



**Asia-Pacific
Economic Cooperation**

2022/SOM1/CTI/029

Agenda Item: XI

Digital Economy Steering Group Chair's Report

Purpose: Information
Submitted by: DESG Chair



**First Committee on Trade and Investment
Meeting
18-22 February 2022**

DESG CHAIR'S SUMMARY REPORT TO CTI1 2022
ON E-COMMERCE AND TRADE-RELATED DIGITAL ECONOMY ISSUES

In line with 2018 CSOM recommendations, the DESG preserves the functions of the former Electronic Commerce Steering Group (ECSG) and continues to report to the CTI on matters of the ECSG's work programme on e-commerce and trade-related digital economy issues.

NOTE: For matters related to the comprehensive implementation of the APEC Internet and Digital Economy Roadmap (AIDER), the DESG reports to the SOM.

1. How the forum's work contribute to CTI's objectives, including taking forward the [Aotearoa Plan of Action](#), as we pursue the [Putrajaya Vision 2040](#):

Please provide a brief list of the forum's work under each sub-heading.

a. Support for the Multilateral Trading System

- *"...Growth of international trade flows in the region become more stable and predictable including with increased coverage of WTO rules, through APEC members' effective and transparent implementation of existing and future commitments..."*

- Survey on E-Commerce Regulations in APEC, **Singapore**. This database of information, which is available to the public on the APEC Trade Repository, facilitates the transparency of economies' domestic regulations and approaches on e-commerce.

b. Regional Economic Integration

- *"...APEC's trade and investment environment is free, open, fair, non-discriminatory, transparent and predictable..."*
- *"...further advance the Bogor Goals and economic integration in the region in a manner that is market-driven, including through the work on the Free Trade Area of the Asia-Pacific (FTAAP) agenda which contributes to high standard and comprehensive regional undertakings..."*

- Ongoing work on the Cross-Border Privacy Rules (CBPR) and Privacy Recognition for Processors (PRP) Systems which promote interoperability between different data privacy regulations to facilitate trade and build trust in e-commerce
 - Endorsed recertification of JIPDEC as a CBPR Accountability Agent (AA) in Japan
 - Reviewing recertification applications from TRUSTe, BBB National Programs, and Schellman & Co., LLC, as CBPR and PRP system AAs in the United States
- Submitting and updating Data Privacy Individual Action Plans (IAP) which improve the transparency of data protection frameworks of member economies
 - Updates to the Data Privacy IAPs of Australia; New Zealand; Chinese Taipei; and the United States

c. Trade Facilitation and Connectivity

- "...promote seamless connectivity, resilient supply chains and responsible business conduct, APEC economies will improve physical, institutional and people-to-people connectivity..."

- Promoting regulatory cooperation through the Cross Border Privacy Enforcement Arrangement (CPEA) and the CBPR System

2. Forum Main Objectives/Deliverables expected for 2022

Please provide a brief list of the forum's 2022 objectives and expected outcomes/deliverables.

- Implement ongoing APEC projects:
 - Study "Review of APEC CBPR System" – **Japan and PSU**
 - Comparative study on best practices to detect and avoid unintended biases in Artificial Intelligence systems – **Chile**
 - APEC Digital Trade Transformation Work Program – **Thailand**
- Implement new project proposals:
 - Exploring consistency between the privacy frameworks of APEC member economies – **United States**
 - Measuring the economic impact of modernising digital trade rules in the APEC region – **Australia**
 - Regulation policy tools in digital markets: current issues – **Mexico**

3. Planned private sector engagement in 2022

Please provide a list of planned private sector engagement in 2022

- Actively engage stakeholders from the private sector for discussions on e-commerce and data privacy issues

4. Planned cross-fora collaboration in 2022

- Actively engage relevant stakeholders and experts, including from the Centre for Information Policy Leadership (CIPL), Internet Society (ISOC), World Trustmark and Trade Alliance (WTA)

