Chapter

Content Overview of RCEP

Chapter 2 Content Overview of RCEP

Section 1 Framework

The text of RCEP consists of a preamble of 20 chapters (including initial provisions and general definitions, trade in goods, rules of origin, customs procedures and trade facilitation, sanitary and phytosanitary measures, standards, technical regulations and conformity assessment procedures, trade remedies, trade in services, temporary movement of natural persons, investment, intellectual property, electronic commerce, competition, small and medium enterprises, economic and technical cooperation, government procurement, general provisions and exceptions, institutional provisions, dispute settlement, and final provisions), and 4 annexes to the market access commitment forms (including the schedule of tariff commitments, the schedule of specific commitments for services, the schedule of reservations and non-conforming measures for services and investment, and the schedules of specific commitments on temporary movement of natural persons).

Table 2.1.1 RCEP chapters

Chapter	Title	Chapter	Title
1	Initial Provisions and General Definitions	11	Intellectual Property
2	Trade in Goods	12	Electronic Commerce
3	Rules of Origin	13	Competition
4	Customs Procedures and Trade Facilitation	14	Small and Medium Enterprises
5	Sanitary and phytosanitary Measures	15	Economic and Technical Cooperation
6	Standards, Technical regulations, and Conformity Assessment Procedures	16	Government Procurement
7	Trade Remedies	17	General Provisions and Exceptions
8	Trade in Services	18	Institutional Provisions
9	Temporary Movement of Natural Persons	19	Dispute Settlement
10	Investment	20	Final Provisions

I. Trade in Goods

The chapter on trade in goods discusses key elements for guiding the implementation of goods-related commitments. Arrangements for the liberalization of trade in goods are made between 15 parties using a bilateral two-by-two approach. Once the agreement comes into force, the tariff of more than 90% of trade in goods in the region will be reduced to zero, mostly with immediate effect or set to come into effect within 10 years. This will make the RCEP FTA deliver on its commitment to liberate all trade in goods in a relatively short time.

The RCEP uses the principle of "regional accumulation of the rules of origin", which allows for the accumulation of the value components of the products' origin within the regions of 15 parties, with the value components from any one of the RCEP parties being taken into account, which will significantly increase the utilization of the agreement's preferential tariff rates. Meanwhile, compared to the previous "10+1" agreements, the RCEP further expands upon the types of certificates of origin by allowing for approved exporter declarations as well as self-declarations by exporters. The elimination of barriers of origin means that regional industrial chains will be more closely linked, and enterprises can rationalize the production chain by taking advantage of the differences in endowments and comparative strengths of different countries, thus improving the international competitiveness of products in the region.

The RCEP's trade facilitation measures include the facilitation of customs procedures and trade measures along with sanitary and phytosanitary measures, as well as measures on standards, technical regulations, and conformity assessment procedures.

The chapter on the facilitation of customs procedures and trade discusses enabling an environment in which global and

regional supply chains can flourish by ensuring predictability, consistency, and transparency in the implementation of customs laws and regulations, and by promoting the efficient management of customs procedures and the expeditious clearance of goods. Additionally, this chapter also aims at maintaining consistency with the WTO's Agreement on Trade Facilitation and simplifying and coordinating international best practices and standards.

The chapter on sanitary and phytosanitary measures sets a basic framework for food safety and the requirements safeguarding the health of humans, animals, and plants based on scientific principles. This chapter aims to ensure that such measures are applied only to the extent necessary to protect health, making them pose as little restriction on trade as possible whilst not unfairly discriminating between parties in similar circumstances. This chapter reinforces the implementation of the WTO's Agreement on the Application of Sanitary and Phytosanitary Measures.

The chapter on standards, technical regulations, and conformity assessment procedures strengthens and reinforces the WTO's Agreement on Technical Barriers to Trade.

II. Trade in Services

The chapter on trade in services discusses creating conditions for parties to further expand their trade in services by eliminating restrictive and discriminatory measures that affect their cross-border trade in services. The chapter includes modern and comprehensive provisions on market access rules, national treatment, most-favored-nation treatment, local presence, and other commitments which are subject to the Parties' Schedule of Specific Commitments or Schedule of Non-Conforming Measures Commitments and additional commitments.

In terms of services, Japan, South Korea, Australia, Singapore,

Brunei, Malaysia and Indonesia have adopted negative list commitments, while China, New Zealand, Malaysia, Thailand, the Philippines, Cambodia, Myanmar and Laos have adopted positive list commitments which will be converted into negative lists within six years of the agreement's coming into force. In terms of the level of liberalization, all 15 parties have made liberalization commitments which are higher than the level of their respective "10+1" FTAs.

