

MODULE 2

BUSINESS AND TRADE FACILITATION

Article 2.1: Definitions

For the purposes of this Module:

electronic invoicing or **e-invoicing** means the automated creation, exchange and processing of request for payments between suppliers and buyers using a structured digital format;

electronic payments means the payer's transfer of a monetary claim on a person that is acceptable to the payee and made through electronic means;

electronic record means a record generated, communicated, received or stored by electronic means in an information system or for transmission from one information system to another;

open standard means a standard that is made available to the general public, developed or approved and maintained via a collaborative and consensus driven process, in order to facilitate interoperability and data exchange among different products or services and is intended for widespread adoption;

single window means a facility that allows persons involved in a trade transaction to electronically lodge data and documents with a single entry point to fulfil all import, export and transit regulatory requirements;

trade administration documents means forms issued or controlled by a Party that must be completed by or for an importer or exporter in connection with the import or export of goods; and

UNCITRAL means the United Nations Commission on International Trade Law.

Article 2.2: Paperless Trading

1. Each Party shall make publicly available, including through a process prescribed by that Party, electronic versions of all existing publicly available trade administration documents.²

2. Each Party shall provide electronic versions of trade administration documents referred to in paragraph 1 in English or any of the other official languages of the WTO, and shall endeavour to provide such electronic versions in a machine-readable format.

² For greater certainty, electronic versions of trade administration documents include trade administration documents provided in a machine-readable format.

3. Each Party shall accept electronic versions of trade administration documents as the legal equivalent of paper documents, except where:

- (a) there is a domestic or international legal requirement to the contrary; or
- (b) doing so would reduce the effectiveness of trade administration.

4. Noting the obligations in the *WTO Trade Facilitation Agreement*, each Party shall establish or maintain a single window that enables persons to submit documentation or data requirements for importation, exportation, or transit of goods through a single entry point to the participating authorities or agencies.

5. The Parties shall endeavour to establish or maintain a seamless, trusted, high-availability³ and secure interconnection of their respective single windows to facilitate the exchange of data relating to trade administration documents, which may include:

- (a) sanitary and phytosanitary certificates;
- (b) import and export data; or
- (c) any other documents, as jointly determined by the Parties, and in doing so, the Parties shall provide public access to a list of such documents and make this list of documents available online.

6. The Parties recognise the importance of facilitating, where relevant in each jurisdiction, the exchange of electronic records used in commercial trading activities between the Parties' businesses.

7. The Parties shall endeavour to develop systems to support the exchange of:

- (a) data relating to trade administration documents referred to in paragraph 5 between the competent authorities of each Party;⁴ and
- (b) electronic records used in commercial trading activities between the Parties' businesses, where relevant in each jurisdiction.

8. The Parties recognise that the data exchange systems referred to in paragraph 7 should be compatible and interoperable with each other. To this end, the Parties recognise the role of internationally recognised and, if available, open standards in the development and governance of the data exchange systems.

³ For greater certainty, "high availability" refers to the ability of a single window to continuously operate. It does not prescribe a specific standard of availability.

⁴ The Parties recognise that the data exchange systems referred to in this paragraph may refer to interconnection of the single windows referred to in paragraph 5.

9. The Parties shall cooperate and collaborate on new initiatives which promote and advance the use and adoption of the data exchange systems referred to in paragraph 7, including but not limited to, through:

- (a) sharing of information, experiences and best practices in the area of development and governance of the data exchange systems; and
- (b) collaboration on pilot projects in the development and governance of data exchange systems.

10. The Parties shall cooperate bilaterally and in international fora to enhance acceptance of electronic versions of trade administration documents and electronic records used in commercial trading activities between businesses.

11. In developing other initiatives which provide for the use of paperless trading, each Party shall endeavour to take into account the methods agreed by relevant international organisations.

Article 2.3: Domestic Electronic Transactions Framework

1. Each Party shall maintain a legal framework governing electronic transactions consistent with the principles of:

- (a) the UNCITRAL Model Law on Electronic Commerce (1996); or
- (b) the *United Nations Convention on the Use of Electronic Communications in International Contracts*, done at New York, November 23, 2005.

2. Each Party shall endeavour to adopt the UNCITRAL Model Law on Electronic Transferable Records (2017).

3. Each Party shall endeavour to:

- (a) avoid imposing any unnecessary regulatory burden on electronic transactions; and
- (b) facilitate input by interested persons in the development of its legal framework for electronic transactions.

Article 2.4: Logistics

1. The Parties recognise the importance of efficient cross border logistics which help lower the cost and improve the speed and reliability of supply chains.

2. The Parties shall endeavour to share best practices and general information regarding the logistics sector, including but not limited to the following:

- (a) last mile deliveries, including on-demand and dynamic routing solutions;
- (b) the use of electric, remote controlled and autonomous vehicles;
- (c) facilitating the availability of cross-border options for the delivery of goods, such as federated lockers; and
- (d) new delivery and business models for logistics.

