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Joint Statement

For Immediate Release

Support from businesses on both shores for the bilateral negotiations on a Digital Economy Agreement between Australia and Singapore

The Australian Services Roundtable (ASR) and the Singapore Business Federation (SBF) strongly support the bilateral negotiations between Australia and Singapore for a Digital Economy Agreement.

Both organisations further encourage a rapid conclusion to the negotiations in the expectation that the bilaterally agreed provisions on digital trade would constitute a benchmark template model for governance of digital trade not only across key trading partners in Southeast Asia but also across the broader Asia Pacific region. This is of vital importance given the speed with which businesses in the region are adopting new digital technologies and the tremendous opportunities offered for growth in regional trade flows.

Globally, the timing of these negotiations is also significant, hopefully impacting positively the nature and speed of outcomes which can be achieved in the World Trade Organisation (WTO) negotiations underway in Geneva on trade-related aspects of Electronic Commerce (e-commerce). Our Governments are working closely and cooperatively in leadership roles in the WTO negotiations, and both business communities stand ready to support this effort.

Against that background, ASR and SBF recommend that the Singapore-Australia DEA should:

- Go beyond the existing e-commerce provisions in both the Singapore-Australia Free Trade Agreement (SAFTA), the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA), and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) to introduce new disciplines that facilitate digital trade;
- Enhance the leadership role of Australia and Singapore in driving the WTO e-commerce negotiations;

- Strengthen the leadership role of Australian and Singaporean business groupings, including ASR and SBF, in driving stakeholder dialogue and consultations at the WTO, APEC and the G20; and
- Establish new cooperative platforms for Australian and Singaporean government agencies and regulators to connect more deeply with their counterparts and with businesses to share information and participate in joint development of regulatory best practices for the digital economy.

The scope of negotiations will naturally extend beyond digital trade and regulatory cooperation to cover a variety of other emerging digital economy matters. Our joint business interests focus with highest priority on digital trade issues, which fall essentially in the following six groups:

1. Digitised Data Flows

In recognition of the vital role of cross-border data flows in productivity and competitiveness for all services businesses, we call for DEA provisions which deliver:

- 1.1. Freedom of cross-border data flows (CBDF) including in financial services; and narrowly define the nature of and what could be considered justifications for any exemptions from this discipline, consistent with the principles of the WTO General Agreement on Trade in Services (GATS);
- 1.2. Prohibition on data localisation; and narrowly define the nature of and what could be considered justifications for any exemptions from this discipline, consistent with GATS principles; and
- 1.3. Mutual recognition of equivalence of regulatory approaches to personal data privacy, completed by domestic measures to encourage corporate up-take of the APEC Cross-Border Privacy Rules.

2. Digital Market Access:

In recognition of the immense benefits for growth in global cross-border trade in digitally enabled services under the WTO Moratorium on Customs Duties on E Commerce, we call for DEA provisions which deliver:

- 2.1. Permanent prohibition on business-to-business (B2B) and business-to-consumer (B2C) customs duties for digitally enabled and digitised e-services;

- 2.2. Permanent prohibition on B2B and B2C customs duties on “digital products”;
- 2.3. Liberal trading arrangements for all e-commerce in goods, including liberal *de minimis* thresholds when applicable; and
- 2.4. Liberal, non-discriminatory trade governance arrangements for all new services and services sectors emerging in the digital economy including artificial intelligence (AI).

3. Digital Standards

In view of the role of international standards in helping overcome artificial trade barriers, and the ongoing need for development of digital standards as a basic building block for inter-operability in digital trade, we call for DEA provisions which:

- 3.1. Enhance the existing regional frameworks for cooperation in developing, adopting and using international standards that promote digital trade in the region.

4. Digital Trust

Recognising the importance of trust between producers, consumers and governments for digital trade flows to continue expanding, we call for:

- 4.1. Prohibition of forced disclosure of algorithmic source code;
- 4.2. Intellectual Property protection for AI;
- 4.3. Common approaches to best practice for e-payments;
- 4.4. Common approaches to best practice for e-authentication of digital identity;
- 4.5. Best practice trade-sensitive approaches to cybersecurity regulation; and
- 4.6. Regulatory cooperation on online safety, consumer protection and restrictions on access to websites

5. Other Regulatory Cooperation

Given the increasing need for our domestic regulators to work more closely together to share perspectives and consider best practice principles for the digital economy, we call for work on:

- 5.1. Best practice telecommunications regulation that responds and adds value to the evolving needs of the digital economy.
- 5.2. Common approaches to promote open data access and innovation; and
- 5.3. Joint establishment of a platform for public-private dialogue (PPD) on trade and digital taxation.

6. Trade Facilitation for e-services

In the context of regulatory cooperation, we call for early DEA outcomes on:

- 6.1. Facilitation of electronic certification of cross-border e-services;
- 6.2. Facilitation of e-invoicing;
- 6.3. Facilitation of e-signatures;
- 6.4. Facilitation of electronic transferable records;
- 6.5. Facilitation of trade documentation/paperless trading; and
- 6.6. Trusted trader arrangements for e-services.

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About the Australian Services Roundtable

The Australian Services Roundtable (ASR) is Australia's peak industry body for the services sector and host of the recently launched Australian Digital Trade Forum. As the only dedicated whole-of-services industry organisation, ASR provides the business voice for Australia's services industries, focussing on international competitiveness and trade performance, including e commerce in digitally-enabled services. ASR conducts evidence-based advocacy on the services economy and all modes of international trade in services; on e commerce/digital trade, investment, access to skills, domestic regulation and innovation policy. ASR provides policy and regulatory intelligence and high-level domestic and international government networking. ASR, like the Singapore Business Federation plays a leading role in the Asia Pacific Services Coalition (APSC) and the Global Services Coalition. For more information, please visit: www.australiaservicesroundtable.com.au

About Singapore Business Federation (新加坡工商联合总会)

As the apex business chamber, the Singapore Business Federation (SBF) champions the interests of the business community in Singapore in trade, investment and industrial relations. Nationally, SBF acts as the bridge between businesses and government in Singapore to create a conducive business environment. Internationally, SBF represents the business community in bilateral, regional and

multilateral fora for the purpose of trade expansion and business networking. For more information, please visit our website: www.sbf.org.sg