This chapter also contains three annexes on financial services, telecommunication services, and professional services. The annexes on financial services and telecommunications services provide more comprehensive, higher-level commitments in the areas of finance and telecommunications, while the annex on professional services provides cooperative arrangements for the mutual recognition of professional qualifications. Specifically, **the annex on financial services** introduces rules on new financial services, self-regulatory organizations, the transferral and processing of financial information for the first time, and provides a high level of commitment to transparency in financial regulation. **In the telecommunications sector,** the RCEP will adopt a high level of market liberalization rules, with liberalization provisions being made on issues such as the portability of cellular phone numbers and international cellular phone roaming charges. **The annex on professional services** provides information on a series of arrangements for exchanges among RCEP Parties on professional qualifications.

In relation to the movement of natural persons, compared to previous agreements, the RCEP extends the application of commitments to all categories of natural persons who may move across borders under the agreement, such as investors other than service providers and accompanying spouses and family members,

and the level of these commitments largely exceeds the level of commitments made by each party in existing FTAs. This chapter also outlines obligations relating to transparency and the entry formalities required for the natural persons specified in each party's Schedule of Concessions. Discussions are still ongoing regarding the framework of commitments on the movement of natural persons and its relationship with the commitments in the chapter of services.

III. Investment

The investment rules stipulated by the RCEP refer to Chapter 10, with 18 articles covering four standardized aspects of investment protection, liberalization, promotion, and facilitation. Integrated and upgraded on the basis of the original ASEAN "10+1" FTA investment rules, this chapter adds the commitments of most-favored-nation treatment, the adoption of negative lists for market access commitments in non-service areas, and the application of a ratchet mechanism (i.e. the level of liberalization shall not revert to a more restrictive form). RCEP Parties have adopted negative lists to make a higher level of liberalization commitments in the 5 non-service sectors of manufacturing, agriculture, forestry, fisheries, and mining, and thus they have significantly enhanced the policy transparency of all parties. The annexes on "customary international law" and "expropriation", as well as the table of commitments on investment and non-conformity measures, are attached to this chapter.

IV. Dispute Settlement

Chapter 19 sets out a dispute settlement system, with 21 articles designed to provide an efficient and transparent procedure for the settlement of disputes arising under the agreement. It specifies the choice of forum for dispute settlement, consultations between the parties involved in the dispute, good offices, mediation

or conciliation, the establishment of a panel of experts, and the rights of third parties. This chapter also details the functions of the above-mentioned panel, the execution of the review procedure, compensation, and the suspension of concessions or other obligations.

In addition to provisions on the choice of jurisdiction, consultation, good offices, conciliation, or mediation, the establishment of a panel of experts, the rights of third parties with an interest in the case, and provisions on the functions and procedures of a panel of experts, another important provision of this chapter is the special and differential treatment involving least developed country (LDC) parties. Under this provision, parties should exercise due restraint in raising matters involving LDC Parties under this procedure.

V. Other Rules

The RCEP expands the areas covered by the rules of the previous "10+1" FTA. It not only is benchmarked against high-level international economic and trade rules by incorporating topics such as IP, e-commerce, competition, and government procurement, but also makes provisions for strengthening cooperation in areas such as SMEs and economic and technical partnerships. The RCEP will establish a set of rules for the protection and enforcement of intellectual property rights which are applicable to the entire region.

Intellectual Property. The chapter on intellectual property covers copyright, trademarks, geographical indications, patents, designs, genetic resources, traditional knowledge, and folklore. This is a shared commitment by RCEP members to uphold an effective and fair IP system. The RCEP will encourage investors to undertake projects in new areas and facilitate the dissemination of new information, knowledge, and technology within the region. Regional economic integration and cooperation will be further

deepened through the effective and adequate creation, use, protection, and enforcement of IP rights.

Government Procurement. The chapter on government procurement not only covers information exchange and cooperation, supply of technical assistance, and skills development, but also adds provisions for consideration, leaving room for further expansion and improvement of this chapter for all parties.

Competition. The chapter on competition policy specifies the principles of competition legislation and enforcement to be followed by all parties. This will benefit transparent, fair, and impartial enforcement by all parties. It also provides for various forms of cooperation in competition enforcement, which will be conducive to the strengthening of exchanges and cooperation in the field of competition policy.

For the first time, the RCEP has included a chapter on **e-commerce** with 17 articles, which is designed to be innovative enough to meet the rapid development of cross-border e-commerce trade. Among these articles, provisions on paperless trade, electronic authentication and electronic signatures, and temporary exemptions from tariffs help to create a more convenient online business environment; the provisions on consumers and personal information protection, disposal of unsolicited commercial electronic messages, cyber security and the avoidance of cyberattacks related to cross-border e-commerce along with provisions for enhancing transparency and e-commerce dialogue, restricting cross-border information transmission, and regulating data storage will all promote cooperation among relevant sectors and industries across parties.

