATION
ROBUST DIGITAL IDENTITIES

AND MANY OTHERS



AZERBAIJAN – RIGHT PLACE, RIGHT TIME AND CAPABILITY

- | Leading country of the region in digital identity and infrastructure.
- | Azerbaijan has been the historical trade hub already from 2nd century B.C.
- | Situated on the ancient Silk Road between east and west.
- | State-of-the-art physical infrastructures for goods to be transferred.
- | Resources and will to develop a smart and knowledge-based economy and to become more international at the same time.



THE KNOWLEDGE:

AZERBAIJAN – A HISTORICAL TRADE HUB ON THE SILK ROAD FROM 2ND CENTURY B.C.

Azerbaijan served as a bridge in the Caspian region, connecting the Caucasus, Middle East and north-eastern Europe through the Ancient Silk Road.

As a Caspian country, it was one of the richest states in the Middle East. Among other reasons, the Great Silk Road and Azerbaijan's own silk industry played a great part.

The Great Silk Roads bringing together two different worlds – the East and the West – could not but leave a trace in the history of the political, economic and cultural development of the countries through which it passed. Travellers, merchants and missionaries exchanged cultural, scientific, educational and spiritual values.

The goods and products of Azerbaijani towns and settlements spread along the Silk Roads with great success, and its towns had long been known to act as centres of culture, science and education. Oil, carpets, raw silk, silk fabrics, cotton, weapons, dried fruits, salt, precious stones, jewellery, alum, saffron, natural dyes, polychrome pottery, wooden utensils, non-ferrous metals, sturgeons, and caviar ironwood were the main exports of Azerbaijan.

Bilateral land and sea routes linked Azerbaijan with China, Syria, India, Asia Minor, Iran, Egypt, Russia, the Arabian Peninsula, North Africa and Europe. The British used to lay their routes to India via Azerbaijan, Indian merchants traded in spices and cashmere fabrics with Baku and Shamakhi. For this reason, actually, one of the medieval caravanserais in Baku has the name of the Indian origin, "Multani". Baku used to serve as a transit point for goods passing from China and India through the Black Sea to Constantinople.



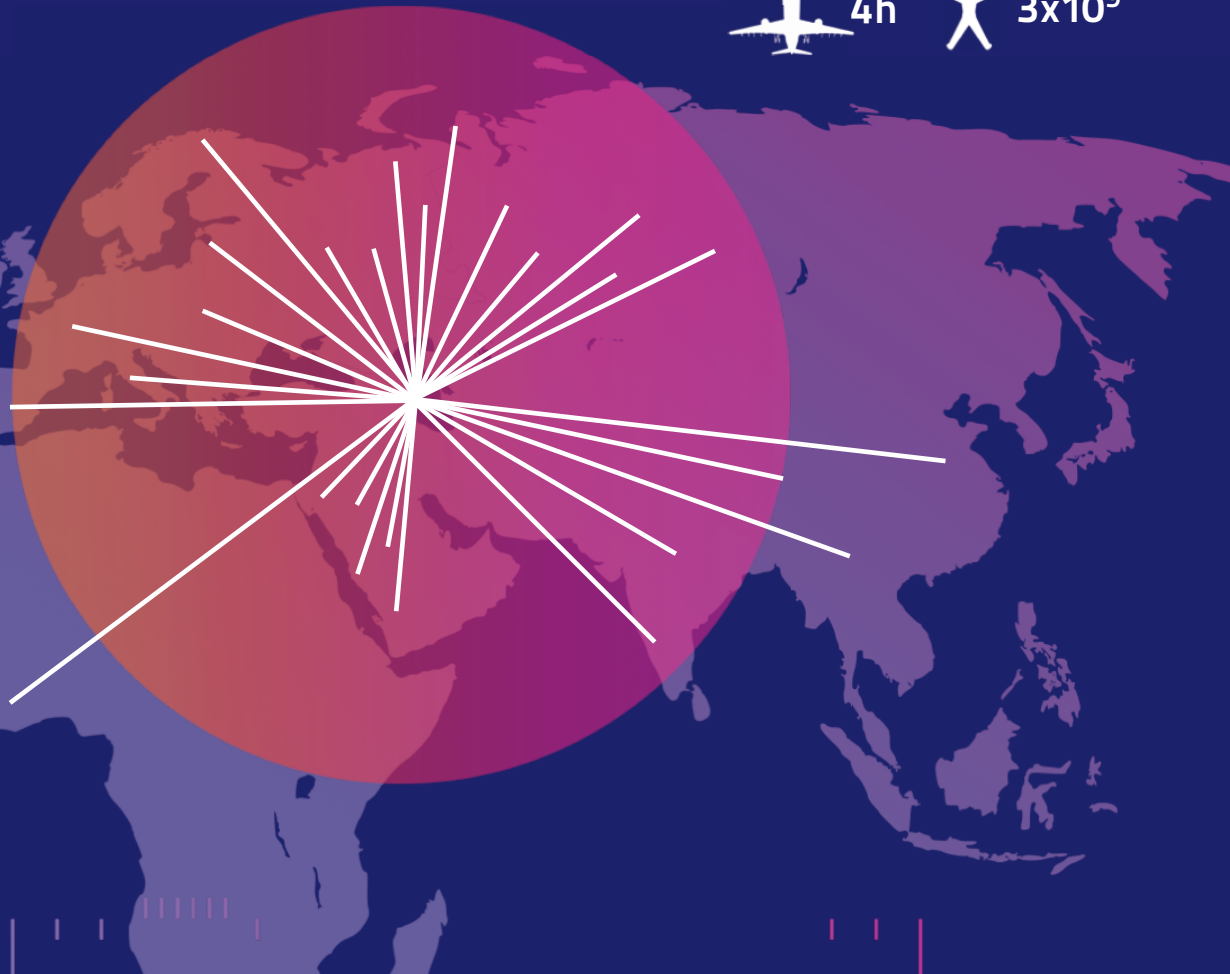
AZERBAIJAN – RIGHT PLACE, RIGHT TIME AND CAPABILITY



