



**Asia-Pacific
Economic Cooperation**

2024/SOM3/CTI/004
Agenda Item: 7.b

Digital Economy Partnership Agreement

Purpose: Information
Submitted by: Chile



**Third Committee on Trade and
Investment Meeting
Lima, Peru
21-22 August 2024**



DEPA

ACUERDO DE ASOCIACIÓN
DE ECONOMÍA DIGITAL

DIGITAL ECONOMY

PARTNERSHIP AGREEMENT

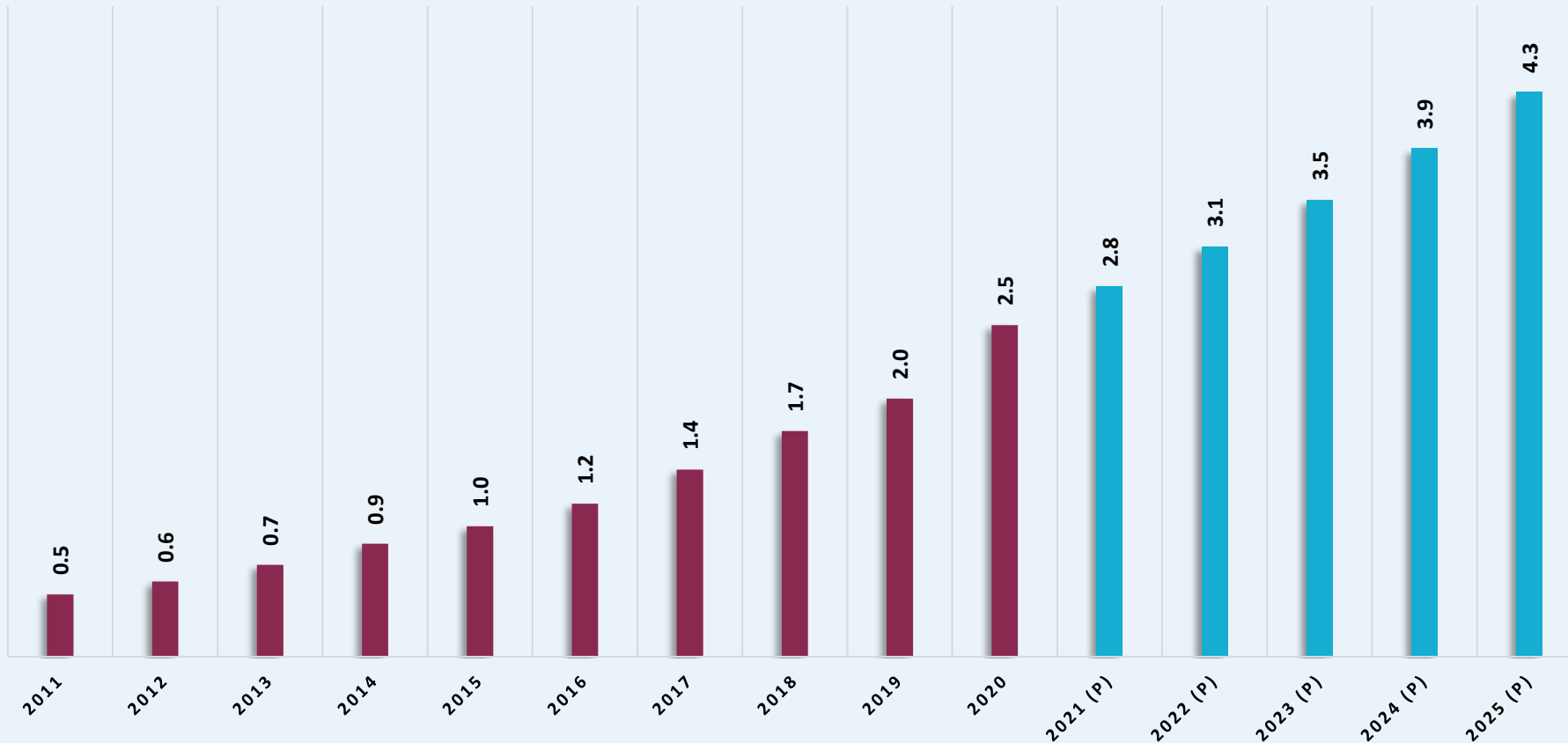
Krasna Bobenrieth
HEAD APEC DEPARTMENT



DIGITAL TRADE: PILAR OF GLOBAL ECONOMY

GLOBAL CROSS-BORDER E-COMMERCE

(US\$ BILLION)



52%

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

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



DIGITAL ECONOMY PARTNERSHIP AGREEMENT

CHILE, NEW ZEALAND, SINGAPORE, REPUBLIC OF KOREA

- 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.