Economic and technical cooperation. The chapter on economic and technical cooperation provides for the cooperation of parties in the implementation of technical assistance and

capacity-building projects for the promotion of a more inclusive and efficient implementation of the agreement, especially when catering for the developmental needs of the LDC Parties, and to promote the full use of the agreement for the development of their economies and a continuous reduction in the developmental gaps between members.

Small and medium enterprises (SMEs). Emphasis is placed on the full sharing of information related to SMEs in the RCEP, including the content of the agreement, laws and regulations in the area of trade and investment relevant to SMEs, and other business information related to SMEs' participation in, and benefits from, the agreement, with the aim of creating a broader platform for SMEs' cooperation and encouraging them to better integrate into regional value and supply chains by making more active use of FTAs and economic cooperation projects generated by FTAs.

Section 2 Provision Features and Comparison With Bilateral FTA

RCEP was the first trade and investment agreement negotiated in the process of high-level opening-up, an effort which took 8 years from inception to signing. Although it was formed on the basis of the previous "ASEAN+1", the integration of this agreement was not easy as it started with the objective of a high-level economic and trade partnership for the 21st century, which went beyond the standards and requirements of the multilateral trading system of the WTO. Governments of RCEP Parties have pledged that RCEP will be benchmarked against the WTO, including article 24 of the 1994 General Agreement on Tariffs and Trade and article 5 of the General Agreement on Trade in Services. The content of the RCEP is broader and deeper than the

ASEAN+1 FTA. These FTAs will continue to co-exist with the RCEP, which will promote trade and investment, enhance transparency, and strengthen participation in global and regional value chains.

The published texts show that the RCEP agreement is comprehensive, advanced, inclusive, open, and forward-looking.

In terms of comprehensiveness, the RCEP covers not only the traditional trade in goods, trade in services, investment and rules of origin, but also higher-level e-commerce cooperation provisions agreed for the first time within the region. In particular, the RCEP represents a marked improvement over the WTO in terms of the level of liberalization of trade in services. For instance, while China pledged to open about 100 services sectors when it joined the WTO, the RCEP added 22 new sectors such as R&D, management consulting, manufacturing-related services, and air transport, and relaxed foreign ownership restrictions in 37 sectors such as finance, law, construction, and shipping.

In terms of advancement, the RCEP adheres to the high standards required by FTAs in the 21st century. It not only provides for the eventual zero tariffs on 90% of goods and promotes customs clearance facilitation based on new technologies, but also fully implements the negative list system in the investment sector, establishes uniform rules of origin and the principle of regional accumulation of origin, thus lowering the threshold for certification of origin and enhancing the role of regional trade agreements. In addition, the agreement encourages enterprises to source products from among fellow parties rather than only in their own countries. The overall level of liberalization in trade in services and investment is significantly higher than in the previous ASEAN+1 FTAs. It also includes high-level modern topics such as IP, e-commerce, competition policy, and government procurement. Meanwhile, the

RCEP has added two important pairs of FTAs, which are China-Japan and Japan-South Korea, which significantly improves the level of freedom of trade in the region. It is estimated that in 2025 the RCEP will lead to 10.4% more exports than the baseline from its parties.

Specifically, in the area of trade in goods, the RCEP simplifies customs procedures and strengthens trade facilitation provisions by speeding up the clearance of goods, thus driving an increase in regional imports and exports of consumer goods and potentially opening up new markets in the food, agriculture, and healthcare sectors. In the area of rules of origin, the RCEP gives businesses greater flexibility so that they can benefit from the preferential treatment of market access and the cumulative rules of origin in the region. These cumulative rules of origins allow enterprises to include raw material and components from any party as originating components, making it easier for enterprises to satisfy the rules of origin required for exports and thus qualify preferential treatment. In terms of trade in services, RCEP Parties are committed to eliminating restrictive and discriminatory measures affecting trade in services. Parties also have listed restrictions on specific commitments in negative lists to provide greater certainty for service suppliers in other RCEP Parties. In terms of investment, the parties have pledged that no party shall make establishment, expansion in or operation in another party conditional on performance requirements for investors, with the aim of increasing transparency and ensuring that investors are free from performance requirements throughout their investment cycle. Additionally, the RCEP enhances trade openness and transparency in the Asia-Pacific region by setting out detailed provisions in areas such as IP rights for improving trade facilitation among parties in the region.

In terms of inclusiveness and openness, given the large differences in economic development levels among Parties, the RCEP sets a longer transition period for zero-tariff targets for Parties with lower levels of economic development (e.g. Cambodia, Laos, Myanmar, etc.), as well as a transition period of the adjustment of domestic regulations and regulatory systems. Meanwhile, the RCEP is open to the different characteristics of different countries' economic systems, their individual options of entry and exit, and various approaches to organization and expansion. It also gives differential treatment to the LDCs, with two chapters dedicated to SMEs and economic and technical cooperation to help developing parties strengthen themselves, promote inclusive and balanced development in the region, and share the fruits of the RCEP.

