

Attachment III

[to RCEP National Interest Analysis]



Regional Comprehensive Economic Partnership Agreement (RCEP)

KEY OUTCOMES

Contents

RCEP Outcomes at a Glance.....	2
Overview: The Regional Comprehensive Economic Partnership (RCEP).....	5
<i>Main outcomes for Australian importers, exporters and producers:</i>	
RCEP Outcomes: Goods	9
RCEP Outcomes: Services and Investment	10
RCEP Outcomes: Improving the Business Environment.....	16
RCEP Outcomes: Economic Cooperation and Institutional Mechanisms	18
RCEP Outcomes: Electronic Commerce.....	20

RCEP Outcomes at a Glance

RCEP will increase opportunities for Australian business to access regional value chains

RCEP will provide Australian exporters and importers with a single set of rules of origin to access tariff preferences for trade with other RCEP countries. It will also allow producers in other RCEP countries to count Australian inputs towards qualification for tariff preferences when exporting to third countries within RCEP. Previously this was only available for trade within the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA). Movement of goods through ASEAN to North Asia (and vice versa to Australia) will be easier, as will using regional distribution hubs, because of the regional nature of RCEP's rules and procedures.

RCEP will include improved mechanisms for tackling non-tariff barriers

RCEP's rules in areas such as customs procedures, quarantine and technical standards will address non-tariff barriers by promoting greater transparency and cooperation among RCEP countries, while reaffirming existing WTO rights and obligations. RCEP will also establish procedures for technical consultations on non-tariff measures that adversely affect trade, and provide for possible future work on sector-specific initiatives to facilitate trade.

RCEP will provide a strong platform to expand trade in services throughout the region

RCEP will establish high quality rules for the supply of services between the parties, including obligations to provide access to foreign service suppliers (market access), to treat local and foreign suppliers equally (national treatment) and to treat foreign suppliers at least as well as suppliers of any other non-RCEP country (most-favoured nation or MFN). Service suppliers from the 16 RCEP countries will benefit from commitments to enhance the transparency and predictability of domestic regulation affecting trade in services, improving the business environment across the region.

RCEP will enhance rules governing financial services

RCEP will feature enhanced rules on the supply of financial services, which will facilitate business operations across the RCEP region. It will also provide sufficient policy and regulatory flexibility for parties to guard against instability in the financial system.

RCEP will include high quality rules on telecommunications

RCEP's telecommunications outcomes will set out a framework of rules to govern trade in, and the access and use of, telecommunications services across the region. For example, RCEP countries have committed to allow the portability of mobile telephone numbers, and have agreed to cooperate to promote reasonable international mobile roaming rates.

RCEP will support the movement of business people across the region

Cross border movement of business people is an integral feature of modern business and a crucial contributor to the growth of commercial relationships across the region. Under RCEP, Australian business people will benefit from commitments relating to the processing of applications, and enhanced transparency of requirements, for entry and temporary stay in RCEP countries, when travelling for business purposes.

RCEP will support the recognition of professional services in key markets

The inclusion of a separate Annex on professional services represents a first for almost half of the RCEP countries. It will provide specific disciplines addressing behind the border barriers to the supply of professional services. It will also provide a framework for professional bodies to engage in dialogue on recognition of qualifications, licences and registration, and the development of mutual recognition agreements in professions of mutual interest.

RCEP will improve the investment environment across the RCEP region

RCEP will provide greater certainty and confidence for Australian investors by locking in existing conditions and capturing future unilateral liberalisation. RCEP will include provisions aimed at facilitating investment facilitation.

RCEP will include requirements not to discriminate against foreign investors from RCEP countries. A most-favoured nation commitment will reduce the likelihood that Australian investors will face greater barriers in RCEP economies than investors from other countries.

RCEP will include core investment protections, including rules requiring payment of compensation where an investment is expropriated, fair and equitable treatment, compensation for losses due to conflict and civil strife, and free transfer of investment-related capital without delay.

At the same time, RCEP will reserve the right of parties to regulate in areas of particular sensitivity. Parties will retain current 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.

RCEP does not provide for investor-state dispute settlement. RCEP parties will discuss this question in the future.

RCEP's modern rules on e-commerce will position Australian businesses and consumers to capitalise on digital trade in the region

RCEP will include rules that support Australian businesses transferring data across borders as part of their activities and limit the scope for governments to impose restrictions, including requirements to localise (store) data. Rules promoting the digitisation of trade

documentation and the use of electronic signatures and electronic authentication will also help facilitate cross-border trade.