Article 2.5: Electronic Invoicing

1. The Parties recognise the importance of e-invoicing which increases the efficiency, accuracy and reliability of commercial transactions. The Parties also recognise the benefits of ensuring that the systems used for e-invoicing within their respective jurisdictions are interoperable with the systems used for e-invoicing in the other Parties' jurisdictions.

2. Each Party shall ensure that the implementation of measures related to e-invoicing in its jurisdiction is designed to support cross-border interoperability. For that purpose, each Party shall base its measures related to e-invoicing on international standards, guidelines or recommendations, where they exist.

3. The Parties recognise the economic importance of promoting the global adoption of interoperable e-invoicing systems. To this end, the Parties shall share best practices and collaborate on promoting the adoption of interoperable systems for e-invoicing.

4. The Parties agree to cooperate and collaborate on initiatives which promote, encourage, support or facilitate the adoption of e-invoicing by businesses. To this end, the Parties shall endeavour to:

- (a) promote the existence of underlying infrastructure to support e-invoicing; and
- (b) generate awareness of and build capacity for e-invoicing.

Article 2.6: Express Shipments

1. The Parties recognise that electronic commerce plays an important role in increasing trade. To this end, to facilitate trade of express shipments in electronic commerce, the Parties shall ensure that their respective customs procedures are applied in a manner that is predictable, consistent and transparent.

2. Each Party shall adopt or maintain expedited customs procedures for express shipments while maintaining appropriate customs control and selection. These procedures shall:

- (a) provide for information necessary to release an express shipment to be submitted and processed before the shipment arrives;

- (b) allow a single submission of information covering all goods contained in an express shipment, such as a manifest, through electronic means if possible;⁵
 - (c) to the extent possible, provide for the release of certain goods with a minimum of documentation;
 - (d) under normal circumstances, provide for express shipments to be released within six hours after submission of the necessary customs documents, provided the shipment has arrived; and
 - (e) apply to shipments of any weight or value recognising that a Party may require formal entry procedures as a condition for release, including declaration and supporting documentation and payment of customs duties, based on the good's weight or value.
3. If a Party does not provide the treatment in paragraphs 2(a) through 2(e) to all shipments, that Party shall provide a separate⁶ and expedited customs procedure that provides that treatment for express shipments.

4. Each Party shall provide for a *de minimis* shipment value or dutiable amount for which customs duties will not be collected, aside from restricted or controlled goods, such as goods subject to import licensing or similar requirements.⁷ Each Party shall review the amount periodically taking into account factors that it may consider relevant, such as rates of inflation, effect on trade facilitation, impact on risk management, administrative cost of collecting duties compared to the amount of duties, cost of cross-border trade transactions, impact on SMEs or other factors related to the collection of customs duties.

Article 2.7: Electronic Payments⁸

1. Noting the rapid growth of electronic payments, in particular, those provided by new payment service providers, Parties agree to support the development of efficient, safe and secure cross border electronic payments by fostering the adoption and use of internationally accepted standards, promoting interoperability and the interlinking of payment infrastructures, and encouraging useful innovation and competition in the payments ecosystem.

2. To this end, and in accordance with their respective laws and regulations, the Parties recognise the following principles:

⁵ For greater certainty, additional documents may be required as a condition for release.

⁶ For greater certainty, "separate" does not mean a specific facility or lane.

⁷ Notwithstanding this Article, a Party may assess customs duties, or may require formal entry documents, for restricted or controlled goods such as goods subject to import licensing or similar requirements.

⁸ For greater certainty, nothing in this Article shall be construed to impose an obligation on a Party to modify its domestic rules on payments, including, *inter alia*, the need to obtain licences or permits or the approval of access applications.

- (a) The Parties shall endeavour to make their respective regulations on electronic payments, including those pertaining to regulatory approval, licensing requirements, procedures and technical standards, publicly available in a timely manner.
- (b) The Parties shall endeavour to take into account, for relevant payment systems, internationally accepted payment standards to enable greater interoperability between payment systems.
- (c) The Parties shall endeavour to promote the use of Application Programming Interface (API) and to encourage financial institutions and payment service providers to make available APIs of their financial products, services and transactions to third party players where possible to facilitate greater interoperability and innovation in the electronic-payments ecosystem.
- (d) The Parties shall endeavour to enable cross-border authentication and electronic know-your-customer of individuals and businesses using digital identities.
- (e) The Parties recognise the importance of upholding safety, efficiency, trust and security in electronic payment systems through regulation. The implementation of regulation should, where appropriate, be proportionate to and commensurate with the risks posed by the provision of electronic payment systems.
- (f) The Parties agree that policies should promote innovation and competition in a level playing field and recognise the importance of enabling the introduction of new financial and electronic payment products and services by incumbents and new entrants in a timely manner such as through adopting regulatory and industry sandboxes.