In terms of innovation, the RCEP updates the scope of the existing ASEAN+1 FTAs and takes into account the changing realities of trade. The RCEP makes market-opening commitments for investments in the form of a negative list. The rules of RCEP are adapted to the demands present in the era of the digital economy by covering trade facilitation, IP, e-commerce, competition, government procurement, and other high-level areas.

Section 3 Relationship Between RCEP and the Domestic Laws and Regulations of Member Countries

This section provides a comparative analysis of rules on trade in goods in major FTAs in the Asia-Pacific region. The analysis covers areas of market access, rules of origin, customs procedures and facilitation, sanitary and phytosanitary measures, technical barriers to trade, and trade remedies.

I. Trade in Goods

(A) Market Access

Market access is key to trade in goods. The core of market access is the level of liberalization of trade in goods, i.e. the proportion of tariff line products or imports of zero-tariff products to the tariff lines or imports of all products. Due to the diversified levels of economic development and diversified development models of Asian economies, there are significant differences in the levels of market access in FTAs. Most of the FTAs led by developed countries set higher standards for market access for trade in goods, requiring full liberalization of trade in goods with the rare exception of a few sensitive products. In particular, industrial products are almost completely open, while sensitive products are mainly in the agricultural sector. FTAs led by developing countries have a slightly lower level of liberalization of trade in goods with parties retaining a larger number of sensitive products that are not tariff-free to protect domestic industries. In general, FTAs signed by Asia-Pacific economies can be divided into the following four categories according to their level of liberalization of trade in goods: 1. FTAs where parties have completely opened up their goods trade markets, such as the FTAs signed between Singapore and Australia and between the US and the EU. 2. FTAs where the level of liberalization of trade in goods has reached 95% or higher, such as TPP/CPTPP, KORUS FTA, and the GCC-Singapore FTA. 3. FTAs where the level of liberalization of trade in goods has reached 90% or higher, such as the Japan-EU EPA, China-ASEAN FPA, China-South Korea FTA, India-Japan CEPA, China-Switzerland FTA, and RECP. 4. FTAs where parties retain a large number of sensitive products, with the level of liberalization of trade in goods lower than 90%, such as ASEAN-India FTA. Within the ASEAN, among the five "10+1" agreements, the proportion of tariff lines with zero tariffs to China is the highest, reaching 94.5% of the total tariff

lines and putting it above Japan, India, South Korea, Australia and New Zealand. In terms of trade value, with the exception of Australia and New Zealand, there is no clear gradient in the level of liberalization ASEAN commits to each party, with the general level being 90%.

The above data shows that although there are differences in the levels of commitments by RCEP Parties, the overall level of liberalization of trade in goods will exceed 90%, which is a medium to high level among Asian FTAs.

Table 2.3.1 Comparison of liberalization of levels in selected FTAs in Asia

FTA	Parties	Signing Time	Entry-into-force Time	Proportion of Zero Tariff Items	Proportion of Zero Tariff Trade Volume
RCEP	China, Japan, South Korea, Australia, New Zealand, ASEAN	2020/11/15	Not effective	90%	-
Singapore – EU FTA	Singapore	2018/10/19	2019/11/21	100%	100%
	EU			100%	100%
Singapore - United States FTA	Singapore	2003/2/17	2003/7/28	100%	100%
	United States			100%	100%
TPP	Singapore	2005/7/28	2006/5/28	100%	100%
	New Zealand			100%	100%
	Brunei		2006/7/12	100%	100%
	Chile		2006/11/8	100%	100%
TPP/CPTPP	Japan	2018/3/8	2018/12/30	95%	95%
	Canada			99%	100%
	Australia			100%	100%
	New Zealand			100%	100%
	Singapore			100%	100%
	Mexico			99%	99%
	Chile		Not effective	100%	100%
	Peru		Not effective	99%	100%
	Malaysia		Not effective	100%	100%
	Vietnam		2019/1/14	100%	100%
	Brunei		Not effective	100%	100%
Japan-EU EPA	Japan	2018/7/17	2019/2/1	94%	-
	EU			99%	-
South Korea -	South Korea	2010/12/6	2012/3/15	98%	-

United States FTA	United States	2018/9/24 (Revise)	2019/1/1	99%	-
India-Japan CEPA	India	2011/2/16	2011/8/1	87%	90%
	Japan			93%	97%
GCC -Singapore FTA	GCC	2008/12/15	2013/9/1	96.6%	98%
	Singapore			100%	100%
China-ASEAN FTA	China	2015/11/22 (Upgrade)	2016/7/1 China and Vietnam enter into force	94.3%	93.2%
	ASEAN		2019/10/22 Come into full force	94.5%	91.1%
China- South Korea FTA	China	2015/6/1	2015/12/20	91%	85%
	South Korea			92%	91%
China - Switzerland FTA	China	2013/7/6	2014/7/1	92%	84.2%
	Switzerland			89%	99.7%
ASEAN-India FTA	ASEAN	2009/8/13	2010/1/1	75.6%	88.2%
	India			74.2%	60.5%
ASEAN - South Korea FTA	ASEAN	2005/12		93.3%	89.2%
	South Korea			89.9%	90.7%
ASEAN- Australia- New Zealand FTA	ASEAN	2009/2/27		75.6	96%[2]；99%[3]
	Australia, New Zealand			100	100%