4h



3×10^9



| Within **reach to 50 countries** with almost **50% of world consumers** within 4-hour flight range

| Azerbaijan has free trade access to the **270 million consumers of the CIS**, with GDP worth 1.6 trillion.

| **70% of the time is saved** between China and Europe. It is considered to be the shortest linkage both in distance and time.

| Logistics hub for the Caspian region with the **biggest airport, seaport, railway network** and free-trade zones

THE KNOWLEDGE:

AZERBAIJAN: CONTINUING AS A TOP TRANSPORT AND LOGISTICS HUB IN THE 21ST CENTURY

Strategic location, with the fastest routes

Today, as trade flows increase between Europe and Asia, Azerbaijan is emerging as a transport and logistics hub at the crossroad of Eurasia.

According to the Strategic Roadmap for the Development of Logistics and Trade, Azerbaijan will become a strategic international logistics hub by 2025.

THE FIRST DIGITAL FREE ZONE

Parliament of Azerbaijan approved the draft law "On free economic zone of Alat" on May 18, 2018

Free Trade Zone will play a pivotal role in international multimodal transportation and the Eurasian supply chain via Azerbaijan.

Investors, entrepreneurs, residents of the free zone, legal entities of the free zone and their employees have the right to conduct transactions in any currency, without restrictions.

Well developed infrastructure, to serve all global logistic needs

The most state-of-the-art transport infrastructure in the region - About 19,000 km of hard-surface roads, 8,000 km of which built and constructed in past 10 years

6 international airports - Baku operates the largest international airport in the region

A new international seaport, located at Alat, 60 km south of Baku, with an annual capacity of 10-11.5 million tons of cargo and 50,000 TEU (to be increased up to 21-25 M tons of cargo and 1 M TEU); A new shipyard and the only one on the Caspian Sea commissioned in 2013

Over 2,000 km of operational railroads: The so-called "Iron Silk Way", Baku-Tbilisi-Kars trunk-railway connecting European and Asian railway systems, is under construction

Global collaboration between the European Union, Central Asia, Eastern EU and the Caucasus

Azerbaijan is a home for the "Transport Corridor Europe-Caucasus-Asia" TRACECA, the international program on the creation of a transport corridor from Europe to Asia through the Caucasus. It involves the European Union and 14 states of Eastern Europe, Caucasus and Central Asia. Its permanent secretariat is located in Baku, Azerbaijan.

A highly discussed topic at Davos Forum

In addition, Azerbaijan is currently cooperating with its partners on the creation of faster South-to-North transport corridor. This route provides delivery of cargo to the countries of Europe from Iran, Pakistan and India by land. Theoretically, using both corridors Azerbaijan can attract additional trade volume of almost 230 million tonnes.