DEPA CONTENTS



TRADITIONAL TOPICS

PAPERLESS TRADE

ELECTRONIC SIGNATURE

LOGISTICS

ELECTRONIC PAYMENTS

CONSUMER PROTECTION

PUBLIC PROCUREMENT



NEW TRADE-RELATED ISSUES

DIGITAL PRODUCTS

CUSTOM DUTIES MORATORIUM

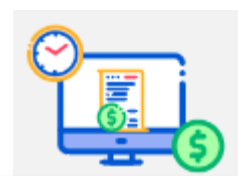
FREE-FLOW OF DATA

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

DEPA OBJECTIVES



Faciliate

Seamless End-to-end digital trade

E-Invoicing

E-payments

Paperless trading

Domestic Electronic
transactions framework



ENABLE

Open & Secure Data Flows

Cross-Border Data Flows

Personal Data Protection

Location of computing facilities

Open government & Data
Innovation



BUILD

Trust in Digital Systems

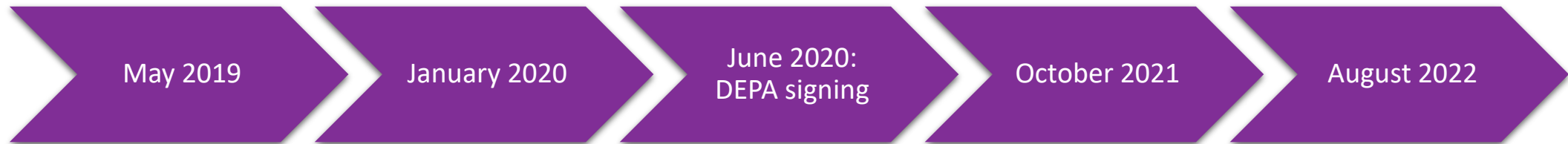
Artificial Intelligence

Cybersecurity

Online consumer protection



DEPA NEGOTIATION PROCESS



Milestones

May 17, 2019: Launch of negotiations APEC MRT 2019 meeting (Viña del Mar, Chile)

January 21, 2020: Conclusion of negotiations (Singapore).

June 11, 2020: DEPA digital subscription (Santiago, Wellington & Singapore).

January 7, 2021: DEPA entered into force in Singapore and New Zealand.

October 4, 2021: The Accession Working Group process is established with the Republic of Korea.

November 23, 2021: DEPA entered into force in Chile.

August 18, 2022: The Accession Working Group process with the People's Republic of China is established.

August 25, 2022: The Accession Working Group process with Canada is established.



DEPA NEGOTIATION PROCESS



Milestones

June 8, 2023: Conclusion of negotiations (Republic of Korea).

July 15, 2023: The Protocol to the DEPA was signed in Auckland, New Zealand.

September 29, 2023: The Accession Working Group with Costa Rica is established.

March 4, 2024: The Republic of Korea deposits its instrument of accession.

March 19, 2024: The Protocol to the DEPA enters into force.

May 3, 2024: The Republic of Korea accedes to the DEPA and becomes a full member.



2024 DEPA HIGHLIGHTS

- On May 3, 2024, the DEPA entered into force by the **Republic of Korea**. ROK is the first economies to join the DEPA after successfully conclude a process of accession.
- On March 20, 2024, the **Protocol to the DEPA**, originally signed on July 2023, entered into force. The Protocol reinforces the legal certainty and enforceability of key rules in the original DEPA :
 - 1) Cross-border transfer of information by electronic means;
 - 2) Location of computer facilities;
 - 3) Non-discriminatory treatment of digital products; and
 - 4) Information technology and communication products using cryptography.



DEPA: A LIVING AGREEMENT OPEN TO ACCESSIONS

Article 16.4: Accession

“This Agreement is open to accession on terms to be agreed among the Parties, and approved in accordance with the applicable legal procedures of each Party (...)”

How does this work?

The DEPA has a **Joint Committee** consisting of government representatives of each Party, which must consider any matter relating to the implementation or operation of the Agreement, including the establishment of subsidiary bodies and the terms of accession.

Steps:

- ❖ Aspirant economies are encouraged to engage informally with all DEPA Parties regarding their interest in joining the DEPA prior to submitting a formal request.
- ❖ Aspirant economies must notify New Zealand, as DEPA depositary, of their formal request to commence discussions on acceding to the DEPA (“Accession Request”).
- ❖ If consensus is reached among DEPA members, the Joint Committee will issue a **public decision** to establish an **Accession Working Group (AWG)** .