Source: Free Trade Agreements: Asia's Choice; A comparative study of ASEAN's external free trade agreements

(B) Rules of Origin

1. Origin criteria

The criteria of origin, which are at the heart of the rules of origin, are the criteria for determining whether a product is a good of origin in a party to the agreement. It primarily involves two categories: fully acquired, and non-fully acquired. Products that are fully acquired or procured by a party, and products that are produced entirely from materials of origin are directly recognized as goods of origin. Products that are produced from materials other than those of origin may also be recognized as goods or origin if they have been substantially transformed or fully processed by a

[2] 96% is calculated based on Australia's exports to ASEAN and comes from the Australian Ministry of foreign affairs and trade AANZFTA Fact Sheets.

[3] 99% is calculated based on New Zealand's four main export markets to ASEAN (Indonesia, Malaysia, Philippines and Vietnam) and comes from the Ministry of foreign affairs and trade of New Zealand (Key Outcomes: Agreement Establishing the ASE AN-Australia-New Zealand Free Trade Area).

party. Under the Kyoto Convention (1999), there are three main criteria for defining whether a product has undergone a substantial transformation: a change in tariff classification (CTC), a regional value component (RVC), and a technical requirement (TR).

A mixture of the above three criteria is used to determine the origin of products produced using non-originating materials. There are three major models. First, **the "full processing" criterion,** i.e. for a non-fully acquired product to qualify as an origin, it must undergo full processing or treatment. **Second, the "substantial change" criterion, which is adopted by the RCEP.** This means that for a non-fully acquired product to qualify as an origin, a substantial change in the list of "product-specific rules of origin" must occur, mostly based on a change in tariff classification combined with regional value components and process requirements. Third, **the "substantial change" criterion, but the "product-specific rules of origin" are based on regional value components** in conjunction with tariff classification changes and process requirements. The first model is represented by the Singapore-EU FTA and the GCC-Singapore FTA. In addition to the RCEP, the TPP/CPTPP, Japan-EU EPA, KORUS FTA, China-South Korea FTA, and the China-Switzerland FTA also adopt the second model. The China-ASEAN FTA and India-Japan CEPA adopt the third model.

In the ASEAN FTA, the tariff classification change is based on 4 digits. The standard for regional value components is 40%. The calculation of regional value components is all based on FOB prices, and the calculation may be conducted in direct and indirect approaches. The rules of origin also cover direct transport, packaging materials, accessories, spare parts, tools and neutral components. The general rules for determining substantial change are largely similar, with most ASEAN FTAs having the option of

either a "regional value component of 40%" or a "change of item" criterion. Only the ASEAN-India FTA is more specific, which requires a "regional value content of 35%" and a "subheading change" to be satisfied at the same time. There are also differences: the ASEAN FTA and the ASEAN-China FTA allow for higher levels of full accumulation and diagonal accumulation, while the rest of the FTAs are basic and lower levels of bilateral accumulation. Different rules for fully acquired categories and minor processing remain.

Table 2.3.2 Comparison of origin determination criteria for non-fully acquired products in selected Asia-Pacific Free Trade Agreements

FTA	Criteria	Composition of Judgment Criteria		
		Change of Tax Classification	Value Component	Processing Procedure Requirements
RCEP	Products using non-originating materials meet "product specific rules of origin"	Top 2 Top 4 Top 6	RVC≥40%	Chemical Reaction
Singapore – EU FTA	The products using non-originating materials shall be fully processed or treated, they shall meet the "list of processing procedures required to give products the qualification of origin after processing non-originating materials"	Top 4 Top 6	VNM≤20%～65%	Fossil Fuels, Wood, Textiles and Clothing, etc.
GCC -Singapore FTA	The products using non-originating materials are fully processed or produced, i.e., the value added of the qualified value shall not be less than 35% of the ex-factory price, or meet the "product specific rules of origin"	Top 4 Top 6	RVC≥35%	—
TPP/CPTPP	Products using non-originating materials meet the "product specific rules of origin"	Top 4 Top 6	RVC≥30%~55%	Fossil Fuels, Plastics, Leather, Textiles and Clothing, etc.
Japan-EU EPA	Products using non-originating materials meet the "product specific rules of origin"	Top 2 Top 4 Top 6	RVC≥35%～70% or VNM≤35%～70%	Fossil Fuels, Chemicals, Plastics, Rubber, Textiles and Clothing, etc.
South Korea - United States FTA	Products using non-originating materials meet the change of tariff classification or regional value content requirements required by the "product specific rules of origin"	Top 4 Top 6	RVC≥35%～55%	Chemicals, Plastics, Rubber, Textiles and Clothing, etc.
China- South Korea FTA	Products using non-originating materials meet the "product specific rules of origin"	Top 2 Top 4 Top 6	RVC≥40%～60%	—
China -	Products using non-originating	Top 2	VNM≤30%～60%	Coffee,