THE WORLD IS GOING DIGITAL

THE OPPORTUNITY

6.7\$ trillion global B2B e-commerce value by 2020

As people have embraced the wave of technology, the stage is set for them to tap into that opportunity as seamless e-trade will foster economic progress, provide leaping social inclusion and accelerate strong political relationships worldwide.

THE CHALLENGE

We all breathe the same air but live different lives

As a key to unlock the potential 6.7\$ trillion market, accessible digital infrastructure has to be provided for all. Entrepreneurs in SME's from well-developed cities to rural areas, need solutions to overcome red-tape and bureaucracy in order to access the global e-commerce bringing their ideas to life.

THE SOLUTION

Digital Trade & Cross-Border Data Flows – a golden opportunity

A Digital Trade& Cross-Border Data Flows provides an unprecedented opportunity for all SME's to bridge the gap and connect to the global markets. DTH's will allow to trade goods on a broad scale seamlessly, benefitting from globalization and making a profound positive impact on the society locally, regionally and globally.



DIGITAL TRADE & CROSS-BORDER DATA FLOWS CORE VALUES



**Trust and
transparency
worldwide**



**Quick and
paperless**



Equality



**Global reach for
all entrepreneurs**



**Accessible
everywhere,
anytime**

DIGITAL TRADE & CROSS-BORDER DATA FLOWS – FEATURES AND CONCEPTS

Easy movement of goods and regulations

Connects different stakeholders and policy areas within a holistic, cross-sectoral, cross-border and cross-institutional approach, to facilitate regulatory related requirements for the movement of goods across countries.

Paperless and seamless

Provides electronically the creation, submitting, issuing, sharing and managing all import, export, custom and transit-related e-documents that are validated and guaranteed by national governments.

Easy and convenient e-services

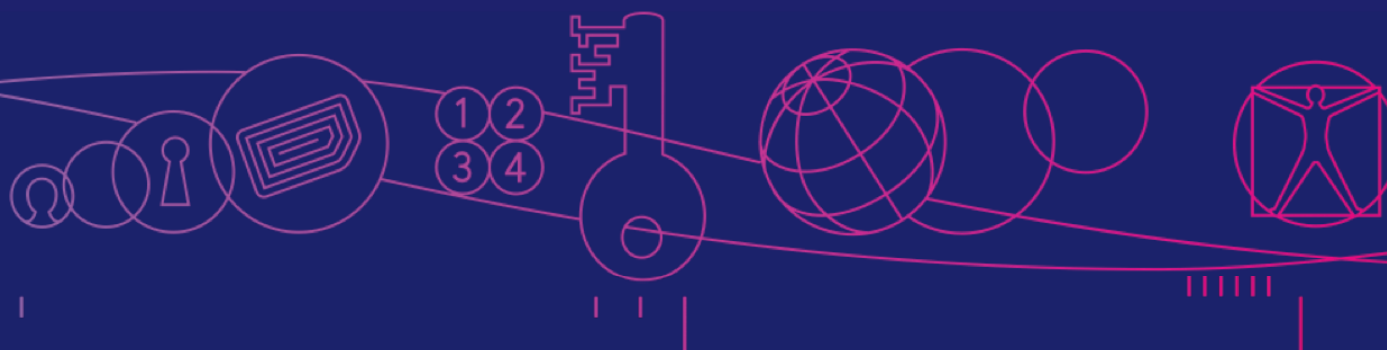
Facilitates cross-border e-services such as e-customs, e-apostils, e-invoicing, certificates of origin, phytosanitary documents, shipping documents, opening a company online, e-banking, accounting, e-document management, tax returns and many more.

Open source technology

Technology is vendor-neutral, provides unlimited speed and traffic volume. Not a cloud solution. Each country as a system owner may download it and install into own environment. Governments have full control of own data and data usage. After that, they can easily make a secure data exchange with any other DTH country.

Trusted, legally binding, backed by governments

Establishes Trust, Security and Interoperability between all players by providing validation services and confidence in authenticity to all transactions as all documents are legally binding.



AZERBAIJAN – RIGHT PLACE, RIGHT TIME AND CAPABILITY

10+ years of positive experience in developing digital infrastructure and e-services.

