



WRITTEN SUBMISSION

Strengthening One Canadian Economy through Trade and Transportation

Input on the digital and paperless trade elements of the proposed reforms

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Consultation: Transport Canada — Strengthening One Canadian Economy through trade and transportation (engagement period May 8 – June 7, 2026)

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Scope: This submission responds specifically to the discussion paper's commitment to support digital and paperless trade and to align more quickly with international standards. It does not address port governance, corridor designation, marine liability, or broader transportation policy, which fall outside the contributor's area of practice.

1. Purpose and Standing

This submission is provided as practitioner input to the digital and paperless trade element of the discussion paper. It is offered in the public consultation process and reflects approximately 25 years of operating experience in global trade, cross-border documentation workflows, and compliance execution.

This perspective is further informed by the contributor's participation as a Participating Expert in the UN/CEFACT eCMR Working Group; as a member of the Standards Council of Canada Canadian Mirror Committee for ISO/TC 309 (Governance of Organizations); and across Digital Governance Standards Institute technical committees, including Artificial Intelligence and Digital Trust and Identity — engagements directly relevant to trusted electronic trade records, AI governance, and the auditability of regulated processes. These references are provided only to establish relevant practitioner standing and do not imply endorsement by any organization.

The submission is deliberately scoped. It does not respond to every measure in the paper. It addresses one question the paper raises but does not yet fully resolve: how Canada ensures that its stated move toward digital and paperless trade translates into a system that small and medium-sized exporters can actually use. The paper's own framing — reducing administrative burden and aligning more quickly with international standards — is the natural anchor for that question.

Nothing in this submission should be read as asserting an existing relationship, endorsement, or commitment on the part of any department or official. It is contributed on the merits, for the public record.

2. The Execution Gap in Digital and Paperless Trade

Canada has built a substantial trade architecture. Through agreements including CUSMA, CPTPP, and CETA, Canada has secured preferential market access and committed to a range of digital trade and electronic-commerce provisions. CUSMA and CPTPP include commitments relevant to paperless trading and electronic authentication, while CETA reinforces the importance of electronic commerce cooperation and predictable digital trade conditions.^[1] The discussion paper reinforces this direction by committing to update laws and regulations to support digital and paperless trade and to make trade more predictable.

These are the right objectives. The gap is not one of policy intent. It is that digitizing documents and modernizing customs procedures does not, by itself, give an SME exporter the operational ability to complete a compliant, auditable, cross-border transaction in an unfamiliar market at manageable cost and risk.

The burden falls most heavily on the firms the diversification agenda most needs to mobilize. Larger firms can absorb fragmented systems and retain specialist trade counsel. SME exporters generally cannot. For them, diversification is less a question of tariff access than of whether they can navigate the live transaction — classification, rules of origin, documentation, amendments, and regulatory traceability across multiple parties and jurisdictions — with enough confidence to use the access they formally hold.

Available evidence and practitioner experience point in the same direction. Rules-of-origin and certificate-of-origin requirements are widely identified as a significant administrative barrier to claiming available tariff preferences, particularly for firms without dedicated trade teams.^[2] In the Canadian context the asymmetry is structural: the number of Canadian enterprises importing goods substantially exceeds the number exporting them, and the gap is especially visible in the broader Indo-Pacific region, where 56.8% of Canadian importers purchased goods from the region compared with 19.1% of Canadian exporters selling goods into the region.^[3] A firm can hold market access and still fail to claim a preference because the origin rules are hard to operationalize. That is an execution failure, not a market-access failure.

The policy implication is direct: paperless trade is necessary but not sufficient. It addresses document friction. It does not, on its own, create the operating layer that lets a firm act on a record — handle a late amendment, surface a compliance issue before filing, and preserve an audit trail — in a coordinated, trusted way across the transaction chain. Recognizing that boundary is what allows the paperless-trade commitment in this paper to be implemented in a way that actually moves SME participation.

3. Three Frictions the Paper Should Address in Implementation

The discussion paper commits to reducing administrative burden and aligning more quickly with international standards. Three specific frictions determine whether that commitment reaches SME exporters. Each maps to language already in the paper.