RCEP will support Australian consumers in the digital environment, with rules that help protect consumers and their personal information online, and combat 'spam'. Australia's open and robust regulatory framework, including the Privacy Act and e-health record system (My Health Records Act 2012), will not be affected by the RCEP e-commerce outcomes

RCEP will establish a common set of rules on intellectual property protection and enforcement for the RCEP region

RCEP's Intellectual Property Chapter reflects a shared commitment by RCEP Parties to effective and balanced intellectual property systems, consistent with Australia's existing intellectual property regime. RCEP will not require any changes to Australian intellectual property laws or policies and does not include specific commitments in relation to pharmaceutical patents or products.

RCEP will provide businesses with confidence that their intellectual property rights can be protected and enforced in RCEP markets. RCEP will thus encourage investment in new ideas, and promote the dissemination of information, knowledge and technology. Standardised rules will help streamline intellectual property transactions, support transparency, and lower costs of doing business, supporting Australia's creative and innovative industries trade and invest in the region.

RCEP will provide a platform for improving the regulatory environment and business opportunities across the RCEP region

RCEP's government procurement chapter will support improved transparency and cooperation among the RCEP parties on procurement by central governments. RCEP is the first Agreement where ASEAN as a whole, as well as a number of individual RCEP countries, have included rules on government procurement in a trade agreement.

RCEP will also include provisions on competition, which will require parties to maintain competition laws and regulations that proscribe anti-competitive activities, and ensure independent enforcement. RCEP will also include obligations in relation to the use of misleading practices or false or misleading descriptions.

RCEP will support economic capacity building and the capability of SMEs in the region to benefit from the Agreement

RCEP will provide for the effective implementation and utilisation of the Agreement through economic cooperation activities, including capacity building and technical assistance. RCEP's dedicated chapter on small and medium enterprises (SMEs) will provide a framework for programs and activities that can enhance the capability of SMEs to participate in and benefit from the opportunities created by the Agreement.

Overview: The Regional Comprehensive Economic Partnership (RCEP)

What is RCEP?

RCEP is a regional free trade agreement that will complement and build upon Australia's existing free trade agreements with 14 other Indo-Pacific countries. It is a modern and comprehensive free trade agreement covering trade in goods, trade in services, investment, economic and technical cooperation, and new rules for electronic commerce, intellectual property, government procurement, competition, and small and medium sized enterprises.

RCEP negotiations were launched in November 2012 between the Association of Southeast Asian Nations (ASEAN includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam) and ASEAN's free trade agreement partners (Australia, China, India, Japan, New Zealand and Republic of Korea). On 15 November 2020, Ministers from 15 countries signed the RCEP Agreement., which will be the world's largest free trade agreement.¹

Why is Australia a part of RCEP?

Delivering new trade and investment opportunities for Australian business and strengthening regional economic architecture will be even more crucial as Australia and the region recover from the global COVID-19 pandemic. International trade and investment are critical to the Australian economy, providing jobs, prosperity, and opening up opportunities for Australians to expand their businesses. FTAs can improve market access across all areas of trade — goods, services and investment — and help to maintain and stimulate the competitiveness of Australian firms. This also benefits Australian consumers through access to an increased range of better-value goods and services.

RCEP has the potential to deliver significant opportunities for Australia. The 15 participating countries make up 29 per cent of world GDP and 30 per cent of the world's population. The other 14 RCEP countries include nine of Australia's top 15 trading partners and account for 58 per cent of Australia's total two-way trade, and 67 per cent of our exports.

As these economies recover from COVID-19, the government wants to ensure that opportunities for Australian investors and demand for Australian exports will rise, helping to create Australian jobs. RCEP will help stimulate growth and investment across our region, providing increased opportunities for Australian business.

As a modern, region-wide FTA, RCEP will enhance our economic engagement in the Indo-Pacific through strengthened rules that build on AANZFTA and complement Australia's bilateral FTAs with RCEP parties, as well as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

RCEP will provide:

¹ India had indicated it would not be in a position to sign the Agreement.

- A single set of rules and procedures for Australian goods exporters to utilise RCEP’s preferential tariff outcomes across the region, and increased opportunities for Australian business to access regional value chains by allowing goods made in another RCEP party from Australian inputs to benefit from tariff preferences under RCEP when exported to a third RCEP party.
- Avenues for tackling non-tariff barriers, including in areas such as quarantine and technical standards, by promoting compliance with WTO rules and further improving cooperation and transparency. Rules on intellectual property and e-commerce will help create an enabling environment for business to trade digitally in the region and support consumer confidence in the online environment.
- New market access commitments for service suppliers and investors in China and ASEAN markets such as Malaysia, the Philippines and Thailand, and provide an additional avenue through which exporters can access those markets in which we already enjoy high quality FTA commitments, including Japan, New Zealand, Republic of Korea and Singapore.

Longer term benefits for Australian participation in RCEP

RCEP will play an important role in delivering against the Foreign Policy White Paper objective of contributing to a stable and prosperous Indo-Pacific. Australia has a strategic interest in being part of a regional FTA that is centred on ASEAN and includes China, Japan, Korea and New Zealand.