FTA	Criteria	Composition of Judgment Criteria		
		Change of Tax Classification	Value Component	Processing Procedure Requirements
Switzerland FTA	materials undergo substantial changes, that is, they meet the "product specific rules of origin"	Top 4 Top 6		Photosensitive Materials, Precious Metals
India -Japan CEPA	The qualified value components of products using non-originating materials shall not be less than 35% of the FOB price, and the top 6 places of tax classification are changed; Meet "product specific rules of origin"	Top 4 Top 6	RVC≥35%～50%	Textiles and Clothing

Source: Free Trade Agreements: Asia's choice

Table 2.3.3 Comparison of the content of the rules of origin of the RCEP and ASEAN FTAs

Rules of Origin	RCEP	ASEAN-China	ASEAN-China (Updated)	ASEAN-South Korea	ASEAN-Japan	ASEAN-India	ASEAN-Australia - New Zealand
Wholly Obtained	10 kinds	10 kinds	11 kinds	12 kinds	11 kinds	10 kinds	10 kinds
General Rule	Regional Value Component 40%	Regional Value Component 40%	Regional Value Component 40% Or Change of Tax Items	Regional Value Component 40% Or Change of Tax Items	Regional Value Component 40% Or Change of Tax Items	Regional Value Component 40 Or Change of Tax Items	Regional Value Component 40% Or Change of Tax Items
Computing Method	Direct + Indirect	Indirect	Indirect	Direct + Indirect	Indirect	Direct + Indirect	Direct + Indirect
Reference Price	FOB	FOB	FOB	FOB	FOB	FOB	FOB
Measurement Standard	None	None	10%	10%	7%、10%	None	10%
Cumulation	Regional Accumulation	Diagonal Accumulation	Diagonal Accumulation	Bilateral Accumulation	Bilateral Accumulation	Bilateral Accumulation	Bilateral Accumulation
Minimal Operations and Processes	11 kinds	3 kinds	3 kinds	15 kinds	7 kinds	10 kinds, for 5 kinds of textiles	6 kinds
Direct Consignment	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Packaging Materials	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Accessories, Spare Parts, and Tools	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Neutral component	No	Yes	Yes	Yes	Yes	Yes	Yes

Source: Shao Zhiqin (2014) and ASEAN FTA text.

2. Additional rules of origin

Rules of origin, in addition to origin criteria, also include some

additional rules, such as accumulation rules, de minimise rules, sets of goods, and so on. **In terms of accumulation rules,** most of the FTAs in the Asia-Pacific region adopt bilateral accumulation rules, i.e. when goods of origin of one Party are used for production in another Party, they can be regarded as originating in the latter Party and counted cumulatively with the originating components of the latter Party. The RCEP adopts bilateral accumulation rules, which is the same as Singapore-EU FTA, GCC-Singapore FTA, KORUS FTA, China-South Korea FTA, China-Switzerland FTA, India-Japan CEPA, and China-ASEAN FTA, etc.

In terms of de minimis rules, both RCEP and other Asian FTAs (except India-Japan CEPA) adopt a de minimise standard of 10%, i.e. all non-originating materials not exceeding 10% of the value or weight of the product without a change in the prescribed tariff classification are considered to be originating goods. The India-Japan CEPA is more stringent in terms of de minimise criterion, requiring that non-originating materials do not exceed 7% of the value of the product for products such as animal and vegetable oils and foodstuffs, and 7% of the weight of the product for textiles and clothing products.

In terms of sets of goods, the RCEP does not specify a standard, while the Singapore-EU FTA, TPP/CPTPP, Japan-EU EPA, KORUS FTA, China-South Korea FTA, etc. generally adopt a 15% standard. TPP/CPTPP lowers this standard to 10%, which is a more stringent requirement.

(C) Facilitation of customs procedures and trade

FTAs in the Asia-Pacific region all include separate chapters on the facilitation of customs procedures and trade, which focus on improving transparency, promoting facilitation and strengthening cooperation.

1. transparency requirements

In terms of transparency, Asian FTAs generally require timely publishing of information on customs laws, regulations and general administrative procedures, in the form of online or in print. It is also required to set up one or more enquiry points to receive enquiries from stakeholders. The RCEP does not put forward additional requirements on this basis. The TPP/CPTPP, KORUS FTA, China-South Korea FTA and China-Switzerland FTA further require that the laws to be generally adopted for customs matters be published in advance so that stakeholders have the opportunity to comment. The Japan-EU EPA also requires that, where appropriate, members hold regular consultations between customs authorities and other trade-related bodies, traders and other stakeholders.

