

For immediate reporting

**SINGAPORE CONCLUDES NEGOTIATIONS FOR DIGITAL ECONOMY
AGREEMENT WITH AUSTRALIA**

1. The Prime Ministers of Singapore and Australia jointly announced the conclusion of negotiations for the Singapore-Australia Digital Economy Agreement (DEA) during a videoconference today. The DEA will create an over-arching framework for deeper cooperation in the digital economy between both countries to shape international rules, establish interoperability between digital systems and address frontier issues from emerging technologies.
2. This is Singapore's second DEA, after substantially concluding negotiations for the Digital Economy Partnership Agreement with Chile and New Zealand earlier this year. Through DEAs, Singapore seeks to facilitate end-to-end digital trade, enable trusted cross-border data flows and build trust in digital systems. The DEA with Australia will facilitate seamless data flows and prohibit data localisation except for specific purposes such as regulatory access. It will also cover other areas like E-payments, Source Code Protection and SME cooperation. The DEA will complement Singapore's efforts to develop multilateral rules to create an enabling environment for e-commerce as co-convenor of the World Trade Organisation Joint Statement Initiative on E-commerce.
3. Singapore and Australia have also signed seven Memoranda of Understanding (MOUs) as part of efforts to operationalise the modules stipulated in the DEA. These MOUs demonstrate the strong cooperation between the two countries and will identify pilot projects for collaboration that will lead to tangible benefits for businesses and individuals. Please see Annex A for more information.
4. Minister for Communications and Information and Minister-in-charge of Trade Relations S Iswaran and Australian Minister for Trade, Tourism and Investment Simon Birmingham signed two of the MOUs on Artificial Intelligence (AI) and Data Innovation during the videoconference. Mr Iswaran said, "The DEA will make it easier for businesses in Singapore and Australia to operate across both countries by strengthening our digital connectivity. The seven MOUs cover emerging areas such as the ethics and governance of AI, and data driven innovation. They will remove barriers that companies may face in the digital economy, so that they can create new digital products and services. The DEA will also help companies access AI technologies and talent in Singapore and Australia, so that AI applications can be developed and commercialised more easily."
5. Singapore and Australia enjoy strong economic ties. Singapore was Australia's fifth largest trade partner in 2019, with bilateral trade reaching

S\$23.9 billion. Singapore is Australia's sixth largest investor, with about A\$85.4 billion¹ (S\$78 billion) worth of investments recorded in Australia to date.

Annex A: Key Features of the Singapore-Australia DEA

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¹ Source: Australia Bureau of Statistics (May 2019)

Annex A: Key Features of the Singapore-Australia DEA

A. MOUs Signed

Artificial Intelligence

1. The use and adoption of AI technologies have become increasingly widespread in the digital economy. Singapore's Infocomm Media Development Authority (IMDA), Smart Nation and Digital Government Office (SNDGO) and Australia's Department of Industry, Science, Energy and Resources (DISER) will develop three key aspects of Artificial Intelligence, namely:
 - a) AI Development & Deployment;
 - b) Workforce & Talent; and
 - c) Governance & Ethics.
2. This will encourage the sharing of best practices, facilitate access to AI technologies, markets and talent and support the commercialisation of AI applications. It will also encourage the development and adoption of ethical governance frameworks for trusted, safe, and responsible development and use of AI technologies.

Data Innovation

3. IMDA and DISER will also promote cross-border data innovation and demonstrate the benefits of trusted cross-border data flows through:
 - a) Identifying and supporting suitable cross-border data sharing projects to test innovative cross-border data sharing use cases; and
 - b) Exchanging information and knowledge for cross-border data innovation, including the Trusted Data Sharing Framework, data portability, privacy preserving, and technical and interoperability considerations for cross-border data sharing.
4. With these cross-border data flows, businesses may access data that will allow them to generate better insights, develop innovative products and services, engage customers more effectively and potentially increase their revenue from new avenues.
5. The agencies will also support technology innovation by exchanging information and knowledge on frameworks and principles for development of digital solutions (e.g. digital twins, open data platforms, and predictive analytics), and collaborate on applications for Internet of Things, Artificial Intelligence and immersive media with technology and service providers.

