

SINGAPORE SUBSTANTIALLY CONCLUDES NEGOTIATIONS FOR DIGITAL ECONOMY PARTNERSHIP AGREEMENT WITH CHILE AND NEW ZEALAND

1. Minister for Trade and Industry Chan Chun Sing, New Zealand's Minister for Trade and Export Growth David Parker and Chile's Vice Minister for Trade Rodrigo Yanez jointly announced the substantial conclusion of the negotiations for the Digital Economy Partnership Agreement (DEPA) in Singapore today.

2. Mr Chan Chun Sing said, "The DEPA is a new form of economic engagement in the digital era that Singapore has embarked on with like-minded partners Chile and New Zealand. I am encouraged that our countries have worked collaboratively and expeditiously to achieve substantial conclusion of negotiations. As the nature of commerce and trade evolves due to digitalisation, it is important that we build new forms of cross-border linkages in order to create opportunities for our businesses to thrive in the digital economy. I would like to thank officials from the Ministry of Trade and Industry, Ministry of Communications and Information and the Infocomm Media Development Authority for working closely to bring this agreement to fruition which has allowed us to pursue these digital initiatives."

3. In addition to establishing rules for digital trade, the DEPA fosters cooperation in emerging digital areas. It promotes interoperability between different regimes by aligning standards and addressing new issues brought about by digitalisation. Some of these novel elements include e-invoicing, digital identities, Fintech, artificial intelligence, data flows and data innovation, trade and investment opportunities for SMEs, and digital inclusivity.

4. The DEPA represents a building block towards fostering greater digital connectivity between countries and developing multilateral rules on digital trade at the WTO. It will complement Singapore's network of free trade agreements and our efforts as co-convener of the World Trade Organisation Joint Statement Initiative on E-Commerce to develop baseline digital trade rules.

5. Singapore, Chile and New Zealand enjoy longstanding and warm relations. The substantial conclusion of DEPA negotiations demonstrates our robust partnership and will serve to increase digital connectivity and strengthen economic ties between our countries.

Annex A: Photos and captions

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Annex A: Photos and Captions



Caption: Minister for Trade and Industry Chan Chun Sing, New Zealand's Minister for Trade and Export Growth David Parker and Chile's Vice Minister for Trade Rodrigo Yanez signed a joint statement on the substantial conclusion of the Digital Economy Partnership Agreement (DEPA) negotiations in Singapore today.

Annex B: Joint Ministerial Statement on the Substantial Conclusion of Digital Economy Partnership Agreement (“DEPA”) negotiations

1. We, the Ministers responsible for the trade of Chile, New Zealand and Singapore, met in Singapore on 21 January 2020 to announce the substantial conclusion of the Digital Economy Partnership Agreement (“DEPA”).
2. We recognise that digitalisation has transformed the nature of trade, and that as small, outward-facing and trade-dependent countries, we share a common objective of advancing trade in the digital era. We also recognise that current trade rules and policies do not fully address the new issues brought about by digitalisation and digital trade.
3. In furtherance of our shared vision, the Parties welcome the substantial conclusion of negotiations for the DEPA, which represents a new form of economic engagement and trade in the digital era.
4. We share the view that the DEPA is a comprehensive and forward-looking pathfinder agreement that addresses key issues in the digital economy, such as, use of electronic documentation in cross-border trade and business, personal information protection, cybersecurity, online consumer protection, digital identities, fintech, artificial intelligence, data flows and innovation, trade and investment opportunities for SMEs, and digital inclusivity. Through the DEPA, we can build on existing trade agreement commitments by leveraging on technology, facilitate business-to-business connectivity in the digital age, and collaborate on new issues intrinsic to the digital realm.
5. The DEPA will also complement other ongoing efforts such as the WTO Joint Statement Initiative negotiations on e-commerce as well as digital economy work streams within APEC and other international fora. We also welcome other like-minded partners to participate in the DEPA.
6. We further affirm that the DEPA will allow our businesses and consumers to better participate in the digital economy, and to take advantage of the numerous opportunities presented by the digitalization of trade.
7. We agree that the successful conclusion of DEPA is demonstrative of the strong partnership between the Parties. We share the desire that the DEPA be signed and enter into force in the near future.

Minister for Trade and Industry, Singapore, Hon Chan Chun Sing
Minister for Trade and Export Growth, New Zealand, Hon David Parker
Vice Minister of International Economic Affairs, Chile, Rodrigo Yáñez

Annex C: Key Features of the DEPA

A. FACILITATING END-TO-END DIGITAL TRADE

Digital Identities

1. In an increasingly online and digital world, digital identities can enable greater and easier access to services for both individuals and companies. For example, through mutual recognition of corporate identities and business information, processes such as company registration and corporate bank account opening can be made more efficient to benefit both banks and their customers.
2. The DEPA fosters cooperation between countries on the development of individual and corporate digital identities while ensuring that they are safe and secure. This helps promote interoperability between respective regimes with the aim of mutual recognition of digital identities.