3.1 Standards fragmentation

Legal recognition of an electronic record is necessary but not sufficient for cross-border use. A record produced under one framework must also be capable of being parsed, validated, and acted upon by counterparty systems — customs authorities, Single Window platforms, and trade finance systems — in the destination jurisdiction. That is an interoperability question that legal recognition alone does not answer. Where Canadian-issued electronic records are not understood by destination systems, exporters revert to parallel paper workflows and the efficiency gain is lost. The paper's commitment to align more quickly with international standards is the correct lever; the implementation question is which standards, and at what layer.

3.2 Interoperability

Interoperability is a design property, not an outcome that emerges after deployment. Internationally, the relevant reference frameworks are well established: the UNCITRAL Model Law on Electronic Transferable Records (MLETR) for the legal logic of trusted records;^[4] the UN/CEFACT Buy-Ship-Pay reference data model for trade, transport, and financial data semantics; and the World Customs Organization Data Model for the data content of cross-border regulatory processes. Domestically, CAN/DGSI 104 contributes the digital governance and cybersecurity layer. Emerging UN/CEFACT work such as the United Nations Transparency Protocol (UNTP), currently in public review, further reinforces this direction by treating supply-chain evidence — including product, facility, conformity, traceability, identity, and verifiable-credential data — as discoverable, linkable, and verifiable across systems without requiring centralised data or dependence on a single platform.^[5] Alignment to these frameworks at the specification level is what makes a record portable across corridors rather than locked to a single platform or bilateral arrangement. This is a concrete, testable implementation criterion the Government can apply when assessing digital trade infrastructure.

3.3 Legislative coordination

Canada has not enacted MLETR-equivalent legislation giving trusted electronic trade records full domestic legal effect. The legislative gap, the interoperability gap, and the SME export-concentration challenge are structurally connected. The discussion paper's emphasis on updating laws and regulations to support paperless trade is the appropriate vehicle to address the first of these; doing so in coordination with the standards-alignment commitment, rather than as a separate track, is what closes the loop. Treating legal recognition and technical interoperability as one coordinated workstream materially reduces the implementation risk the paper itself asks respondents to flag.

4. Responses to the Consultation Questions

The following responses address the consultation questions that fall within the stated scope of this submission: digital and paperless trade implementation, administrative burden, interoperability, corridor collaboration, and implementation risk.

Q2 — Where would reducing administrative burden most benefit your sector?

For SME exporters, the highest-burden point is not the filing of a document but the work around it: determining whether a product qualifies for preferential treatment, interpreting destination-specific documentary requirements, responding when a compliance issue surfaces late, and reconstructing an audit trail after the fact. Reducing administrative burden most benefits this sector when

implementation targets that operational layer — structured, pre-validated record preparation capable of supporting pre-arrival review or pre-clearance where appropriate; early surfacing of compliance exceptions before filing; and a preserved evidentiary trail — rather than treating document digitization as the end state. This connects directly to the discussion paper's proposed "Tell-Us-Once" system, under which businesses would submit information once for sharing across federal departments. The value of that approach depends on whether the shared data is structured, validated, reusable, secure, and auditable — not merely submitted once. Transport Canada is already piloting the underlying principle through "tell us once" data-exchange modernization between its Pre-load Air Cargo Targeting system and the Canada Border Services Agency's e-Manifest program; the same discipline should extend to digital trade execution more broadly.^[6] The measurable outcome to track is FTA tariff-preference utilization among participating SMEs, currently the clearest indicator of whether administrative burden is actually being reduced in practice.

Q3 — What opportunities do you see to improve collaboration across trade corridors?

