



Outcomes: Services and Investment

RCEP will provide a strong platform to expand trade in services and to promote investment throughout the region. RCEP will establish high quality rules for investment and the supply of services between the parties, including obligations to provide access to foreign service suppliers (market access), to treat local and foreign suppliers and investors equally (national treatment) and to treat foreign suppliers and investors at least as well as suppliers and investors of any other non-RCEP country (most-favoured nation or MFN).

- RCEP will include the first forward-looking MFN provision in services and investment that ASEAN as a whole has agreed to in an external FTA.
- Several parties will make use of the inherently more liberalising approach of negative listing for the first time for services market access. All parties have scheduled investment commitments in a 'negative list', and the parties that have used a 'positive list' for services commitments are required to transition to a negative list within six years of entry into force of the Agreement.
- RCEP will include a 'ratchet-mechanism' which locks in future unilateral liberalisation for selected sectors and will allow significant reduction of barriers to services and investment trade over time. RCEP will also provide core protections for investors, which will provide Australian investors with greater assurance in the RCEP region.
- Service suppliers from the RCEP countries will benefit from disciplines that include enhanced domestic regulation and transparency provisions.
- RCEP will not include an Investor-State Dispute Settlement (ISDS) mechanism. This will be reviewed under a built in agenda, allowing Parties to introduce such a mechanism, if all agree.

RCEP will improve opportunities for Australian service suppliers and investors

RCEP will provide greater certainty and confidence for Australian service suppliers and investors by locking in existing conditions, building on our existing bilateral and plurilateral FTAs and capturing future unilateral liberalisation for selected sectors.

The commitments provided by the other RCEP countries will provide greater certainty for Australian services suppliers and investors through market access commitments in a range of sectors that will benefit Australian businesses across the RCEP region. New commitments will include:

- **Professional services** commitments from China, Indonesia, the Philippines, Thailand, Korea, Malaysia, Cambodia, Laos and Myanmar will benefit Australian firms that supply legal, architectural, planning, engineering, veterinary, accounting, auditing and bookkeeping services.
- **Education services** commitments from China, the Philippines, Thailand, Laos and Myanmar will benefit Australian firms that supply a range of services in private secondary, higher and adult education.
- **Healthcare services** commitments from China, Indonesia, Thailand, Laos and Myanmar will benefit Australian firms that supply services ranging from private hospital ownership and operation, nursing, paramedicine, acupuncture, dentistry, and optometry.





- **Other business services** commitments from China, Indonesia, the Philippines, Thailand, Malaysia, Laos and Myanmar will benefit Australian firms that supply management consulting, advertising, executive search, specialty design, METS (mining equipment, technology and services), research and development, and real estate services.
- **Industries** such as manufacturing, mining, forestry and agriculture, as well as portfolio investment, from China, the Philippines, Thailand, Laos, Cambodia, Myanmar, Brunei and Malaysia.

Particular RCEP countries will provide Australian services suppliers and investors with new commitments in other key sectors, including in:

- **Construction and related engineering services** (Indonesia, Thailand and Malaysia).
- **Tourism, recreational, cultural and sporting services** (Thailand and Malaysia).
- **Transport services** (China, the Philippines, Thailand, Malaysia, Laos and Myanmar).
- **Wholesale trade services** (Malaysia, Thailand and Laos) and **retailing services, and franchising services** (Thailand and Laos).

RCEP will provide greater clarity and protection for investors

RCEP will include core investment protections, including rules requiring payment of compensation where an investment is expropriated, guarantees a minimum standard of treatment of investors under international law, compensation for losses due to conflict and civil strife, free transfer of investment-related capital without delay and prohibitions on performance requirements.

It will be the first time Australia agrees certain of these core investment protections with China and some ASEAN member states, providing greater protection for Australian investors in these markets. RCEP will provide balanced investment protection commitments, preserving the right of parties to regulate in areas of particular sensitivity. Parties will retain 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 in relation to investment.

RCEP will enhance rules for financial services

RCEP will feature enhanced rules on the supply of financial services, while providing sufficient policy and regulatory space to guard against instability in the financial system.