AZEXPORT.AZ – the part of Digital Trade & Cross-Border Data Flows launched 2016, generated 475 million USD worth of goods ordered to 74 countries in its first year of activity.



THE KNOWLEDGE:

AZERBAIJAN: AN EMERGING GLOBAL DIGITAL TRADE & CROSS-BORDER DATA FLOWS CONNECTING THE EAST-WEST AND NORTH-SOUTH

Azerbaijan's DTH is thriving locally and regionally

After the launch in 2016, it has that generated 475 million USD worth of goods ordered to 74 countries in its first year of activity. This achievement by local entrepreneurs together with the government is strengthening and diversifying its economy.

Azerbaijan is facilitating e-trade as a PPP (public-private-partnership)

It's the first e-Trade and e-Commerce platform guaranteed by the government under the management of the Centre for Analysis of Economic Reforms and Communication. All transactions are legally binding according to partner country legislation.

President of the Republic of Azerbaijan signed a decree on "Additional measures with regard to strengthening the position of the Republic of Azerbaijan as Digital Trade Hub and expansion of foreign trade transactions" on February 22, 2017.

Azerbaijan has implemented all the pre-requisites since 2010

All of the technological and legal conditions have been successfully implemented as since 2010 Azerbaijan (population 9.6M) launched a secure-data-exchange platform for e-government that expanded into the DTH. In 2013 it followed up a national Digital Mobile Identity called Asan Imza that has generated more than 70M transactions.

Azerbaijan's DTH and Asan Imza (Mobile-ID) is recognized by leaders

In 2018 The **United Nations** nominated Azerbaijan projects: Asan Imza (Mobile-ID) and Digital Trade Hub for the ITU's **WSIS Prize**.

"Azerbaijan is recognized as a Digital Trade Hub" **ISESCO** Director General Dr Abdulaziz Othman Altwaijri. With 52 member states, ISESCO is one of the largest international Islamic organizations and specializes in the fields of education, science and culture. Source: <https://www.azernews.az/nation/112628.html>

As the result of worldwide recognition of input to Digital Trade Hub and Asan Imza development In 2018, CEO of B.EST Solutions Azerbaijan has been named in USA One World Identity's Top 100 Digital Identity influencers list globally and in 2016, the **Financial Times** and **Google** listed Jana Krimpe among the top 100 changemakers in Central and Eastern Europe.

In 2017 **Global MobileGOV award** from Brighton, UK



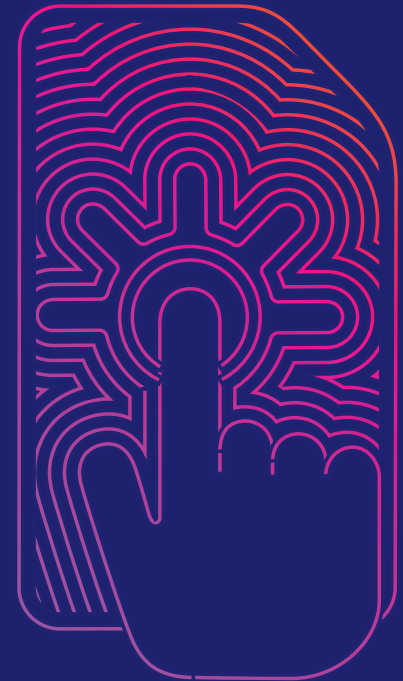
AZERBAIJAN TODAY AFTER THE CHANGE

- | **100%** of customs declarations done online,
- | **90%** of tax declarations done online,
- | **100%** labour contracts done online,
- | **100%** of invoices B2B and B2G done online.
- | It takes **5 minutes** to establish a company online.
- | **More than 1000** public and private e-services.
- | **Zero** incidents or security breaches.
- | **All major banks** and mobile networks issue m-ID.
- | Increased its non-oil export by **more than +27%** on the road to saving **up to 2%** of GDP per year
- | Has saved **hundreds of millions** of working hours.



THE FIRST COUNTRY TO USE M-RESIDENCY

- | Establishing a company within a day
 - | Administrating the company from anywhere
 - | Conducting e-banking and money transfers
 - | Having access to international payment service providers
 - | Digitally signing documents and contracts
 - | Managing accounting records and declaring taxes
- etc.