Corridor collaboration is strengthened when the trusted record travels with the shipment across jurisdictions rather than being re-created at each handoff. The opportunity is to make standards alignment — MLETR for legal effect, UN/CEFACT and the WCO Data Model for data semantics — an explicit, common requirement across corridor initiatives, so that an electronic record prepared for one corridor is structurally usable in another. This converts corridor modernization from a set of bilaterally negotiated, corridor-specific arrangements into a portable layer, which is materially more useful to SMEs that cannot maintain separate compliance processes for each destination. An open-access, standards-based, non-proprietary reference architecture — modelled on internationally recognized frameworks such as UN/CEFACT and openly published reference implementations, and not tied to any single vendor or platform — would be a constructive, procurement-neutral input to that work. If advisory or corridor-coordination bodies are created following this consultation, their work should include technical interoperability, trusted-record portability, SME digital-execution criteria, and data-governance safeguards alongside physical corridor performance and infrastructure coordination.

Q5 — Are there any concerns, risks, or unintended impacts that should be considered during implementation?

The principal implementation risk is that paperless trade is treated too narrowly as document digitization, without addressing legal recognition, technical interoperability, standards alignment, and SME usability as a connected system. A further sovereignty and resilience risk is that digital trade modernization could default to closed, foreign-controlled, or corridor-specific systems that limit Canadian control over sensitive trade data, audit logs, key custody, and trusted electronic records, while reducing portability across jurisdictions. That could create new digital silos, require exporters to maintain parallel paper and electronic workflows, or produce efficiency gains for larger firms while leaving SMEs with substantially the same execution burden. A related risk is that legal reform and technical implementation proceed on separate tracks, resulting in electronic records that are legally recognized in principle but difficult to validate, transfer, or act upon across trade corridors. The mitigation is to define interoperability, record portability, auditability, security, SME usability, data-governance safeguards, and human-governed exception handling — including where AI-assisted classification, validation, compliance-flagging, or exception-routing functions are used — as assessment criteria before broader implementation decisions are made.

Q6 — How could the proposal be improved to reduce risks and support effective implementation?

Building on the risk identified above, the proposal would be strengthened by treating execution-grade digital trade infrastructure as a distinct area for assessment within the broader agenda — separate from, but coordinated with, document digitization and customs modernization. Concretely, this means: (i) coordinating the legislative update on paperless trade with the standards-alignment commitment as a single workstream; (ii) adopting interoperability against recognized international frameworks as an explicit assessment criterion; and (iii) defining what a scoped assessment or pilot of the execution layer would need to demonstrate before any decision on broader support. None of this requires committing to a specific solution. It requires recognizing the execution layer as a defined object of policy assessment.

Canada's legislative toolkit now expressly contemplates time-limited, condition-bound regulatory pilots: the Budget 2025 Implementation Act, No. 1 amended the Red Tape Reduction Act to authorize ministers, subject to conditions, to grant temporary exemptions facilitating innovation-oriented regulatory approaches in defined sectors.^[8] While that authority is presently scoped to clean technology and financial technology, it establishes a domestic precedent for decision-gated regulatory piloting that the Government could assess when considering whether comparable, time-limited approaches are appropriate for digital trade execution — helping determine whether scoped testing can proceed before comprehensive electronic-trade-document legislation is fully in place.

5. An Illustrative Canadian Approach, and Recommendation

To make the preceding points concrete rather than abstract, one Canadian-developed approach is offered solely as an illustration of the category of infrastructure described above — not as a recommendation for adoption, and not as the subject of this submission.

TransPacific Trade Nexus (TPTN) is a Canada-first, pre-production design-stage approach directed at the execution layer described in Section 2. It is currently at clickable-prototype maturity; no production system, executed pilot, or live integration with any customs or Single Window environment is claimed or implied.

The proposed solution was the subject of a third-party review by the Digital Governance Council, recorded in validation statement DGC-VV-2025-07, issued to SynergAI for its proposed TransPacific Trade Nexus (TPTN) solution.^[7] Following review of a completed ICC DSI/DGC MLETR self-assessment, the Council recorded that sufficient evidence was provided and that no material concerns were observed regarding the reviewed MLETR validation claims, which are expressed as the proposed solution's stated *intention* to conform to and demonstrate functional equivalence with the relevant MLETR articles.