- RCEP will include a robust prudential exception to ensure financial regulators can prescribe measures necessary to ensure the integrity and stability of the financial system.
- RCEP will also include specific obligations on transparency relating to financial services regulations, commitments to refrain from preventing transfers of information or processing of information necessary to conduct business and an obligation to endeavour to permit the supply of new financial services.





Insurance and banking services commitments from China, the Philippines, Thailand and Myanmar will benefit Australian financial sector service providers through higher foreign equity caps than in our previous bilateral and plurilateral FTAs.

RCEP will harness the growth of ICT

RCEP's telecommunications outcomes reflect the important role telecommunications play in enabling international trade and investment. RCEP will set out a framework of rules to govern trade in public telecommunications services and will encourage cooperation to facilitate trade in services among the 16 RCEP countries.

- RCEP will build on ASEAN's existing FTAs (including AANZFTA) by including disciplines such as on access and use of public telecommunications systems and access to essential telecommunications facilities.
- RCEP countries have agreed to ensure that suppliers of public telecommunications services will provide reasonable and non-discriminatory treatment for access to submarine cable systems.
- RCEP countries have committed to allow the portability of mobile telephone numbers, and have agreed to cooperate to promote reasonable international mobile roaming rates.

Australian providers stand to benefit from new market access commitments in the Information and Communications Technology (ICT) services sector from Indonesia, Thailand, Malaysia, Laos and Myanmar.

RCEP will support the movement of business persons across the region

The ability for business persons to move across borders is an integral feature of modern business and a crucial contributor to the growth of commercial relationships.

- Australian business persons will benefit from enhanced certainty on entry and length of stay, reduced barriers to labour mobility, and preferential temporary entry arrangements under RCEP when travelling for business purposes.
- RCEP will include commitments for spouses and dependants in recognition of the importance of certainty for the spouses and dependents of business persons in the regions.

Australians stand to benefit from commitments on the movement of natural persons, which will permit a greater number of Australian business persons to enter and work in RCEP markets.

- For example Australia will benefit from commitments on intra-corporate transferees, contractual service suppliers and business visitors.

Australia's movement of natural persons commitments are consistent with current policy settings and based on Australia's AANZFTA commitments.

- Australia is not waiving labour market testing for contractual service suppliers and not making any new commitments on labour market testing exemptions beyond existing commitments in AANZFTA and GATS.

The inclusion of a separate Annex on professional services represents a first for almost half of the RCEP countries (China, Thailand, the Philippines, Cambodia, Laos and Myanmar).





- It will provide specific disciplines aimed at behind the border barriers to professional services trade, providing a framework for professional bodies to engage in dialogue on recognition of qualifications, licenses and registration, and the development of mutual recognition agreements in professions of mutual interest.

Specific Outcomes by country

Cambodia will make new services and investment commitments (AANZFTA-plus) in research and development services on agricultural sciences and economics. Cambodia will also make new investment commitments in mining and manufacturing.

China will make new services and investment commitments (ChAFTA-plus) in several business services subsectors including: professional services (architectural, engineering, integrated engineering and urban planning services); placement and supply of personnel; specialty design; advertising services; as well as education (for non-academic training); and transport services (maritime, auxiliary, and road transport). China's commitments will also reflect recent unilateral liberalisation in financial services (insurance, banking and securities); investment in industries such as grains processing (soybean, rice, flour, corn and sugar); exploitation of gold, silver, platinum and lithium; and manufacture of rail transit equipment. China will also make new commitments on the cross-border supply of health services (for the aged). Additionally China will also make ratchet and/or MFN services and investment commitments, not made in ChAFTA, on sectors of commercial interest to Australia such as legal services, management consulting services, and construction services. These commitments will capture any future liberalisation in these sectors.

Indonesia will make new services and investment commitments (AANZFTA and IA-CEPA-plus) in several sub-sectors including acupuncture; veterinary services; telephone answering services; telecommunications; as well as higher foreign equity caps for specialist nursing and management consulting. Indonesia will also make new ratchet commitments in construction and related engineering services and an additional commitment on the cross-border supply of maintenance and repair services. It will make improvements over GATS, AANZFTA and IA-CEPA on services supplied by natural persons, including on some computer and related services (maintenance of office equipment including computers).

Korea will make a significant additional commitment (KAFTA-plus) on residency requirements for legal services relating to international arbitration.

