



Outcomes: Electronic Commerce

Digital trade is a key element of Australia's continued economic growth. Its significance is expected to grow following the coronavirus pandemic and as increasing numbers of people around the world go online. There is great potential for the digital marketplace to expand and for Australian businesses to increase their digital trade activities, including in our region.

By including commitments to support the flow of data, promote privacy and consumer protection and enable electronic authentication and electronic signature, RCEP will help to facilitate digital trade in the region and support consumer confidence in the online environment.

The data flows and localisation articles in the agreement are the first commitments of this kind for a number of large and emerging RCEP countries, improving on commitments in AANZFTA, MAFTA, ChAFTA, KAFTA and the ASEAN Agreement on Electronic Commerce.

Keeping information moving

The movement of data and information across borders is crucial for effective digital trade. There is an exchange of data whenever a product is ordered online, an app is downloaded or a program is streamed. Businesses also rely on the flow of information to monitor systems and supply chains, analyse consumer preferences and collaborate with international partners. International trade barriers can arise if countries impose regulations that make this flow of information more difficult, time-consuming or expensive.

RCEP will include commitments to ensure that parties do not prevent business data and information from being transferred across borders. These commitments will not apply to the financial services sector and also include exceptions for measures implemented for national security or other public policy reasons. Australia's open and robust regulatory framework that exists under measures such as the *Privacy Act 1988* and *My Health Records Act 2012* will not be affected by these commitments.

Addressing data localisation barriers

RCEP will include commitments to prevent countries from imposing measures that require computing facilities to be located within their own territories. Such measures can force businesses to build data storage centres or use local facilities within each country that they seek to trade with, which increases the cost and complexity of doing business. These commitments will exclude the financial services sector and will be subject to exceptions that allow parties to implement measures for security and public policy reasons.

Protecting consumers, privacy and dealing with 'spam'

Consumer confidence and safety in the digital environment is essential for a well-functioning online market. This agreement will require RCEP countries to implement measures to protect personal information, deal with unsolicited or 'spam' messages and protect online consumers from fraud and misleading conduct.





Cooperation on electronic commerce and cyber security

RCEP countries have agreed to work together on a range of issues to promote and enhance digital trade, including:

- helping small and medium sized enterprises overcome obstacles in using electronic commerce;
- encouraging the development of practices that enhance consumer confidence; and
- targeted cooperation on research, training, capacity building and technical assistance.

RCEP countries recognise that cyber security attacks can come from outside their own territories, and therefore cooperation with other countries is crucial. RCEP will include commitments to collaborate, exchange information on best practice for dealing with cyber security incidents and build the capacity of authorities to respond.

No customs duties on electronic content or transmissions

RCEP countries have agreed to maintain their current practice of not imposing customs duties on electronic transmissions, subject to any further WTO Ministerial decisions on customs duties on electronic transmissions.

Transparency and trade facilitation

RCEP will minimise unnecessary regulations and to make it easier for businesses to understand the rules in different countries.

RCEP countries will be required to publish their measures relating to digital trade, including on the internet where feasible. The measures to be published include laws and regulations but also rules, procedures, decisions, or administrative actions.

RCEP also contains provisions that will help facilitate cross-border trade, including through commitments aimed at supporting the use of electronic signatures and electronic authentication, as well as promoting increased acceptance of digital versions of trade administration documents.