RCEP also sends an important signal of support for trade liberalisation and rules-based trading arrangements at a time of significant global trade tensions, and when the World Trade Organization is facing deep challenges. Agreements such as RCEP play a critical role in resisting protectionism, and bolstering support for an open global economy supported by enforceable rules.

RCEP as a platform for ongoing dialogue and economic cooperation

RCEP has the potential to act as forum for ongoing dialogue and cooperation on the range of trade and economic issues affecting the region. Under the Regional Trade for Development Initiative Australia will provide up to \$24 million from 2021, to assist ODA-eligible ASEAN member states implement the RCEP commitments and ensure that the full benefits of the Agreement are realised. It will support economic recovery from the impact of COVID-19 and strengthen public discourse on trade through effective partnerships, including with the non-government and private sectors.

More information on Australia’s trade and investment relationship with other RCEP countries

The tables below provide more information on Australia’s two-way trade and investment relationship with other RCEP participating countries

Table 1: Australia’s total goods and services two-way trade with other Regional Comprehensive Economic Partnership countries in 2019

Total goods and services two-way trade

Country	A\$m	Percentage share of total
ASEAN (total)	121,966	13.3
Brunei	1,369	0.1
Cambodia	755	0.1
Indonesia	17,703	1.9
Laos	137	0
Malaysia	23,953	2.6
Myanmar	397	0
Philippines	5,893	0.6
Singapore	33,181	3.6
Thailand	23,075	2.5
Vietnam	15,504	1.7
China	251,417	27.4
Japan	86,774	9.5
New Zealand	31,108	3.4
Republic of Korea	41,318	4.5

Source: DFAT publication 'Composition of Trade, Australia'

Table 2: Total investment between Australia's and other Regional Comprehensive Economic Partnership countries in 2019

Total foreign investment stock in Australia

Country	A\$m	Percentage share of total
ASEAN	134,653	3.5
China	78,152	2
Japan	241,091	6.3
New Zealand	64,360	1.7
Republic of Korea	31,377	0.8

Total Australian investment stock abroad

<i>Country</i>	<i>A\$m</i>	<i>Percentage share of total</i>
<i>ASEAN</i>	<i>124,683</i>	<i>4.2</i>
<i>China</i>	<i>85,268</i>	<i>2.9</i>
<i>Japan</i>	<i>139,567</i>	<i>4.7</i>
<i>New Zealand</i>	<i>130,451</i>	<i>4.4</i>
<i>Republic of Korea</i>	<i>22,704</i>	<i>0.8</i>

Source: DFAT publication

RCEP Outcomes: Goods

RCEP's regional nature will increase opportunities for Australian business to build and access regional value chains, and significantly reduce the burden of complying with FTA rules of origin.

RCEP will provide a single set of rules and procedures for accessing preferential tariffs across the region. Currently, Australian traders can choose from 10 different FTAs to do business between the 15 countries of the region, each with its own rules and procedures.

Under RCEP, 89 ***per cent of current Australian exports to the region will benefit from immediate duty free access***, rising to 94 per cent when fully implemented. Importers will similarly benefit, with 76 per cent of Australian imports from the region immediately duty free under RCEP, rising to 93 per cent. At the same time, traders will continue to have access to Australia's high standard existing FTAs, including where they are more favourable.

RCEP's rules of origin will be modern and liberal, reflecting contemporary production processes and trade logistics arrangements. Movement of goods in the region through ASEAN to China, Japan and Korea (and vice versa to Australia) will be easier, as will using regional distribution hubs.

RCEP's regional rules of origin will support Australian access to regional value chains. Regional cumulation rules will facilitate inputs from the most efficient and cost-effective regional source, while supporting access to preferential tariff treatment.

RCEP will reduce FTA rules of origin compliance burdens. Australian businesses trading with multiple RCEP countries will only need to comply with one set of rules and procedures. RCEP will also provide businesses with greater choice in how they meet origin documentation requirements. Certificate of Origin arrangements familiar to Australian business will be maintained and options for use of self-declaration expanded, with scope for proof of origin to be accepted in electronic format. RCEP will also introduce greater flexibility by providing for post-importation claims for preferential tariff treatment in accordance with Parties' laws and regulations.

RCEP will promote modern customs procedures and trade facilitation arrangements. RCEP will encourage predictability, consistency, and transparency in the application of customs laws and regulations, and promote efficient administration of customs procedures and expeditious clearance of goods. RCEP also includes a number of trade facilitation elements that go beyond commitments in the WTO Trade Facilitation Agreement, including the Agreement's provisions on timeframes for the release of goods, perishable goods and advance rulings.

RCEP will provide additional avenues for tackling non-tariff barriers by promoting compliance with WTO rules and further improving cooperation and transparency.

RCEP 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.