Paperless Trade

3. Trade digitalisation will reduce document transit time significantly. Turnaround time for cargo clearance will be reduced which will lead to lower operating cost and efficiency gains. According to Maersk and IBM's Paper Trail Research in 2014, the cost of processing trade documents is as much as 20% of the cost of shifting goods.
4. Through the DEPA, the customs authorities of Singapore, Chile and New Zealand will work towards the exchange of electronic trade documents at the border by connecting their respective national single windows and enabling interoperable cross-border networks. The countries will also promote the use of and enable the exchange of electronic trade documents for customs clearances (e.g. electronic Certificates of Origin, Sanitary and Phytosanitary Certification) and B2B transactions (e.g. electronic Bills of Lading).

E-Invoicing

5. The process of manual invoicing is inefficient and costly. In Singapore, it is estimated to cost companies \$8.00 to process each manual invoice and \$72.00 to rectify errors within Singapore's internal business ecosystem alone¹. To expedite the process and reduce costs, Singapore established a nationwide e-invoicing framework in January 2019 based on the international Peppol e-invoicing framework. The Peppol e-invoicing framework allows the transmission of invoices in a structured digital format, enabling faster, more cost-effective payments and facilitating access to new financing options.

¹ IMDA Study, 2018

6. The DEPA encourages countries to adopt similar international standards for their domestic e-invoicing systems. This will allow companies with international business partners (suppliers or customers) to transact with greater ease through interoperable systems across borders. Companies can look forward to shorter invoice processing time and potentially faster payment, while enjoying significant cost savings through digitalisation. As more countries subscribe to similar standards, this will facilitate cross-border interoperability and ease the processing of payment requests between buyers and sellers.

Fintech and E-payments

7. The use of Fintech has become more pervasive given the rise of e-wallets, smart phones, and e-commerce.

8. The DEPA countries agree to promote cooperation among companies in the Fintech sector and develop Fintech solutions for businesses and the financial sector. They also agree to create a conducive environment for the development of Fintech by promoting non-discriminatory, transparent and facilitative rules (e.g. open APIs).

B. ENABLING TRUSTED CROSS-BORDER DATA FLOWS & INNOVATION

Personal Information Protection

9. The protection of personal information is key to maintaining trust in the digital economy and the development of trade. As businesses carry out electronic transactions across borders, personal data is being transferred as part of the transactions. However, countries may have differing policies and legislations on the handling of such data, for example, the personal data protection laws in some countries may require businesses to fulfil certain requirements before specific data is allowed to leave their borders. The DEPA allows countries to forge consensus on their data policies and legal frameworks based on a common set of principles aligned with international frameworks.

10. The DEPA countries will develop mechanisms to promote compatibility and interoperability between their respective legal approaches to protecting personal information. An example of such mechanisms is the recognition of national trustmarks and certification frameworks for businesses. These will indicate to consumers that the business has in place good data management practices and is trustworthy.

Cross-border Data Flows

11. With digitalisation, more trade is taking place over digital platforms, and there has been an exponential rise in the volume of data moving across geographical borders to support electronic commerce and other digitally-enabled activities and services, such as big data, data analytics and AI. Hence, facilitating cross-border data flows is increasingly important to a country's

economic strength and competitiveness. The DEPA will allow businesses operating in Singapore, Chile and New Zealand to transfer information more seamlessly across borders with assurance that they meet the requisite regulations.

12. This facilitates a conducive environment where businesses can serve their customers regardless of where they are located especially through new business models (e.g. software-as-a-service) and digitally native products and services (e.g. online games and video streaming).

Open Government Data

13. There is value for some government data to be made publicly accessible for economic and social development, competitiveness and innovation in the digital economy. The DEPA countries can explore ways to expand access to, and use of, open government data to generate new opportunities for businesses, especially for Small & Medium Enterprises (SMEs). This includes jointly identifying sectors where open data sets, particularly those with global value, can be used to facilitate technology transfer, talent formation and innovation.

Data Innovation and Regulatory Sandboxes

14. Cross-border data flows and data sharing enable data-driven innovation. The DEPA can facilitate the development of new products and services by promoting data-driven innovation across borders.