Digital Identities

6. Singapore's SNDGO and Australia's Digital Transformation Agency (DTA) will work towards mutually recognising the two country's digital identity regimes.
7. The agencies have developed a roadmap for each phase of the journey towards mutual recognition and will cooperate on legal regulatory frameworks, including trust frameworks, supporting digital identities, technical standards for implementation of digital identities, and adoption of digital identities by businesses and individuals to promote digital transactions.
8. The agencies will study the feasibility of potential pilot projects such as opening bank accounts and applying for visas using Digital IDs. This will reduce the time taken for processing applications and verifying one's identity, and facilitate trade between both countries.

Personal Data Protection

9. Singapore's Personal Data Protection Commission (PDPC) and the Office of the Australian Information Commissioner will jointly promote the APEC Cross Border Privacy Rules (CBPR) System to improve awareness and participation, as well as encourage industries under the MOU to adopt the CBPR System.
10. Beyond APEC CBPR, this MOU will also enable Singapore and Australia to develop compatible and interoperable data transfer mechanisms which will allow businesses operating in both countries to transfer personal data more seamlessly across borders with the assurance that they meet the requisite regulations. The data protection authorities of Singapore and Australia will also work closely to coordinate and provide mutual assistance in joint investigations involving cross-border personal data incidents.

E-invoicing

11. Singapore's IMDA and the Australian Taxation Office (ATO) will facilitate exchanges and information-sharing in relation to the electronic transmission of business documents, including E-invoicing. IMDA and ATO will jointly promote e-invoicing standards by showcasing businesses that use cross-border e-invoicing, and driving such transactions between Singapore and Australian businesses. This will help businesses in both countries to align and adopt a common E-invoicing framework for quicker exchange and processing of invoices, and facilitate more seamless cross-border trade.

Trade Facilitation

12. Singapore Customs, IMDA and the Australian Border Force will collaborate on the following initiatives:
 - a) Develop standards at bilateral levels and international standards organisations, and cooperate on technical protocols to leverage the use of distributed ledger technology in the sharing and verification of trade administration documents such as Certificates of Origin, Certificates of Non-Manipulation and E-bills of Lading; and
 - b) Connecting Single Windows to facilitate electronic exchange of customs declaration data.
13. These initiatives will enhance the digitisation of trade administration documentation resulting in lower operating cost and greater efficiency gains through expedited cargo clearance.

E-certification of Agricultural Commodities

14. Singapore Food Agency and Singapore National Parks Board will collaborate with the Australian Department of Agriculture, Water and the Environment on a pilot program to establish the exchange of E-Certs for agricultural products (including commodities, meat and meat products, plant and plant products, dairy products and seafood products. It will also include other products such as live animals and inedible products like animal feed, wool, skins and hides) imported and exported between Singapore and Australia.
15. Companies may submit certifications for import and export of products more easily as the agencies involved will pursue paperless certifications and discuss technological innovations that may help the process. This will result in cost savings for businesses in terms of digitising the administrative procedures required for import and export.

B. Highlights of Modules

Cross-border Data Flows (including for Financial Services)

1. Data flow is increasingly important to the growth of the economy to support electronic commerce and other digitally-enabled activities such as data analytics and AI. Businesses operating in Singapore and Australia will be allowed to transfer information, including those which are generated or held by financial institutions, more seamlessly across borders with the assurance that they meet the requisite regulations.

Prohibiting Data Localisation (including for Financial Services)

2. Data localisation requirements are an unnecessary barrier to trade and may drive up the cost of storing data for all businesses. Singapore and Australia will put in place disciplines against requirements for data localisation and allow businesses to choose where their data is stored.

Electronic payments (E-payments)

3. To support the development of safe and secure cross border E-payments, Singapore and Australia will promote transparent and facilitative rules (e.g. encouraging open Application Programming Interfaces (APIs)), adopt internationally accepted standards such as the ISO20022 and promote interoperability between E-payment systems.

Open Government Data

4. To encourage innovation, particularly by Small & Medium Enterprises (SMEs) in this new data driven age, government data that has been made publicly available will be in a machine readable and open format, with easy to use and freely available APIs.

Source Code Protection

5. To ensure software developers can trust the market within which they operate, encourage innovation and ensure that source code used by companies are protected, neither country will require the transfer of, or access to, source code as a condition of market access.

Online Consumer Protection

6. To enhance consumer welfare, both countries will 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

7. SMEs play a special role in enhancing competitiveness and maintaining dynamism in the economy. A Digital SME Dialogue will be established to promote information sharing and ensure that our SMEs are poised to maximise the benefits of the DEA.

Submarine Cables

8. Submarine cable systems form a critical part of the digital infrastructure that provide cross-border data and voice connectivity between countries and across regions.