RCEP Outcomes: Improving the Business Environment

RCEP will contain rules that capture recent advances in international trade rule-making and future-proof the ways in which Australian exporters can conduct business activities across all RCEP countries.

Intellectual Property

RCEP will provide increased certainty to rights' holders and users by establishing a strong platform for the development of consistent Intellectual Property (IP) rules throughout the region, including rules that will help create an enabling environment for business to trade digitally. RCEP will establish balanced rules for the effective creation, utilisation, protection, and enforcement of intellectual property rights, including copyright and related rights, trademarks, geographical indications, industrial designs, patents, and protection of plant varieties, without requiring any changes to Australia's existing IP settings.

RCEP will affirm and complement the WTO Agreement on Trade-Related Aspects of Intellectual property. Key outcomes will include:

- enhanced benefits to trade and investment through the protection and enforcement of intellectual property rights;
- access to due process mechanisms for Australian producers to support the appropriate granting of geographical indications, including through international agreements;
- improved transparency of intellectual property systems, making it easier for traders to obtain information about existing rights;
- disciplines on the protection of genetic resources, traditional knowledge and traditional cultural expressions (folklore);
- mechanisms to facilitate cooperation in the region in relation to the protection and enforcement of intellectual property rights.

Competition

RCEP's Competition Chapter will include obligations for parties to maintain competition laws and regulations that proscribe anti-competitive activities, and ensure independent enforcement. The Chapter will include obligations to adopt or maintain domestic laws or regulations to proscribe the use in trade of misleading practices, or false or misleading descriptions. It will also provide for cooperation between the parties on consumer protection and on competition law enforcement.

Government Procurement

RCEP is the first Agreement where ASEAN as a whole, as well as a number of individual RCEP countries, have included rules on government procurement in a trade agreement. Government Procurement of goods and services are an important generator of domestic economic activity in the Indo-Pacific region.

The Government Procurement chapter will support improved transparency and cooperation on central government procurement and will promote greater economic integration among RCEP member countries.

Small and Medium Enterprises

RCEP's dedicated chapter on small and medium enterprises (SMEs) will provide a platform and framework for RCEP parties to undertake economic cooperation programs and activities that can enhance the capability of SMEs, including microenterprises, to participate in and benefit from the opportunities created by the Agreement.

RCEP Outcomes: Economic Cooperation and Institutional Mechanisms

RCEP will provide an opportunity to strengthen the regional trade and investment environment, boost regional economic confidence and benefit consumers. Strengthening the regional economic architecture will be even more crucial as the region seeks to recover from the global COVID-19 pandemic.

Through Australia's membership in RCEP, we will be better positioned to be a part of the development of the economic architecture of the Indo-Pacific. RCEP has the potential to act as a platform for ongoing dialogue and cooperation on trade and investment between ASEAN and key regional partners.

RCEP will include an Economic and Technical Cooperation chapter that provides for trade and investment related cooperation. This Chapter will provide for the effective implementation and utilisation of the RCEP agreement by providing for economic and technical cooperation activities, including capacity building and technical assistance, to be specified through a work programme.

Australia is committed to providing technical assistance and working with ASEAN countries to develop their capacity to implement the RCEP Agreement. Under the Regional Trade for Development Initiative Australia will provide up to \$24 million from 2021, to assist ODA-eligible ASEAN member states implement the RCEP commitments and ensure that the full benefits of the Agreement are realised.

Australia has extensive experience delivering trade related assistance to the region under the ASEAN-Australia-New Zealand Free Trade Area. The assistance provided under RCEP will build on the successes of this program to assist less developed ASEAN Member States to get the most out of the RCEP agreement. Improving opportunities for trade and investment will support a more resilient, stable and prosperous region and contribute to economic recovery from COVID-19. Australian assistance will be dedicated to activities that improve trade and investment relationships, reduce barriers and promote transparency.

The RCEP Agreement specifies that Ministers of RCEP Parties will meet at least annually to consider matters arising under the Agreement. The Agreement also establishes an RCEP Joint Committee to oversee and ensure effective implementation of the Agreement. The Joint Committee will be made up of representatives from all Parties and will meet at least once a year after RCEP's entry into force.

The Joint Committee will, in turn, establish four subsidiary bodies to oversee the implementation and operation of various specific Chapters. The Committee on Goods will cover work relating to trade in goods, rules of origin, customs procedures and trade facilitation, sanitary and phytosanitary measures, standards, technical regulations and conformity assessment procedures and trade remedies. The Committee on Services and Investment will cover work on trade in services including financial services, telecommunication services, professional services, temporary movement of natural persons and investment. The Committee on Sustainable Growth will cover work on small and medium

enterprises, economic and technical cooperation and emerging issues. The Committee on the Business Environment will ensure cooperation and dialogue on any matter concerning Intellectual Property, Electronic Commerce, Competition and Government Procurement.

RCEP 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.