Laos will make new services and investment commitments (AANZFTA-plus) in several business sectors, including: professional services (legal, accounting, auditing and bookkeeping, taxation, architectural services, engineering, urban planning and landscape architecture); computer and related services; research and development services; other business services (including advertising, market research, services incidental to mining, scientific and technical consulting, maintenance and repair of equipment; and specialty design services). Laos will also make services and investment commitments on communication services (courier and telecommunications); distribution services (including wholesale trade, retailing and franchising services); education (for primary); financial services (in insurance and banking); health (for private hospitals); tourism (hotels and restaurants, and tourism consultancy





services); and transport services (including internal waterways, air, rail and road transport). Laos will also make additional investment commitments in mining and manufacturing and commitments on the cross-border supply of professional services (management consulting); rental/leasing services; education services (higher, adult and other education); and transport services (for maritime).

Malaysia will make a significant new services and investment commitment in legal services – both for foreign law firms and lawyers practising in Malaysia and on a ‘fly in, fly out’ basis. It will also make new services and investment commitments (AANZFTA and MAFTA-plus) in several sectors, including: veterinary services; rental/leasing services on goods transport; and other business services (including executive search, and project management services other than for construction). Malaysia will also make new services and investment commitments in communication services (courier and telecommunications); construction and related engineering services; distribution services (substantially liberalising wholesale trade); environmental services (for refuse disposal); tourism (for tourist guide services); recreational cultural and sporting services (substantially liberalising news agency services; libraries and other cultural services); transport services (maintenance and repair of vessels). New commitments (AANZFTA and MAFTA plus) will benefit Australian investors in industries including: mining; manufacturing; and agriculture and forestry.

Myanmar will make new services and investment commitments (AANZFTA-plus) in several business sectors, including: professional services (accounting, auditing and bookkeeping, architecture, engineering, integrated engineering, urban planning and landscape architecture, medical and dental, veterinary, para-medical and management consulting); and other business services (services incidental to mining, photographic services and packaging services). Myanmar will also make services and investment commitments in: communication services (including telecommunications and audio-visual); construction and related engineering services; education (primary, secondary, higher, adult and other); environmental services (including sewage, refuse, sanitation and environmental consultancy); financial services (insurance and banking); health (private hospital, ambulance, laboratory, residential healthcare and early childhood care); tourism (hotels and restaurants); recreational, cultural and sporting services; and transport services (including maritime and air transport). Myanmar will also make additional investment commitments in mining and manufacturing and commitments on the cross-border supply of research and development services; rental/leasing services; and communication services (for couriers).

The **Philippines** will make new services and investment commitments (AANZFTA-plus) in: computer and related services; research and development services; real estate; other business services (including advertising, translation, market research and management consulting); communication (audio-visual), distribution services, education (higher and adult education); environmental services (refuse disposal); credit card, advisory, insurance and banking (in the form of increased foreign equity caps); health (on ambulance services); and transport services (maritime, air and road). The Philippines will also make new commitments on the cross-border supply of professional services (accounting, bookkeeping, architecture, veterinary medicine, integrated engineering on sanitary work, medical and dental, forestry and optometry). New investment commitments in manufacturing (including in shipbuilding and mineral processing industries) will be of commercial value to Australian investors.

Thailand will make new services and investment commitments (AANZFTA and TAFTA-plus) in several business sectors including: professional services (legal advisory, taxation, integrated engineering, urban





planning, veterinary, nursing, meteorological); computer and related services; research and development services; real estate; rental/leasing services; other business services (advertising, management consulting, technical testing and analysis services, and project management). Thailand will also make new services and investment commitments in telecommunications; audiovisual services; construction and related engineering (across several subsectors); distribution services (including wholesale trade, retailing and franchising services); education (post-secondary technical and vocational, and other higher education); banking (in the form of increased foreign equity caps and new market access); health (on hospital, residential health services, day-care services and diagnostic imaging); tourism; recreational, cultural and sporting services; and transport services (maritime and road). Thailand is also making new commitments on the cross-border supply of professional services (accounting and industrial design); other business services (for translation and scientific consulting); education (general and higher secondary); and road transport services (for rail). Thailand has made new investment commitments in agriculture (cattle farming), manufacturing (including food processing), and mining.