THE KNOWLEDGE:

M-RESIDENCY WITH ASAN IMZA

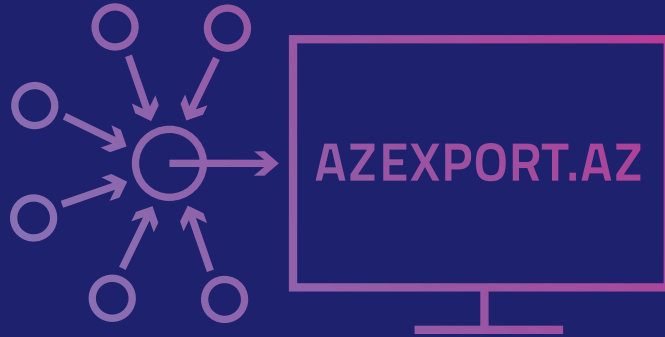
Azerbaijan is the second country after Estonia to offer e-Residency and the first country to offer m-Residency that empowers entrepreneurs around the world to set up and run a location-independent business in Azerbaijan and use all cross-border e-services of the Digital Trade & Cross-Border Data Flows of Azerbaijan.

mResidency program in Azerbaijan - the issuance of Mobile ID ("Asan Imza") to non-residents through diplomatic representative offices and consulates.

The aim of the project to issue Asan Imza to everybody who is interested without entering the country to remotely start a business in Azerbaijan, to invest to the country and to use all opportunities of online services in Azerbaijan being abroad.



SOLUTIONS FOR EVERYBODY: FROM EXPERT PERFORMERS TO BASELINE USERS.



The first in the region Single Export Application provides access to several permits and licenses through a single window for SMEs seeking to export their products in a shortest time and online.

Single Export Application



Tax declarations with Call Centre

Asan İmza – real solution for everybody including rural areas, people with low computer & financial literacy and limited access to the internet

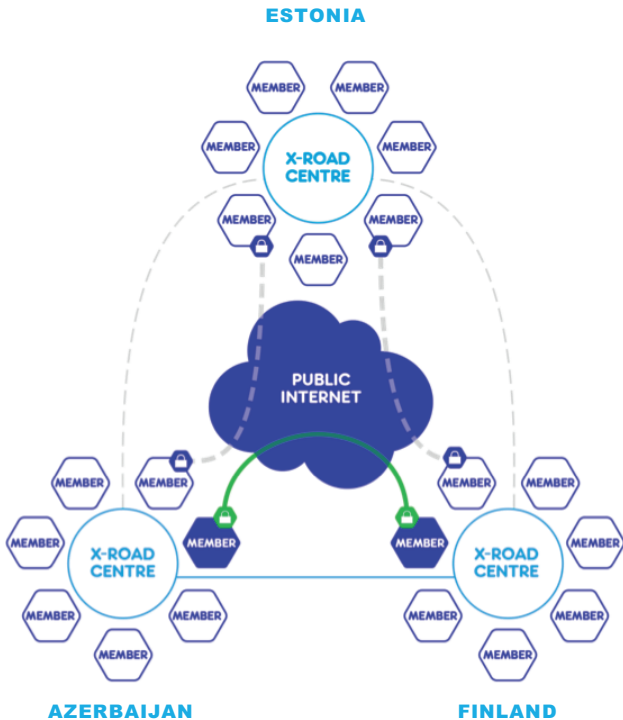
THE KNOWLEDGE:

CROSS-BORDER DATA FLOW USING HIGH-SECURITY X-ROAD DATA EXCHANGE PLATFORM

According to the Euronews media service, additionally to Azerbaijan, this system has already been integrated into some countries, including Namibia, Finland and Ukraine. This platform has been also successfully launched in the Faroe Islands and Japan, a country that is the world leader in innovative technologies.

X-Road is also the world’s first platform to automatically exchange data between countries, which allowed automatic data exchange between Estonia and Finland.

Canada's government is carrying out a modernization of its e-state, in the course of which the country is interested in learning about the opportunities offered by the high-security X-Road data exchange layer used by public sector institutions in Estonia; Canada is considering implementing the same technology.



Digital Trade & Cross-Border Data Flows based on X-Road technology and connecting e-Countries

DIGITAL TRADE & CROSS-BORDER DATA FLOWS – PRE-REQUISITES

Digital Identity and e-signatures

We can't have trusted transactions without being sure of the counterparties

For making the trade economy flow, all the stakeholders need to be repeatedly, uniquely and correctly identified as they make their way through the system. A state recognized digital identity with secure authentication, that is legally equivalent to a real face-to-face identification, and legally binding e-signatures are vital.

