

2022/SOM2/CTI/004

Agenda Item: VI c

Digital Economic Partnership Agreement

Purpose: Information Submitted by: Chile



Second Committee on Trade and Investment
Meeting
Bangkok, Thailand
15-16 May 2022



DIGITAL TRADE: PILAR OF GLOBAL ECONOMY

GLOBAL CROSS-BORDER E-COMMERCE





52%

of **global cross border E- commerce** growth
expected by 2025

DIGITAL OVERVIEW IN CHILE





23,7

Million of Internet connections 2020

25.1

84%

of those connections are mobile

3 MILLION

additional connections since March 2020

Fuente: Departamento de Información Comercial, SUBREI, con cifras de SUBTEL.

DIGITAL ECONOMY PARTNERSHIP AGREEMENT (DEPA)



DIGITAL ECONOMY PARTNERSHIP AGREEMENT

CHILE, NEW ZEALAND and SINGAPORE

- O Promote collaboration in the field of the digital economy.
- Establish a regulatory and cooperation framework.

It consists of 16 modules and 4 annexes, among which stand out:

- Business and trade facilitation,
- Treatment of digital products,
- Wide environment of trust,
- Consumer and Enterprise trust,
- Digital Identity,
- Cooperation for SMEs,
- Digital inclusion, among others.



DEPA CONTENTS



TRADITIONAL TOPICS

PAPERLESS TRADE

ELECTRONIC SIGNATURE

LOGISTICS

ELECTRONIC PAYMENTS

CONSUMER PROTECTION

PUBLIC PROCUREMENT

NEW TRADE-RELATED ISSUES

DIGITAL PRODUCTS

CUSTOM DUTIES MORATORIUM

FREE-FLOW OF DATA

NO-LOCALIZATION REQUIREMENTS

ENCRYPTION

PROTECTION OF PERSONAL DATA

INNOVATION AND DIGITAL TRADE

NEW TOPICS

COOPERATION IN CYBERSECURITY

FINTECH

ARTIFICIAL INTELLIGENCE

INTEROPERABILITY AND OPEN STANDARDS

DIGITAL INCLUSION

COMPETITION POLICY

OPEN SOURCE

DIGITAL PRODUCTS AND DATA



Moratorium and no discrimination

The compromise of consolidating the moratorium of not imposing custom duties to electronic transmissions and the nodiscrimination of digital products.

Encryption

- Discipline on Cryptography, focused on the fact that the Parties may not require access codes when importing products that have cryptographic technology.
- Data protection

The general principles of personal data protection established by the OECD are recognized, in addition to encouraging the internal adoption of the highest international standards. The Parties undertake that their data protection policies are not discriminatory and that the interoperability between the different data protection systems is promoted.

Free Flow of data

Chile's commitment to promoting the free flow of data is maintained, including a discipline that indicates that the Parties agree to allow the free flow of data.

No localization requirements

Also, the commitment is maintained to avoid the forced location of servers, through an article that prohibits the Parties from obliging a provider of digital products or services to install their servers in their territory in order to operate.

TRUST ECOSYSTEM



- Cooperation in cybersecurity is maintained, encouraging the competent agencies to share good practices with their counterparts
- It is specified that the opinions of all participants in the digital economy must be taken into account to face cybersecurity and online security issues (public, private, civil society).
- O Consumer protection articles that we have been including in other commercial agreements are included, for example:



- Members must adopt or maintain regulations that prevent misconduct in electronic commerce, which can lead consumers and companies to misunderstandings.
- The indications regarding working on eliminating unsolicited advertising messages (spam) are maintained and that advertising messages are required to include the option to "stop receiving" (opt-out) or that they can only be received if the person has allowed it expressly (opt-in). In the case of Chile, we comply with the first option, since we require the opt-out option in our legislation.

NEW TRENDS AND EMERGING TECHNOLOGIES



❖ Cooperation to promote the development of the Fintech sector in the Parties to the agreement. It seeks to establish cooperation frameworks that allow entrepreneurs in the sector from each Party to interact with each other.

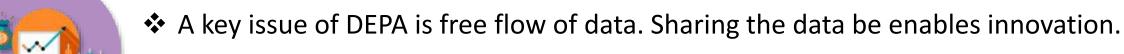


- *Recognizing the importance of the development of Artificial Intelligence technologies, it seeks to promote the generation of ethical and governance frameworks that allow the development of this technology in a reliable, safe and responsible manner. For this, it aims to follow internationally recognized guidelines on Artificial Intelligence (for example, OECD).
- The promotion of the use of digital tools for public procurement processes.
- Cooperation frameworks are established for competition policies, as well as sharing good practices among competition agencies.

INNOVATION ON DIGITAL ECONOMY



- ❖ Promote innovation in the digital economy. DEPA establishes disciplines on Public Domain, Data Innovation, and Open Government Data.
- DEPA recognizes the importance of having access to information in the Public Domain. In addition, DEPA includes provision to make the information available to the public, through databases.

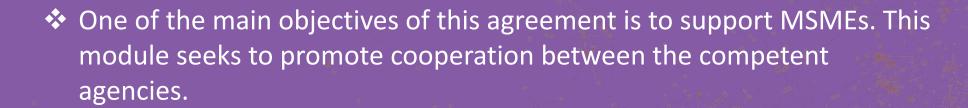


- ❖ DEPA recognizes that data sharing mechanisms, such as trusted data sharing frameworks and open licensing agreements, facilitate data sharing and promote its use in the digital environment.
- ❖ In addition, the agreement promotes the establishment of government open data programs. For this, normative frameworks are established that allow cooperation in ways of publishing government data, including identification of the type of relevant data, development of new products and the generation of open license models for this data.



COOPERATION ON MSMEs ISSUES







- The Parties will share information on how the benefits of this agreement can be used, in an easy and accessible way.
- This information may include topics such as: customs regulations, procedures or contact points; regulations regarding data flows and innovation.
- ❖ The creation of a Dialogue of Digital MSMEs is established, which includes the private sector and civil society. The objective of this dialogue will be the promotion of the digital economy through the use of DEPA.



Korea

DEPA members already started the accession process with Korea. After a series of previous meetings before the notification of interest to join DEPA, the Accession Working Group was established. Currently we are reviewing Korea's laws and regulation to check if comply with DEPA standards.

China

China sent their official applying notification to New Zealand on November 1st of 2021. After that, DEPA members have been meeting with China to start the evaluation process to check if their internal laws and regulations comply with DEPA standards.

Canada

Canada has manifested its interest in joining DEPA. There has been meetings to understand both DEPA and Canada commonalities in their laws and legislations. Currently, Canada is under consultations to start the official accession process.