DEPA Members have made public a document containing guidelines regarding the accession process to the DEPA.



DEPA: A LIVING AGREEMENT OPEN TO ACCESSIONS

HOW DOES A DEPA ACCESSION WORKING GROUP WORK?

- The **Accession Working Group (AWG)** will comprise government representatives from each DEPA Party.
- The **Chair** of the Accession Working Group will be appointed by **consensus**.
- The aspirant economy must demonstrate to the AWG the efforts made to date, as well as identify any additional changes it will need to make to its domestic laws and regulations in order to meet the benchmarks as set out in paragraph 7.
- After finalizing negotiations, the AWG will submit a written report (approved by consensus), making a recommendation to the **Joint Committee** regarding the terms for the aspirant economy's accession to the DEPA.
- Then, **the Joint Committee will determine, by consensus, whether to approve the terms for the accession to the DEPA submitted by the AWG**. If the Joint Committee adopts a decision approving the terms for the accession and inviting an aspirant economy (accession candidate) to become a Party to the DEPA, the Joint Committee will specify a period of six months, which may be subject to extension by agreement of the DEPA Parties, during which the accession candidate may deposit an instrument of accession with the Depositary indicating that it accepts the terms for the accession.



REPUBLIC OF KOREA'S ACCESSION



- ❖ **September 13, 2021, Korea made the formal request to join the DEPA.**
- ❖ **October 5, 2021 - Establishment of the Working Group (AWG) – Singapore Chair.**
- ❖ **Six AWG Meetings took place.**
- ❖ **June 8, 2023 - Substantial conclusion of negotiations (OECD, MCM).**
- ❖ **September 4, 2023 - Adoption of the Joint Committee Decision.**
- ❖ **March 4, 2024 - Korea deposits its instrument of accession and accepts the Terms of Accession.**
- ❖ **May 3, 2024 – Korea formally accedes to the DEPA, becoming the first economy to join the agreement after successfully conclude an accession process.**



CURRENT ACCESSION PROCESSES TO DEPA

CHINA

China submitted a formal request to join the DEPA on November 1, 2021

On August 18, 2022, the Joint Committee issued the decision establishing an AWG

Chair: CHILE

CANADA

Canada submitted a formal request to join the DEPA on May 22, 2022.

On August 24, 2022 the Joint Committee issued the decision establishing an AWG

Chair: NEW ZEALAND

COSTA RICA

Costa Rica submitted a formal request to join the DEPA on December 23, 2022.

On September 29, 2023, the Joint Committee issued the decision establishing AN awg

Chair: NEW ZEALAND

FORMAL REQUESTS FOR ACCESSION:



COLLABORATION AND SYNERGY OPPORTUNITIES

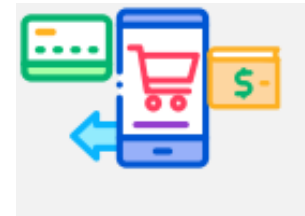
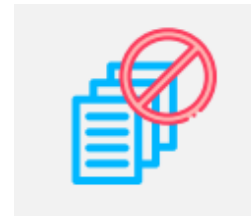
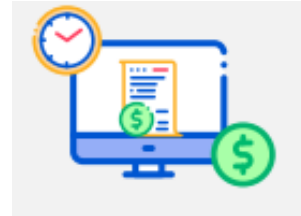
DEPA members may seek to leverage these opportunities by aligning with initiatives and projects that members are advancing in other forums or at the bilateral level. Some examples:

- ❖ **APEC Single Window Interoperability Action Plan**, which aims to establish a pilot -on a voluntary basis- to facilitate the exchange of trade data.
- ❖ New Zealand and Singapore are working on an **International Connectivity System (ICS)** which will include the exchange of e-certificates for animal products such as meat products with New Zealand.
- ❖ New Zealand and Singapore have also adopted the **Peppol electronic invoicing standard**, which allows businesses in both economies to trade with overseas partners seamlessly, facilitating shorter invoice processing times, faster payments, and cost savings.



MOVING FORWARD

- ❖ DEPA establishes a high standard for digital trade commitments, building on previous agreements like the CPTPP, and fosters international collaboration in emerging areas of the digital economy.
- ❖ DEPA members are pleased with the international interest DEPA has garnered so far and are optimistic that it will continue to attract economies with similarly high ambitions in digital trade.



DEPA

ACUERDO DE ASOCIACIÓN
DE ECONOMÍA DIGITAL

THANK YOU!



Krasna Bobernieth (kbobenrieth@subrei.gov.cl)
Head APEC Department
www.subrei.gov.cl