A person's ability to prove who they are is a prerequisite to signing e-contracts, conducting, e-banking, accessing e-government services and performing countless other e-transactions.

A DTH platform

A secure data-exchange layer serving as the foundation for valuable cross e-trade services – the kinds of services that improve the lives of people and businesses by being available anytime, anywhere.

What it does:

The platform allows the creation of a Digital Trade & Cross-Border Data Flows that is transparent, reliable and inclusive. It serves as a scalable distributed network that can accommodate an unlimited number of users, giving them access to e-services offered by various government departments and the private sector.

A Validation Centre

An organizational body set up, acting as a Centre of Trust by validating the authenticity of all transactions, documents and identities of companies and citizens.

Governmental legal support

Laws, rules, standards and regulations need to catch up with technology.

The mutual acceptance of each others' digital identities and e-signatures is pivotal for global electronic trade and interoperability to foster.

By harmonizing and consolidating requirements for e-signatures across governments, we increase trust and traceability in e-transactions.

The regulation will cover standards for e-signatures, qualified digital certificates, electronic seals, timestamps and other proof of authentication mechanisms enabling e-transactions with the same legal standing as transactions performed on paper.

Fortunately, we can easily benchmark existing established regulations such as eIDAS, that spurs digital growth within the EU market, as all European member states are required to recognize e-signatures that meet the standards of eIDAS.



DIGITAL TRADE & CROSS-BORDER DATA FLOWS ARE RECOGNIZED BY PARTNERS

Azerbaijan is partnered up:

By connecting its DTH with global major players such as **Alibaba** and **Amazon** and many others global platforms.

With an **EU Validation Authority** in Poland by connecting to the EU Digital Single Market and to more than 2000 Trusted and Validated Trust Service providers globally from USA, Brazil and Canada to South Africa, China and Singapore, building the digital infrastructure needed for global interoperability.

As a partner of **GUAM** Digital Trade & Cross-Border Data Flows will create cross-border eTrade infrastructure between Azerbaijan, Georgia, Moldova and Ukraine.

As a member of **EEMA**, the European Association for e-Identity and Security, Europe's leading independent not-for-profit think tank including topics on identification, authentication, privacy, risk management, cybersecurity, the Internet of Things, artificial intelligence and mobile applications.

As a **FutureTrust** Associate Partner. FutureTrust is a European Commission-funded project whose main objective is to develop comprehensive, flexible, privacy-aware and ubiquitously usable trust infrastructure components for Europe.

Co-chair of **GANMI** (Global Alliance for National Mobile Identities) including Austria, Azerbaijan, Belgium, Estonia, Iceland, Moldova, Norway, Oman, Switzerland and Turkey. GANMI was founded by organisations and companies operating national Mobile Identities. It aims to converge applicable standards in order to promote global interoperability of public and private digital services, extend supplier choice and reduce risk.



THE KNOWLEDGE:

ISESCO BESTDOC PORTAL – A CROSS-BORDER CORPORATE PLATFORM FOR DIGITAL SIGNATURE

The Islamic Educational, Scientific and Cultural Organization (ISESCO) BESTDOC portal uses e- and m-signature and authentication technology that aims to be at the forefront in the mobile signature world with an objective to be the common Islamic digital market with the highest number of m-ID users all over the world.

The ISESCO BESTDOC portal is the first ever mobile signing and authentication service in the ISESCO countries and globally represents best practices for innovative document management systems for international organisations. It aims to export the paperless society experience and enable sharing and m-signing of documents in any format, underpinned by strong user authentication.



SCALING A DIGITAL TRADE & CROSS-BORDER DATA FLOWS GLOBALLY, REQUIRES INTERNATIONAL LEADERS AND INNOVATORS JOINING IN

Azerbaijan is just big enough

We can be flexible, we can easily manage, we can change the wrong direction quickly, we can test anything and try something modern and innovative, we can become more mobile and more international

The invitation is open to the world

Azerbaijan is able and willing to make big strategic decisions inspired by the advances in technology for e-trade and share them with the world. The international community engagement is well welcomed and needed to facilitate right conditions and create a seamless environment. The list includes governments, policy-makers, experts and academics, international organizations, youth, civil society and innovators, in addition to the prominent involvement of business.

