



OUTCOMES: CONTEMPORARY RULES FOR TRADE

A-HKFTA contains new rules that capture recent advances in international trade rule-making and future-proof the ways in which Australian exporters and service suppliers can conduct business activities across Australia and Hong Kong.

E-commerce

The ability to move data across borders to connect businesses and consumers is integral to doing business in international markets. High-quality commitments on e-commerce will drive the information economy between Australia and Hong Kong, providing Australian businesses with certainty, assisting to expand operational capacity and delivering a competitive edge for Australian business in Hong Kong and the region. A-HKFTA contains the most advanced rules to date governing electronic commerce between Australia and Hong Kong, which maximise the benefits of digital trade for businesses, while ensuring important privacy settings are protected. The following rules will apply to Australia's digital trade in goods and services, including financial services, under A-HKFTA:

- ✓ Service suppliers and investors will be able to transfer data across borders where data transfer is part of business activity.
- ✓ Businesses will not be forced to build data storage centres, or use local computing centres, as a condition of conducting business.
- ✓ Australian consumers benefit from a legal commitment to protect privacy and enforce consumer protection rights.
- ✓ Hong Kong has committed not to impose customs duties on electronic transmissions.


Telecommunication

A-HKFTA contains high-quality outcomes addressing the concerns of Australia's telecommunication sector. These include rules ensuring consumers are able to access the retail rates of telecommunications providers, and a commitment for Australia and Hong Kong to work cooperatively to promote reasonable international roaming rates.

Intellectual Property

A-HKFTA provides increased certainty to rights' holders and users by supporting transparent systems governing intellectual property rights, and promoting balanced and effective protection and enforcement of intellectual property rights. A-HKFTA recognises the role intellectual property rights play in supporting open, innovative and efficient markets, as well as the need to strike an appropriate balance between the interests of rights' holders, users and the public.

A-HKFTA affirms and builds on the WTO Agreement on Trade-Related Aspects of Intellectual Property. Key outcomes include:

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- ✓ enhanced benefits to trade and investment through the protection and enforcement of intellectual property rights, without requiring any changes to Australia's existing IP settings;
 - ✓ access to due process mechanisms for Australian producers to support the appropriate granting of geographical indications, including through international agreements;
 - ✓ mechanisms to facilitate cooperation between Australia and Hong Kong in relation to the protection and enforcement of intellectual property rights; and
 - ✓ improved transparency of intellectual property systems, making it easier for traders to obtain information about existing rights.

Competition

Anti-competitive business conduct can undermine the integrity of market access commitments, restrict bilateral trade and investment and harm consumer welfare. A-HKFTA guarantees that the markets in Hong Kong and Australia operate with a legal foundation in principles of fair competition, transparency and consumer protection. This is the first time Hong Kong has agreed on commitments on competition in any FTA since the commencement of its *Competition Ordinance* in 2015.

Under A-HKFTA, Australia and Hong Kong have committed to maintaining and enforcing laws that prohibit anti-competitive business practices. Both countries must endeavour to apply competition laws to all commercial activities, and must do so without discriminating on the basis of nationality. Australia and Hong Kong have also made a commitment to ensure that competition authorities observe established rules of procedure and evidence during investigations and enforcement proceedings, to guarantee procedural fairness, and protect business confidential information.

A-HKFTA provides for collaboration between the Australian and Hong Kong competition authorities on policy development and law enforcement, for instance by way of information exchange.

Recognising the importance of consumer protection to creating efficient and competitive markets, A-HKFTA includes a commitment to maintain legal regimes on consumer protection.

A side letter to A-HKFTA establishes a mechanism through which Australia and Hong Kong can work together toward ensuring that government-owned enterprises do not receive a competitive advantage unjustifiably in their commercial activities simply because they are government-owned.

Transparency

A-HKFTA promotes greater transparency in the making and implementation of laws, regulations and government decisions in Australia and Hong Kong, and ensures regulatory environments in Hong Kong remain transparent and predictable for Australian exporters. A-HKFTA also promotes greater regulatory transparency for small and medium-sized enterprises (SMEs).