

# RCEP

REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP



## RCEP Outcomes at a Glance

### RCEP will increase opportunities for Australian business to access regional value chains

RCEP will provide Australian exporters and importers with a single set of rules of origin to access tariff preferences for trade with other RCEP countries. It will also allow producers in other RCEP countries to count Australian inputs towards qualification for tariff preferences when exporting to third countries within RCEP. Previously this was only available for trade within the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA). Movement of goods through ASEAN to North Asia (and vice versa to Australia) will be easier, as will using regional distribution hubs, because of the regional nature of RCEP's rules and procedures.

### RCEP will include improved mechanisms for tackling non-tariff barriers

RCEP's rules in areas such as customs procedures, quarantine and technical standards will address non-tariff barriers by promoting greater transparency and cooperation among RCEP countries, while reaffirming existing WTO rights and obligations. RCEP will also establish procedures for technical consultations on non-tariff measures that adversely affect trade, and provide for possible future work on sector-specific initiatives to facilitate trade.

### RCEP will provide a strong platform to expand trade in services throughout the region

RCEP will establish high quality rules for the supply of services between the parties, including obligations to provide access to foreign service suppliers (market access), to treat local and foreign suppliers equally (national treatment) and to treat foreign suppliers at least as well as suppliers of any other non-RCEP country (most-favoured nation or MFN). Service suppliers from the 16 RCEP countries will benefit from commitments to enhance the transparency and predictability of domestic regulation affecting trade in services, improving the business environment across the region.

### RCEP will enhance rules governing financial services

RCEP will feature enhanced rules on the supply of financial services, which will facilitate business operations across the RCEP region. It will also provide sufficient policy and regulatory flexibility for parties to guard against instability in the financial system.

### RCEP will include high quality rules on telecommunications

RCEP's telecommunications outcomes will set out a framework of rules to govern trade in, and the access and use of, telecommunications services across the region. For example, RCEP countries have committed to allow the

portability of mobile telephone numbers, and have agreed to cooperate to promote reasonable international mobile roaming rates.

### **RCEP will support the movement of business people across the region**

Cross border movement of business people is an integral feature of modern business and a crucial contributor to the growth of commercial relationships across the region. Under RCEP, Australian business people will benefit from commitments relating to the processing of applications, and enhanced transparency of requirements, for entry and temporary stay in RCEP countries, when travelling for business purposes.

### **RCEP will support the recognition of professional services in key markets**

The inclusion of a separate Annex on professional services represents a first for almost half of the RCEP countries. It will provide specific disciplines addressing behind the border barriers to the supply of professional services. It will also provide a framework for professional bodies to engage in dialogue on recognition of qualifications, licences and registration, and the development of mutual recognition agreements in professions of mutual interest.

### **RCEP will improve the investment environment across the RCEP region**

RCEP will provide greater certainty and confidence for Australian investors by locking in existing conditions and capturing future unilateral liberalisation. RCEP will include provisions aimed at facilitating investment facilitation.

RCEP will include requirements not to discriminate against foreign investors from RCEP countries. A most-favoured nation commitment will reduce the likelihood that Australian investors will face greater barriers in RCEP economies than investors from other countries.

RCEP will include core investment protections, including rules requiring payment of compensation where an investment is expropriated, fair and equitable treatment, compensation for losses due to conflict and civil strife, and free transfer of investment-related capital without delay.

At the same time, RCEP will reserve the right of parties to regulate in areas of particular sensitivity. Parties will retain current flexibility to regulate for important public welfare objectives, including public health. RCEP countries have agreed to preserve their right to screen investments in the national interest, as Australia does through the Foreign Investment Review Board. RCEP will not affect the right of countries to take actions to protect their essential security interests.

RCEP does not provide for investor-state dispute settlement. RCEP parties will discuss this question in the future.

### **RCEP's modern rules on e-commerce will position Australian businesses and consumers to capitalise on digital trade in the region**

RCEP will include rules that support Australian businesses transferring data across borders as part of their activities and limit the scope for governments to impose restrictions, including requirements to localise (store) data. Rules promoting the digitisation of trade documentation and the use of electronic signatures and electronic authentication will also help facilitate cross-border trade.

RCEP will support Australian consumers in the digital environment, with rules that help protect consumers and their personal information online, and combat 'spam'. Australia's open and robust regulatory framework, including the Privacy Act and e-health record system (My Health Records Act 2012), will not be affected by the RCEP e-commerce outcomes.

## RCEP will establish a common set of rules on intellectual property protection and enforcement for the RCEP region

RCEP's Intellectual Property Chapter reflects a shared commitment by RCEP Parties to effective and balanced intellectual property systems, consistent with Australia's existing intellectual property regime. RCEP will not require any changes to Australian intellectual property laws or policies and does not include specific commitments in relation to pharmaceutical patents or products.

RCEP will provide businesses with confidence that their intellectual property rights can be protected and enforced in RCEP markets. RCEP will thus encourage investment in new ideas, and promote the dissemination of information, knowledge and technology. Standardised rules will help streamline intellectual property transactions, support transparency, and lower costs of doing business, supporting Australia's creative and innovative industries trade and invest in the region.

## RCEP will provide a platform for improving the regulatory environment and business opportunities across the RCEP region

RCEP's government procurement chapter will support improved transparency and cooperation among the RCEP parties on procurement by central governments. RCEP is the first Agreement where ASEAN as a whole, as well as a number of individual RCEP countries, have included rules on government procurement in a trade agreement.

RCEP will also include provisions on competition, which will require parties to maintain competition laws and regulations that proscribe anti-competitive activities, and ensure independent enforcement. RCEP will also include obligations in relation to the use of misleading practices or false or misleading descriptions.

## RCEP will support economic capacity building and the capability of SMEs in the region to benefit from the Agreement

RCEP will provide for the effective implementation and utilisation of the Agreement through economic cooperation activities, including capacity building and technical assistance. RCEP's dedicated chapter on small and medium enterprises (SMEs) will provide a framework for programs and activities that can enhance the capability of SMEs to participate in and benefit from the opportunities created by the Agreement.