

## **CHAPTER 20**

### **INNOVATION**

#### **Article 20.1 Definitions**

For the purposes of this Chapter:

“innovation” means the development or implementation of a new or improved product, process, or organisational method, or combination thereof.

#### **Article 20.2 Objective**

The objective of this Chapter is to support trade and economic growth between the Parties through collaboration on innovation, consistent with the laws, regulations and policies of each Party.

#### **Article 20.3 General Provisions**

1. The Parties recognise the important role that innovation plays in their economies, including by stimulating competitiveness, increasing productivity, encouraging investment and promoting international trade.
2. The Parties confirm that their intention is for this Agreement to support innovation in their respective economies, including by fostering opportunities in innovation-intensive industries and encouraging trade in innovative goods and services.
3. The Parties acknowledge the existing collaboration on innovation between their governments, industries, universities, publicly funded research agencies and other non-governmental bodies, and confirm their commitment to further strengthening this collaboration.

#### **Article 20.4 Artificial Intelligence and Emerging Technologies**

1. The Parties recognise that emerging technologies, including artificial intelligence and other digital technologies, are becoming increasingly important within the global economy, and offer significant social and economic benefits.

2. The Parties shall cooperate, where appropriate through the Strategic Innovation Dialogue established pursuant to paragraph 1 of Article 20.5 (Strategic Innovation Dialogue), in activities aimed at encouraging the development and adoption of emerging technologies, and facilitating trade in related products and services. Those activities may include:
  - (a) sharing research and industry practices related to emerging technologies and their governance;
  - (b) promoting and sustaining the responsible use and adoption of emerging technologies by businesses and across the community;
  - (c) encouraging commercialisation opportunities and collaboration between research institutions, industries and businesses related to emerging technologies;
  - (d) playing an active role in the development of international standards, regulations and conformity assessment procedures that provide clear expectations for businesses and support the growth of emerging technologies;
  - (e) facilitating and promoting investment in research and development related to emerging technologies; and
  - (f) facilitating and promoting trade in emerging technologies, including by exchanging views on effective trade policy approaches.
  
3. The Parties also recognise the importance of developing governance frameworks for the trusted, safe, and responsible use of emerging technologies that will help realise the benefits of these technologies. The Parties further acknowledge the benefits of ensuring that those frameworks are internationally aligned as far as possible. To this end, the Parties shall endeavour to:
  - (a) collaborate on, and promote the development and adoption of, governance frameworks that support the trusted, safe, and responsible use of emerging technologies, through relevant international fora, in particular the Global Partnership on Artificial Intelligence; and
  - (b) take into consideration internationally recognised principles or guidelines, in particular the Organisation for Economic Cooperation and Development's Principles on Artificial Intelligence adopted by its Council on 22 May 2019, when developing those frameworks.

**Article 20.5**  
**Strategic Innovation Dialogue**

1. The Parties hereby establish a Strategic Innovation Dialogue for the purposes of facilitating an open business environment that supports and stimulates innovation in their territories, promoting and strengthening trade-facilitative innovation policy, identifying unnecessary barriers to trade in innovative goods and services, and identifying other opportunities to further the objective of this Chapter.
2. Through the Strategic Innovation Dialogue, the Parties shall mutually identify areas of cooperation to promote and facilitate innovation in their territories. Examples of areas of cooperation may include:
  - (a) regulatory approaches that facilitate innovation, including the uptake and implementation of international innovation best practice standards;
  - (b) emerging and transformative technologies, including clean and low emissions technologies, artificial intelligence, and other digital technologies;
  - (c) the commercial application of new technologies, including in economic sectors such as agriculture, health, energy, mineral resources, space, and manufacturing;
  - (d) value chain matters, including supply chain resilience; and
  - (e) global innovation networks and cross-border trade in intangible assets, including through higher education and research collaboration.
3. Through the Strategic Innovation Dialogue, the Parties shall:
  - (a) share best practice principles and explore opportunities in innovation policy across government, academia, research organisations, industry and business;
  - (b) review existing relationships for opportunities to strengthen bilateral engagement on the impacts of innovation on trade and investment;
  - (c) explore ways in which innovation can further promote trade and investment; and
  - (d) consider any other matter that the Parties deem appropriate which furthers the objective of this Chapter.

4. Consistent with the objective of this Chapter, the Strategic Innovation Dialogue may develop a cooperative activity between the Parties in an area of mutual interest.
5. The Parties may consult with or seek advice from a qualified non-governmental expert or stakeholder in relation to furthering the objective of this Chapter, including by inviting them to participate in the Strategic Innovation Dialogue.
6. The Strategic Innovation Dialogue shall be co-chaired by a representative from each Party.
7. The Strategic Innovation Dialogue shall convene within 12 months of the date of entry into force of this Agreement and thereafter at least once every two years, unless the Parties agree otherwise.
8. Each Party shall, on entry into force of this Agreement, designate a contact point for the Strategic Innovation Dialogue and notify the other Party of that contact point. Each Party shall promptly notify the other Party of any change to those contact details.
9. The Strategic Innovation Dialogue may engage with any committee, working group, or other subsidiary body established under this Agreement to further the objective of this Chapter.<sup>1</sup>
10. The Joint Committee may refer a matter to the Strategic Innovation Dialogue for its consideration.

#### **Article 20.6** **Review of this Agreement**

1. The Parties recognise the importance of ensuring that the disciplines contained in this Agreement remain relevant to the trade and investment issues and challenges confronting them, including those arising from innovation.
2. Where a review is conducted pursuant to paragraph 1 and in accordance with subparagraph 3(a) of Article 32.6 (General Review – Final Provisions), the Parties shall take into account developments in innovation, including as discussed through the Strategic Innovation Dialogue.

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<sup>1</sup> The Strategic Innovation Dialogue shall not be considered a committee, working group, or other subsidiary body established under this Agreement for the purposes of Chapter 29 (Administrative and Institutional Arrangements).

**Article 20.7**  
**Non-Application of Dispute Settlement**

Neither Party shall have recourse to dispute settlement under Chapter 30 (Dispute Settlement) for any matter arising under this Chapter.