15. For example, regulatory sandboxes are mechanisms for the government and industry to work together, to support private sector data innovation and plug policy gaps while keeping pace with new developments in technology and business models. Through the DEPA, Singapore, Chile and New Zealand will work towards collaborating on data regulatory sandboxes to create safe environments where companies can innovate in consultation with the Governments. Singapore's Fintech Regulatory Sandbox is one example which enables financial institutions and Fintech players to experiment with innovative financial products or services in a live environment, but within a well-defined space and duration.

C. BUILD TRUST IN DIGITAL SYSTEMS, PROMOTE AND FACILITATE OPPORTUNITIES FOR PARTICIPATION IN THE DIGITAL ECONOMY

Artificial Intelligence

16. The use and adoption of AI technologies have become increasingly widespread in the digital economy. The DEPA promotes the adoption of ethical AI governance frameworks, which factor in principles that the countries have agreed to, in order to harness AI in a responsible manner. These include: (i) AI should be transparent, fair and explainable, and (ii) AI must have human-

centred values. This would help create consensus on governance and ethics principles, and build trust in AI systems used across borders. It would also ensure that our AI governance frameworks are internationally aligned, and facilitate the adoption and use of AI technologies across the countries' jurisdictions.

Online Consumer Protection

17. To enhance consumer welfare, DEPA countries agree to adopt or maintain laws and regulations that guard against fraudulent, misleading or deceptive conduct that causes harm to consumers engaged in online commercial activities.

Small and Medium Enterprises Cooperation

18. The DEPA recognises the special role that SMEs play in maintaining dynamism of the economy and enhancing competitiveness. Capacity-building efforts such as a Digital SME Dialogue to promote information sharing and exchange will further ensure that our SMEs are poised to maximise the benefits of the DEPA.

Digital Inclusivity

19. The DEPA acknowledges the importance of inclusivity in the digital economy and commits to ensuring that everyone, including indigenous peoples, the poor and people with disabilities will be able to participate in, contribute to, and benefit from the digital economy. The agreement aims to improve access and remove barriers to their participation in the digital economy, and promote cooperation on matters relating to digital inclusion, including through the sharing of best practices and developing joint programmes that promote digital participation.

Annex D: Quotes from companies on DEPA modules

DEPA module	Company	Quote & Spokesperson
e-invoicing, paperless trade	Standard Chartered Bank	<p>“Digital technologies will continue to shape the future of trade and trade finance. For trade to flourish in an increasingly borderless world, the establishment of a common set of digital standards and guidelines is vital. Singapore’s Digital Economy Partnership Agreement (DEPA) with Chile and New Zealand is a meaningful first step to facilitate enhanced interoperability, secured data flows, and seamless e-invoicing between trade platforms. The industry can look forward to greater efficiency gains, as well as more secured and faster access to trade financing. Standard Chartered is committed to working with Singapore and across our network countries to foster a paperless trade ecosystem that will power global trade opportunities in a connected world.”</p> <p>Samuel John Mathew, Managing Director, Head of Documentary Trade and Trade Platform Transformation, Standard Chartered Bank</p>
e-invoicing	Dairy Farm	<p>“The Dairy Farm Group has always and will continue to seek sustainable opportunities to harness technology to improve its business efficiency to support its competitive edge. While we had led the way to seeing the realisation of the Peppol E-Invoicing in Singapore, we are very keen to embrace cross-border synergies, where a more robust, standardised, seamless and transparent interoperability exists across Asia-Pacific.</p> <p>Through the Digital Economy Partnership Agreement (DEPA) and as the regional adoption of e-invoicing heightens, we can project further reduction in operating costs, brought about by lowering our dependency on manual processing and re-processing of a multitude of invoice formats from across our regional suppliers as</p>

		<p>well. They will in turn benefit from efficiencies gained, and be best placed to support the needs of the Dairy Farm Group.”</p> <p>Tom van Der Lee, Finance Director, Dairy Farm</p>
<p>Artificial intelligence, data innovation</p>	<p>Google</p>	<p>“By addressing emerging and important issues that impact the digital economy such as Artificial Intelligence and data innovation, DEPA is a milestone in international trade agreements.</p> <p>AI and machine learning technologies are rapidly transforming the face of global trade, breaking down traditional trade barriers and boosting productivity. The use of AI in translation software such as Google Translate, for instance, helps traders overcome language barriers, creating new opportunities for even the smallest businesses to export to foreign markets.</p> <p>We congratulate Singapore, Chile and New Zealand for their leadership in advancing progressive digital trade rules that are attuned to business realities, and facilitate innovation, openness and opportunity.”</p> <p>Ted Osius, Vice President, Public Policy and Government Relations, Asia-Pacific</p>