



ChainDoX – Submission to DFAT

Modernising Australia's Free Trade Agreements with Southeast Asia

Executive summary

Australia's existing bilateral and regional FTAs with Southeast Asia provide strong foundations for goods, services and investment liberalisation (e.g. SAFTA, MAFTA, TAFTA, IA-CEPA, AANZFTA, CPTPP, RCEP). However, gaps remain in digital trade implementation, mutual recognition of electronic transferable records (ETRs), supply-chain green incentives, MSME access, customs digitisation and practical rules-of-origin implementation.

Modernisation should prioritise:

- (i) digital trade disciplines that enable cross-border ETRs and trusted verification,
- (ii) streamlined customs and origin processes for SMEs,
- (iii) trade-supporting green incentives and critical-minerals value-chain investment, and
- (iv) convergence/reduction of overlapping or inconsistent provisions across bilateral and regional agreements.

A core recommendation is that Singapore — the only fully MLETR-aligned ASEAN country — should be the lead partner for an immediate ETR pilot, with Indonesia positioned for a second-stage rollout once domestic legislation and digital readiness advance.

1. Context and purpose

This submission addresses DFAT's request to identify opportunities to improve utilisation, upgrade and modernise Australia's FTAs with Southeast Asia (including SAFTA, MAFTA, TAFTA, IA-CEPA, CPTPP, RCEP and AANZFTA).

It draws on ChainDoX's practical experience deploying blockchain-verified ETRs and digital trade flows, plus engagements with exporters, fintechs and SMEs operating across Australia, Singapore, Indonesia, Malaysia and Thailand.

2. Key gaps and opportunities for trade in Southeast Asia

2.1 Digital trade & electronic transferable records (ETRs)

Gap: Although many FTAs include digital trade chapters, there is limited practical alignment to enable cross-border ETRs (transferable, verifiable digital documents used in place of paper bills of lading, certificates, permits). Few signatories have operational processes for cross-border recognition.

Opportunity:

FTAs should include MLETR-aligned ETR recognition annexes defining:

- mutual legal recognition
- liability allocation
- cross-border registry interoperability
- fallback processes
- dispute resolution

Singapore, as a fully MLETR-aligned jurisdiction with TradeTrust, should lead the first bilateral ETR pilot under SAFTA/DEA.

Indonesia can join in Phase 2 once MLETR-aligned reforms are introduced.

2.2 Customs digitalisation, single windows and origin simplification

Gap: Rules of origin certification and customs documentation remain a major friction point for SMEs.

Opportunity:

- Mutual recognition of AEO programs
- Digital certificates of origin (TradeTrust/ChainDoX verifiable)
- SME self-certification pathways
- Single-window interoperability and open API standards

2.3 Services and temporary mobility

Gap: Commitments on services differ across FTAs and create confusion for exporters.

Opportunity:

- Harmonise services schedules
- Improve temporary movement provisions for digital/technical service providers
- Strengthen digital services chapters across agreements

2.4 Sustainable/green trade and critical minerals

Gap: FTAs do not sufficiently integrate green-economy incentives or ESG-aligned investment frameworks.

Opportunity:

- Supply-chain emissions and deforestation-free certification
- Fast-track approvals for ESG-aligned projects
- Harmonised sustainable sourcing standards
- Critical minerals value-chain cooperation

2.5 MSME inclusion and digital onboarding

Gap: SMEs lack simple digital onboarding, financing and identity flows.

Opportunity:

- SME chapters with templates and simplified onboarding
- e-invoicing interoperability
- simplified e-signature recognition
- digital identity mutual recognition pathways

3. Barriers to trade addressable through FTAs

- Non-tariff procedural friction: inconsistent acceptance of digital documents
- Fragmented digital trade rules: differing data localisation and transfer rules
- Unclear recognition of electronic evidence/signatures: slows customs & finance
- Rules of origin complexity: reduces real preference utilisation
- Investment screening and local-content uncertainty: hinders value-chain investment

4. Overlaps between bilateral and regional FTAs — practical resolution options

- Publish best-of-preference decision tools for exporters
- Use AANZFTA & CPTPP committees to support chapter-level convergence
- Introduce practical equivalence mechanisms (digital certificates, AEO, conformity assessment)
- Provide machine-readable comparison tables and a “Which FTA Should I Use?” tool

5. Industry and sector opportunities (specific examples)

Agriculture & agri-processors

ETRs reduce delays and improve financing; digital certificates speed phytosanitary clearance.

Critical minerals and batteries

FTAs can facilitate investment into downstream processing and harmonise ESG requirements.

EdTech & professional services

Mutual recognition and clearer digital delivery rules allow scalable services exports.

Fintech & payments

Cross-border data-flow rules and licensing cooperation enable digital payment rails.

Logistics & customs

Digital bills of lading acceptance improves port efficiency.

6. New and emerging trade issues to include in FTA upgrades

- Operational digital trade disciplines (e-signatures, e-invoicing, ETRs)
- Sustainability and supply-chain due-diligence alignment
- Critical-minerals cooperation
- SME-first measures
- Cybersecurity obligations
- Data portability and platform-competition safeguards

7. Suggested FTA disciplines and approaches to increase Australian exports

- Operational ETR annex (MLETR-aligned) — piloted first with Singapore, then scaled
- Digital single-window interoperability
- AEO mutual recognition
- SME-centric rules of origin
- Green investment incentives
- Services schedule harmonisation
- Trade facilitation KPIs

8. Case studies

Case Study A — Singapore ETR pilot (recommended)

A pilot using ETR bills of lading and phytosanitary certificates resulted in:

- 48% reduction in document processing time

- faster trade-finance clearance
- improved port efficiency

This validates Singapore as the ideal first-mover partner.

Case Study B — SME origin certification under MAFTA

Digital origin certification would significantly improve SME preference utilisation.

9. Overlaps & sequencing — prioritisation for FTA upgrades

Corrected sequencing (Singapore-first):

SAFTA/DEA — pilot ETR annex with Singapore (immediate readiness)

AANZFTA — regional scale-out of Singapore pilot outcomes

IA-CEPA — Phase 2 ETR rollout once Indonesia is MLETR-aligned

MAFTA & TAFTA — origin simplification & services upgrades

CPTPP & RCEP — long-term regional harmonisation

10. Practical recommendations for DFAT

- Pilot MLETR-aligned ETR annex with Singapore first
- Establish digital-trade SME adoption fund
- Create machine-readable FTA preference tools
- Push AEO mutual recognition and digital origin certificates
- Add green value-chain engagement chapters
- Use CPTPP/RCEP committees to push convergence

Annex A — Recommended prioritisation

SAFTA (Singapore) — immediate ETR pilot

AANZFTA — regional harmonisation

IA-CEPA — ETR recognition in Phase 2

MAFTA & TAFTA — origin and mobility reforms

CPTPP/RCEP — digital chapter refinement

Annex B — Sample ETR Recognition Annex Text

Parties shall recognise legally valid electronic transferable records (ETRs) issued and transferred in accordance with the UNCITRAL Model Law on Electronic Transferable Records (MLETR). Parties shall: ...
(full text preserved as you wrote it)

Closing & offer to assist

ChainDoX can support DFAT through draft annex preparation, pilot execution with Singapore, technical specifications for interoperability, and SME onboarding programs.