2. Facilitation requirements

Most FTAs in the Asia-Pacific region require members to simplify customs procedures and implement measures to facilitate customs clearance, including advance ruling, the release of goods, and express shipment of goods.

In terms of the advance ruling, the RECP states that advance rulings shall be made within 90 days of receipt of all necessary information and shall be valid for at least three years. These advance rulings are not only valid for the applicant, but also binding on the Party making the advance ruling. The GCC-Singapore FTA requires 60 days of receipt of the application, the KORUS FTA and the China-South Korea FTA requires 90 days of receipt of the application, and the TPP/CPTPP requires 150 days of receipt of the application. In terms of the validity period of the advance ruling, the GCC-Singapore FTA requires no less than 2 years, the TPP/CPTPP requires at least 3 years, the China-ASEAN FTA requires 3 years or the period stipulated by domestic laws of each Party, and the China-Switzerland FTA also provides for a validity period of the advance ruling to be limited in accordance with

domestic laws.

In terms of release of goods, the RCEP stipulates that for general goods, Parties are required to adopt or establish simplified customs procedures for the release of such goods within 48 hours of arrival and submission of all information required for customs clearance, where possible. If further inspection of goods is required, the Party should review them within a reasonable period of time and without undue delay. This requirement is the same in the TPP/CPTPP, the KORUS FTA, and China-South Korea FTA. In addition, the TPP/CPTPP, the KORUS FTA and the China-South Korea FTA also include clauses on express shipment of goods that require separate and expedited customs procedures, allowing all goods in an express shipment to be included in one single manifest submitted, allowing certain goods to clear customs with minimal documentation and applying without regard to the weight or customs value of the shipment.

3. customs cooperation

In terms of customs cooperation, the RCEP encourages members to enhance coordination and communication between respective customs administrations and to share information on simplifying and harmonizing customs procedures, developing and implementing customs best practices and risk management techniques, improving technical skills and the capability of utilizing such skill, and the application of the Customs Valuation Agreement. On top of this, other agreements in Asia also specify priority areas for customs cooperation. For instance, TPP/CPTPP and the KORUS FTA require cooperation in the implementation and application of import/export regulations and Customs Valuation Agreement, import/export prohibitions or restrictions, investigation and prevention of customs law violations. The KORUS FTA also requires joint training programs to enhance exchanges in customs

laboratory technology.

(D) Sanitary and Phytosanitary (SPS) measures and technical barriers to trade (TBT)

SPS measures refer to sanitary measures taken in the areas of animal and plant quarantine and food safety; TBT refers to measures in the areas of standards, technical regulations and conformity assessment procedures. Most of Asia's FTAs include chapters on SPS and TBT, which require increased transparency, equivalence and consistency of relevant measures, the establishment of focal points and SPS and TBT committees to enhance cooperation and information exchanges. The SPS in the RCEP follows the WTO Agreement on the Application of Sanitary and Phytosanitary Measures ("SPS Agreement"), setting binding provisions on the development and implementation of animal health, phytosanitary and food safety measures by each Party, with the aim to facilitate bilateral trade and ensure transparency and cooperation on sanitary and phytosanitary measures among the Parties. The chapter of "Standards, Technical Regulations, and Conformity Assessment Procedures" in the RECP is based on WTO's TBT Agreement, setting binding provisions on technical regulations, standards, conformity assessment procedures, transparency, technical assistance and technical cooperation among the Parties, with the aim of providing consistency, effectiveness and transparency in trade in goods among the Parties.

1. transparency

In terms of TBT, most agreements require timely notification of technical regulations and conformity assessment procedures, allowing at least a 60-day comment period for the general public and stakeholders. RCEP requires a Party provides to the requesting Party, if already available, the full text or summary of its

notified technical regulations and conformity assessment procedures in the English language. If unavailable, the Party shall provide to the requesting Party a summary stating the requirements of the notified technical regulations and conformity assessment procedures in the English language, within 30 days after receiving the written request. The contents of the summary shall be accepted by the requesting Party. The Japan-EU EPA also requires a minimum of 6 months between the publishing and entry into force of the technical regulations. In terms of the participation of other Parties, the TPP/CPTPP and the KORUS FTA require that the personnel of the one Party should be allowed to participate in the development of standards, technical specification and conformity assessment procedures on the same term as personnel of the second Party. The Japan-EU EPA allows personnel of the second Party to participate in the consultation process. The ASEAN-Australia-New Zealand FTA ensures that SPS measures are not more restrictive than necessary as a means to improve transparency, communication and consultation in the area of SPS. In the area of TBT, trade facilitation and transaction cost reduction are achieved by strengthening regulatory cooperation and setting up provisions for greater transparency and information sharing.