The broader design has been developed with reference to CAN/DGSI 104, UN/CEFACT Buy-Ship-Pay, and the WCO Data Model as relevant governance, semantic, and regulatory data frameworks. Within the TPTN design, AI-assisted functions are framed as decision-support mechanisms for classification, validation, and exception handling, subject to human oversight and auditability rather than autonomous trade or regulatory decision-making. Within that design posture, sovereignty is treated as a control requirement — including Canadian-governed key custody, independent

auditability, trusted-record portability, and selective disclosure — rather than as a nationality-based exclusion of otherwise qualified infrastructure providers.

The Council states that this is to be relied on as an interim acknowledgement only and that it does not constitute production certification, live-system conformance testing, or endorsement. Any prior engagement with federal or provincial bodies has been exploratory and does not imply endorsement, pilot authorization, or procurement interest. It is referenced here only to demonstrate that the category of infrastructure discussed in this submission is already being explored by Canadian practitioners.

Recommendation

As Canada moves to implement the discussion paper's commitment to support digital and paperless trade and to align more quickly with international standards, execution-grade digital trade infrastructure should be treated as a distinct area for policy assessment within the trade diversification agenda. The related legislative update should be coordinated with the standards-alignment commitment as a single workstream, and an initial scoping assessment should be undertaken to determine whether a defined-scope pilot pathway is viable, what such a pilot would need to demonstrate, and how it should be evaluated, before any future decision on broader support or adoption.

This recommendation is conditional and assessment-oriented by design. It asks the Government to recognize and scope a category of implementation, not to commit to any particular solution.

Respectfully submitted,

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References and Notes

[1] CUSMA Chapter 19 (Digital Trade) and CPTPP Chapter 14 (Electronic Commerce) contain provisions relevant to paperless trading and electronic authentication. CETA addresses electronic commerce cooperation and the predictability of digital trade conditions. Provisions are described at a general level; readers are referred to the consolidated agreement texts.

[2] Trade policy analyses of free trade agreement tariff-preference utilization commonly identify rules-of-origin and certificate-of-origin requirements as administrative barriers to preference use, particularly for firms without dedicated trade compliance capacity.

[3] Statistics Canada, "Trade by exporter and importer characteristics: Goods, 2023," The Daily, released 16 May 2024. The release reports 48,718 enterprises exporting goods and 163,881 enterprises importing goods in 2023, and that 56.8% of Canadian importers purchased goods from the broader Indo-Pacific region compared with 19.1% of Canadian exporters selling goods to that region.

[4] United Nations Commission on International Trade Law (UNCITRAL), Model Law on Electronic Transferable Records (MLETR), adopted 2017.

[5] UN/CEFACT Buy-Ship-Pay Reference Data Model (trade, transport and financial data semantics); World Customs Organization Data Model (data content of cross-border regulatory processes); CAN/DGSI 104 (digital governance and cybersecurity); United Nations Transparency Protocol (UNTP), Public Review Information

Note, Version 0.7.0, public review period 14 May – 13 July 2026. UNTP is referenced here as emerging UN/CEFACT protocol work relevant to interoperable, verifiable supply-chain evidence, not as a production conformance claim.

[6] Transport Canada, Discussion Paper: Strengthening One Canadian Economy through trade and transportation (2026), proposed “Tell-Us-Once” system for submit-once, share-across-departments information; and Transport Canada, Progress Report on the Red Tape Review (2025), “tell us once” data-exchange modernization between Transport Canada’s Pre-load Air Cargo Targeting system and the Canada Border Services Agency’s e-Manifest program.

[7] Digital Governance Council, Validation Statement DGC-VV-2025-07, issued to SynergAI for the proposed TransPacific Trade Nexus solution, 13 June 2025. The statement records that the validation was conducted as a third-party review, that it is to be relied on as an interim acknowledgement only pending program accreditation, and that it does not constitute an endorsement.

[8] Budget 2025 Implementation Act, No. 1 (Statutes of Canada 2026, c. 3), Part 5, Division 5, amending the Red Tape Reduction Act; Royal Assent 26 March 2026. The temporary exemption authority is, as enacted, scoped to the clean technology and financial technology sectors.