Azerbaijan's Digital and physical infrastructure is available

Azerbaijan offers leading organizations such as the WEF, World Bank, United Nations, EBRD, Asian Development Bank and other. Governments and private companies to use its digital infrastructure including its DTH, its well-built physical transportation and logistics infrastructure as a "sandbox" to test ideas, capabilities and move closer to connecting the world.

Recognized know-how for implementing DTH pre-requisites

Partner countries understanding the importance of digital SME trade, but not having the capabilities to create the needed technological pre-requisites can count on Azerbaijan to help. Azerbaijan is one of the most digitally advanced countries in the world surpassing the US and most EU countries regarding the level of digital identity and e-signature ecosystems. Mobile Identity - Asan Imza gives access to more than 600 public and private e-services, providing accountability and governance with the highest level of assurance.

AZERBAIJAN IS HAPPY TO SHARE THE EXPERIENCE INVITE TO JOIN THE GLOBAL DISCUSSION

ESTONIA UKRAINE POLAND UAE MOROCCO COLOMBIA
USA ITALY UNITED KINGDOM RUSSIA
GERMANY NETHERLANDS
KAZAKHSTAN SWITZERLAND AUSTRIA UZBEKISTAN
FRANCE
SPAIN

AND MANY OTHERS

By hosting the first ever International Conference on “Digital Trade Hub of Azerbaijan: Development perspectives” in 2017, with participants from Estonia, France, Poland, Russia, U.K., Switzerland, Austria, from the European Union and many more.

By presenting the concept of DTH at top major conferences and events around the world such as Germany, USA, Estonia, United Kingdom, Azerbaijan, Kazakhstan, Italy, Poland, Colombia, France, UAE, Netherlands, Uzbekistan, Ukraine, Morocco and Spain and many others.

By creating easy to follow standards with a future-oriented approach, that can serve as the pillars for global trust and security.

DIGITAL TRADE HUB – A COMMON GLOBAL VISION SHARED BY LEADERS AND INNOVATORS



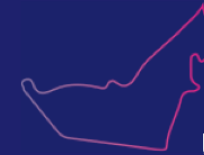
Azerbaijan

The Republic of Azerbaijan with a Presidential Decree is strengthening its position as a Digital Trade & Cross-Border Data Flows.



Malaysia

Alibaba's Jack Ma launches Digital Free Trade Zone in Malaysia.



United Arab Emirates

Dubai is planning a smart B2B commerce platform called Blink.



The United Kingdom

UK government launched searchable export directory DTH.



Thailand

Alibaba partners with Thailand on Digital Trade.



Singapore

Singapore is to launch a digital trade platform for SME's.

5 TECHNOLOGIES THAT WILL FOREVER CHANGE GLOBAL TRADE



Blockchain



**AI and
machine
learning**



**Trading services
via digital
platforms**



3D-printing



**Mobile
payments**

WELCOME TO TEST IDEAS!

Use our well-built physical transportation and logistics infrastructure as a "sandbox" to test ideas, capabilities and move closer to connecting the world.

**Come
investigate**



**Take what
you need**



**Test
your own**



**Lets develop
further**



WELCOME TO THE DIGITAL WORLD OF AZERBAIJAN!



Let Azerbaijan be the first to welcome you on the path of connecting the world, fostering B2B commerce and empowering SME's and invite you to join us in carrying out big ideas.

WHY ARE WE TALKING ABOUT THIS?

- | The world is changing
- | There is a huge need for digital markets
- | There are many challenges
- | Digital identity is crucial
- | Azerbaijan is ready

KEY TAKEAWAYS:

| 6.7\$ trillion
global B2B
e-commerce value

| Providing SME's
access to the market
is a challenge

| Digital Trade & Cross-
Border Data Flows – a
golden opportunity

| DTH, a commonly
shared vision of
leaders

| Initiatives launched in
all regions, practical
experience low

| Azerbaijan's DTH
generated 475\$M in
the first year

| Azerbaijan is a global strategic transport and
logistics hub, with advanced digital and
physical infrastructure, a bridge between
East and West, & North and South, with
centuries of experience

| Success depends on
international leaders
and innovators
joining in

| Azerbaijan is offering its
capabilities and assets
as a "sandbox"

| Global e-trade charts a new
path for sustainable development
in the 21st century