



18 September 2020

JOINT STANDING COMMITTEE ON TREATIES

By online submission

AUSTRALIA-SINGAPORE DIGITAL ECONOMY AGREEMENT – BSA COMMENTS

BSA | The Software Alliance (**BSA**) congratulates the Australian Government for signing the Australia-Singapore Digital Economy Agreement (**AU-SG DEA**) with the Government of Singapore on 6 August 2020. International agreements like the AU-SG DEA best places the economy of Australia to compete and thrive in the global marketplace. Digital connectivity enables economic growth and job creation, both of which are of critical importance for Australia in today's uncertain economic environment.

We commend Australia for its strong leadership on digital transformation and technology in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (**CPTPP**) and the World Trade Organization E-Commerce Negotiations, and for once again leading the way with Singapore on digital trade through this ground-breaking AU-SG DEA. Australia and Singapore are playing a leading role in advancing digital trade norms around the world, and the AU-SG DEA is an important step in building a global consensus on data.

Open and innovative economies are increasingly negotiating trade agreements that ensure their cross-border access to cutting-edge software and emerging technologies.

Forward-looking digital trade rules like those found in the AU-SG DEA help ensure such continued access, and support job creation, innovation, productivity growth, and overall competitiveness in the digital economy. In Australia and other countries, organisations of all sizes and across all sectors — from agriculture and manufacturing to financial services and health care — rely on smart digital trade policies suited to today's innovation ecosystem, including those that preserve and facilitate the movement of data across borders.

Statement of Interest

BSA is the leading advocate for the global software industry before governments and in the international marketplace. BSA's members¹ are at the forefront of data-driven innovation that is fuelling global economic growth, including cutting-edge advancements in artificial intelligence (**AI**),

¹ BSA's members include: Adobe, Amazon Web Services, Atlassian, Autodesk, AVEVA, Bentley Systems, Box, Cadence, Cisco, CNC/Mastercam, IBM, Informatica, Intel, MathWorks, Microsoft, Okta, Oracle, PTC, Salesforce, ServiceNow, Siemens Industry Software Inc., Sitecore, Slack, Splunk, Synopsys, Trend Micro, Trimble Solutions Corporation, Twilio, and Workday.

machine learning, cloud-based analytics, and the Internet of Things. These innovations are helping to make our devices smarter, our businesses more competitive, and the delivery of government services more efficient. BSA's members have made significant investments in Australia and are proud that many Australian organisations and consumers continue to rely on BSA member products and services to support Australia's economy.

BSA's Recommendations for the AU-SG DEA

BSA recommends that the committee support the ratification of the AU-SG DEA.

Key provisions in the agreement are the assurances that each country will not prohibit or restrict the cross-border transfer of information by electronic means and that each country will not require the use or location of computing facilities in its own territory. These provisions also permit derogations that address Australian public policy objectives. BSA and its members strongly support these outcomes. BSA also notes that the AU-SG DEA helpfully provides cross-border data flows and localization rules for the financial services sector that are substantially the same as the rules of general applicability.

BSA also applauds the prohibition on customs duties on electronic transmissions by both countries. Such duties would have an immediate impact on the digital economies of both Australia and Singapore and would place an unnecessary burden on trade for Australian businesses.

The AU-SG DEA trade provisions extend far beyond data transfers to a range of additional important digital trade provisions. These include:

- **Prohibition on access to or disclosure of software source code as a condition for the import, distribution, sale or use of software.** Governments should not require or pressure companies to transfer or disclose their technology — such as source code or trade secrets, including algorithms — as a condition for market access.
- **New commitments on e-invoice and e-payment frameworks.** Interoperable national digital payment and invoicing frameworks are strong digital business and productivity drivers. BSA also strongly supports the stated aims of both governments to promote the international adoption of global policies and rules for electronic invoicing and payments.
- **Mutual recognition and interoperability for electronic signature, authentication, and digital identity frameworks.** These are important provisions that reduce unnecessary and outdated processes, and support individuals and businesses in Australia by allowing them to conduct business quickly and securely with customers and partners in Singapore.
- **Interoperability of personal information protection regimes.** BSA applauds the inclusion of interoperability of personal information protection in the agreement. Privacy and security are bedrock principles for the digital economy and international interoperability of these principles are strongly supported by BSA.
- **Cooperation on AI.** No other trade agreement has yet included trade rules in this area. Australia thus has taken the opportunity to “set ambitious benchmarks for others in the region” and globally in this regard.
- **Open Government Data.** BSA commends the addition of a provision on open government data. Government-generated data can serve as a powerful economic driver, promoting economic growth and enabling innovation.

Conclusion

BSA once again congratulates the Australian government on the successful signing of the AU-SG DEA negotiations, and commends Australia's consultative process and strong engagement of the industry in developing Australia's strategy for negotiating the AU-SG DEA.

BSA and our members commend the AU-SG DEA to the committee and encourage JSCOT to support its ratification.

BSA looks forward to continued collaboration with the Australian Government and their regional partners across the Asia-Pacific as they continue to advance international norms on digital trade. If you require any clarification or further information in respect of this submission, please contact the undersigned at brianf@bsa.org or +65 8328 0140.

Yours faithfully,

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BSA | The Software Alliance