5. Main outcomes from most recent plenary meeting

Key outcomes of the **DESG Data Privacy Subgroup (DPS) 44th meeting** on 16 February 2022:

Members noted:

- Intersessionally endorsed 43rd DPS meeting summary report
- DPS Chair report on the DPS 2021 Work Plan
- Report from CBPR Joint Oversight Panel Chair (United States)
- Intersessionally endorsed CBPR JOP Recommendation Report for Continued Recognition of JIPDEC as an Accountability Agent under the CBPR System in Japan
- Updates from existing CBPR economy participants: Canada; Japan; Korea; the Philippines; Singapore; Chinese Taipei; the United States
- Update on the status of the project "Comparative Study on Best Practices to Detect and Avoid Harmful Biases in Artificial Intelligence Systems" – Chile

- Proposal for a new project to explore consistency between the privacy frameworks of APEC member economies – United States
- Intersessionally submitted Data Privacy Individual Action Plans (IAP) for Australia (2021) and the United States (2021)
- Updates on Data Privacy IAPs by: Singapore; Chinese Taipei
- Updates on data privacy developments from member economies: Australia; Canada; Chile; Hong Kong, China; Japan; Korea; New Zealand; the Philippines; Singapore; Chinese Taipei; Thailand; the United States
- Guests' reports on relevant data privacy developments by: BSA The Software Alliance, World Trustmark and Trade Alliance (WTA)
- Reports on developments in: Global Privacy Enforcement Network, Asia Pacific Privacy Authorities, OECD.

Members discussed *DPS executive positions*.

- The terms of the current DPS Chair Ms. Shannon Coe (USA) and Vice Chairs Mr. Piero Guasta (Chile) and Mr. Junichi Ishii (Japan) expire at SOM1 2022.
- In advance of the meeting, member economies were invited to submit nominations for these positions for a new two-year term (until SOM1 2024, inclusive). However, since the submitted nominations were received and circulated too close to the date of the DPS 44 meeting, some member economies expressed opinion that there was not enough time for proper consideration.
- Members agreed to extend the deadline to submit the nominations to DPS Chair and Vice Chair positions and to consider them intersessionally.
- Current DPS Chair and Vice Chairs will retain their positions on an interim basis until new Chair and Vice Chairs are appointed.

Members discussed the *CBPR & PRP Joint Oversight Panel (JOP) executive positions*.

- The current JOP members Ms. Shannon Coe, Mr. Nobuyuki Matsumoto and Ms. Evelyn Goh, whose terms expire at SOM1 2022, have indicated their willingness to continue in their roles. There were no other nominations for those positions.
- Members endorsed the **renewal of the terms of Ms. Shannon Coe (USA), Mr. Nobuyuki Matsumoto (Japan) and Ms. Evelyn Goh (Singapore) as JOP members** for the next two-year period (until SOM1 2024, inclusive).

Members discussed the draft *DPS Work Plan for 2022* and agreed to continue its consideration intersessionally.

As a follow-up to the meeting, DPS Chair encouraged member economies to submit and update Data Privacy IAPs, and consider possible ways to make IAPs more useful.

6. Was quorum reached at the most recent plenary meeting?

Please advise how many economies participated in the most recent plenary meeting.

- DESG1 2022 plenary meeting on 17 February reached quorum with 20 economies in attendance

7. What is your Forum doing to maintain/increase its relevance to APEC member economies and increase participation from its members?

- Open invitation to all member economies to participate in the work of the small voluntary working groups such as the Accountability and Administration Study Group (AASG) and the Study Group on data portability
- Further discussion about the development of the CBPR system within the DPS
- Consideration of further areas of work in the Privacy Framework
- Submitting and updating Information Privacy IAPs, and consideration of possible ways to make IAPs more useful

8. Decision points needed from CTI

- Seek CTI's endorsement of the DESG Chair's Report on E-Commerce and Trade-Related Digital Economy Issues