9. Under the DEA, Singapore and Australia will ensure the expeditious and efficient installation, maintenance and repair of these systems in each territory to maintain national, regional and global telecommunications connectivity. Both countries will also protect and mitigate the risk of damage to these submarine cable systems.

Annex B: Singapore-Australia DEA Infographic



Memoranda of Understanding (MOUs) Signed

Artificial Intelligence (AI)

Develop and encourage sharing of best practices and adoption of ethical governance frameworks for AI.



Trade Facilitation

Digitalise trade administration documentation for efficient cargo clearance.



Digital Identities

Work towards mutual recognition of digital ID systems.



Data Innovation

Provide access to data to promote the development of new products, services and digital solutions.



E-certification of Agricultural Commodities

Establish E-Cert exchange for agricultural products and provide cost-savings for businesses.



E-invoicing

Adopt common E-invoicing framework for quicker processing.



Personal Data Protection

Develop compatible and interoperable data transfer mechanisms for personal data.



Highlights of Modules

E-payments

Adopt transparent and facilitative rules to promote secure cross-border E-payments.



Online Consumer Protection

Guard against fraudulent, misleading or deceptive conduct online through regulations.



Cross-border Data Flows

Seamlessly transfer data to support digitally-enabled activities, including for Financial Services.



Open Government Data

Encourage innovation by ensuring Government data is open and machine readable.



Prohibiting Data Localisation

Establish rules against data localisation requirements, including for Financial Services.



SMEs Cooperation

Promote information sharing and exchange through capacity building efforts such as a Digital SME Dialogue.



Source Code Protection

Remove access and transfer of Source Codes as a condition for market access.



Submarine Cables

Ensure efficient installation, maintenance and repair of submarine cable systems to maintain telecommunications connectivity.



Annex C: Quotes from companies on Singapore-Australia DEA Modules

DEA MOUs/Modules	Company	Quote & Spokesperson
Artificial Intelligence (AI)	Microsoft	<p>“Microsoft appreciates the efforts of Singapore and Australia in recognising the importance of responsible governance frameworks to build trust in AI as the technology is developing. We are all learning together and when different organisations (including businesses, NGOs, and governments) can come together to collaborate on AI governance frameworks and share more of what they are learning and doing, the better off we are all going to be.</p> <p>AI is complex and it behaves differently based on how it is used. Bilateral DEAs such as this serve as a foundation for the development and sharing of different AI use cases by different organisations, and better informs us on how we can use AI in a responsible manner and make Singapore and Australia leaders to develop trust in the technology.”</p> <p>Antony Cook, Regional Vice President and Chief Legal Counsel, Microsoft Asia</p>
Cross Border Data Flows; Artificial intelligence (AI)	Adobe	<p>“Adobe welcomes the announcement of the conclusion of the Singapore-Australia Digital Economy Agreement. Given the importance of digital trade in our increasingly borderless world, particularly in the Asia Pacific, it is more critical than ever that governments jointly develop mutually-beneficial understandings that support transborder data flows. This enables future investment, fosters the growth of small and medium-sized businesses, and improves access for consumers to emerging digital services. Predictable, harmonized rules and government cooperation further helps to create a stable policy regime and engenders more trust from customers.</p> <p>We also congratulate Australia and Singapore on their cooperation to promote AI ethical governance frameworks so that AI offerings can be responsibly adopted.</p>

		<p>Adobe is present in over 40 countries and transborder data flows are critical to our business. Asia Pacific is an important region for Adobe and our growth, and policies that support the free flow of data enable us to best serve our customers.”</p> <p>Simon Dale, Managing Director, South East Asia, Adobe</p>
Cross Border Data Flows; E-payments	Paypal	<p>“PayPal strongly supports the Singapore-Australia Digital Economy Agreement and believes it will increase opportunities for enterprises of all sizes in both economies. This Agreement provides a framework for inclusion and growth, in particular for small businesses and consumers. As a company that sits at the center of the digital economy revolution, we especially commend the governments of Singapore and Australia for the Agreement’s commitments on protecting cross-border data flows, which are so important to support a successful digital economy with appropriate safeguards for consumer protection and anti-fraud measures. We are certain this Agreement will have long-term benefits for the digital economies and people of Singapore and Australia.”</p> <p>Aaron Wong, CEO, PayPal Pte Ltd</p>
Data Innovation	Singapore Airlines	<p>“As part of Singapore Airlines’ digital transformation programme, we harness the power of data to elevate the experience of our customers and drive greater service excellence. Transcending the next frontier in data innovation will require companies to collaborate on data with highly secure and privacy preserving technologies, as well as a comprehensive legal framework.</p> <p>“We fully support Singapore’s Digital Economy Agreement (DEA) with Australia. This will allow the SIA Group to navigate cross-border data flows and data collaboration to enable innovation. It would also provide more insights on the needs of our customers travelling to and from Australia, which is a key market for the Group.”</p>

		George Wang, Senior Vice President, Information Technology, Singapore Airlines
E-invoicing	Dairy Farm	<p>“The Dairy Farm Group sources a large part of our meat and wine from Australia. As such, we are very keen to embrace the E-invoicing benefits afforded by this Singapore-Australia Digital Economy Agreement. We look forward to lower operating costs, through reducing the need for manual processing and re-processing of a multitude of invoice formats. We believe this will greatly improve the efficiency of our transactions with Australia. Having led the way to seeing the realisation of the Peppol E-invoicing in Singapore, we remain supportive of the initiatives by the Singapore government to establish interoperability between key trading partners in the region and beyond.”</p> <p>Tom van Der Lee, Finance Director, Dairy Farm</p>
	Johnson & Johnson	<p>“Beyond the excitement surrounding the local impetus on E-Invoicing, we are thrilled that through the Singapore-Australia DEA, there will be increased possibilities of cross border synergies. Our organisation will greatly benefit from geographical digitalisation initiatives, which will promote more seamless, transparent and efficient exchanges of common business transactions. We are anticipating a more robust ecosystem where everybody benefits.”</p> <p>Margareta Laminto, J&J Singapore, Hospital Group Director</p>
	Ezyprocure	<p>“Ezyprocure is a cloud-based and Peppol-ready E-invoicing solutions provider, who believes that purchasing processes for both buyers and suppliers can be transformed through digitalisation.</p> <p>The DEA facilitates cross-border interoperable systems that are based on common standards. This will enable our clients to extend the cost savings and productivity benefits of E-invoicing to their business partners in Australia who are also on the Peppol network.</p>

		<p>With our solutions pre-approved under IMDA’s SMEs Go Digital programme, SMEs can access the Productivity Solutions Grant to adopt our E-invoicing solutions and capture the benefits of digitalising business processes.”</p> <p>Edmund Louis Nathan, Chief Executive Officer, SGeBIZ</p>
Paperless Trade	DBS	<p>“The digital economy continues to evolve at breakneck speed, revolutionising the way businesses tick, while at the same time, creating new opportunities. With Singapore being Australia’s largest trading and investment partner in ASEAN, the Singapore-Australia Digital Economy Agreement not only paves the way for greater cross-border public-private sector partnership, but also helps rally efforts across both markets to push frontiers to lower the barriers to digital trade and increase connectivity to the rest of the world.</p> <p>As a leading global trade hub, Singapore is also well placed to lend its strong Asian network to help Australian businesses tap ASEAN’s digital economy, which is projected to add USD 1 trillion to regional GDP over the coming decade according to the World Economic Forum. As the world’s leading digital bank, we look forward to working with businesses from both Australia and Singapore to help digitalise their business and trade financing needs.”</p> <p>Tan Su Shan, Group Head of Institutional Banking, DBS</p>
Paperless Trade; Cross Border Data Flows	Rio Tinto	<p>“New and transformative digital technologies continue to have a profound impact on the resources industry and the way we engage with our markets and customers. At Rio Tinto, we are simplifying and systemising our processes using blockchain and end-to-end paperless solutions, among other technologies, to enhance our customer experiences and make our transactions more efficient, secure, and seamless.</p>

		<p>The leadership taken by both Singapore and Australia in advancing the Digital Economy Agreement (DEA) will further support Rio Tinto’s drive to innovate with our partners and the industry. We welcome the focus on advancing the digitalisation of trade related cross-border data flows, connectivity, and digital trade rules.”</p> <p>Simon Trott, Chief Commercial Officer, Rio Tinto</p>
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For background information on the Singapore-Australia Digital Economy Agreement, please refer to the joint press release by the Ministry of Trade and Industry, Ministry of Communications and Information, and Infocommunications Media Development Authority titled “Singapore and Australia Launch Negotiations on Digital Economy Agreement” dated 12 October 2019 (Link: <https://www.mti.gov.sg/Newsroom/Press-Releases/2019/10/Singapore-and-Australia-launch-negotiations-on-digital-economy-agreement>).

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