2. equivalence

In terms of SPS, the agreements encourage the adoption of international standards in the management and implementation procedures and support the assessment of equivalence of the measures. The RCEP makes additions to WTO's requirements for "equivalence recognition consultations". For instance, upon request, the exporting Party shall explain and provide the rationale, objective and specific risks intended to address. The exporting Party shall provide the necessary information in order for the importing Party to commence an equivalence assessment. The

Japan-EU EPA refines provisions on import requirements that import requirements and import procedures shall be reviewed, information on pests shall be exchanged, alternative SPS measures should be allowed for, and electronic certification to facilitate trade should be encouraged. In terms of mutual recognition of equivalence, the Singapore-EU FTA and Japan-EU EPA further stipulate that members may agree on a simplified SPS certificate template where equivalence is established.

(E) Trade remedies

Trade remedies include anti-dumping, countervailing and safeguard measures. The WTO has formed a comprehensive system of trade remedy rules based on the Anti-dumping Agreement, the Agreement on Subsidies and Countervailing Measures and the Agreement on Safeguard Measures. Trade remedies are a means of protection for domestic industries under reasonable circumstances. Most of the trade agreements signed by Asian countries contain trade remedy chapters and incorporate relevant rules of the WTO.

Based on the WTO rules, the RCEP provides detailed provisions on anti-dumping, countervailing and safeguard measures, and for the first time includes a "prohibition-zeroing" clause in an FTA. Meanwhile, the RCEP has drawn on high international standards to significantly improve the technical level and transparency of anti-dumping and countervailing investigations by means of a "best practice" list.

1. safeguard measures

Similar to most trade agreements in the Asia-Pacific region, the RCEP's bilateral safeguard measures are implemented during the transition period of the FTA, but do not specify the protection period. The period for China-Switzerland FTA is 5 years from the entry into force or 3 years after achieving zero tariffs. The period for

China-ASEAN FTA is 5 years after the completion of tariff reductions. The period for Singapore-EU FTA is 10 years from the entry into force. The period for KORUS FTA and China-South Korea is 10 years from the entry into force or during the period of tariff reductions for products. The period for Japan-EU EPA is 10 years after the completion of tariff reductions.

The RCEP also does not specify the investigation and implementation period of safeguard measures. The period for Singapore-EU FTA, Japan-EU EPA, KORUS FTA and China-South Korea FTA requires that investigations should be completed within one year from the date of commencement. In terms of the duration of the implementation of safeguard measures, most agreements stipulate that the initial implementation shall not exceed 2 years and may be extended if necessary, mostly for a period of 1 to 2 years, with a total duration of 3 to 4 years. For instance, the TPP/CPTPP, KORUS FTA, China-Switzerland FTA stipulate no more than 3 years, while the Singapore-EU FTA, Japan-EU EPA and China-South Korea FTA provide for no more than 4 years. The China-ASEAN FTA provides for an initial implementation period of no more than 3 years, which may be extended by a maximum of 1 year. The TPP/CPTPP, Japan-EU EPA, KORUS FTA and China-South Korea FTA also provide for a periodic and gradual relaxation of the restrictions if the expected duration of the safeguard measures exceeds one year.

1. anti-dumping and countervailing

Provisions of anti-dumping and countervailing are found in section 2, chapter 7, with the regulations of legal procedures for pre-inspection notification, confidential filing, disclosure of essential facts, handling of confidential information, notification and consultation, and the innovative concept of "prohibition of zeroing". Compared to the anti-dumping provisions under the WTO rules, the

RCEP is more detailed and specific, and is a continuation and improvement of the anti-dumping provisions under the WTO rules. In terms of the time of investigation, the RCEP stipulates that the investigating authority of a Party shall provide the responding Party with at least 7 working days' notice of the proposed investigation, specifying the information to be verified and the types of supporting documents to be examined by the responding Party. The TPP/CPTPP and the China-South Korea FTA require at least 7 days' written notice to the other Party prior to the commencement of the investigation, whereas the Japan- EU EPA requires at least 10 days' notice and the Singapore-EU FTA requires at least 15 days' notice. The Singapore-EU FTA and Japan-EU EPA specifically require that public interest be taken into account when conducting anti-dumping and countervailing investigations, and the Singapore-EU FTA also requires compliance with the de minimis duty rule.

II. Trade in Services

The General Agreement on Trade in Service (GATS) is the first multilateral international trade agreement on trade in services. It was also one of the main outcomes of the Uruguay Round of WTO negotiations from 1986 to 1993. Most of the FTAS signed since then were based on GATs. Compared to GATS, the RCEP rules on trade in services are more active in promoting a high level of quality, comprehensive and modernized liberalization of trade in services. The RCEP presents a higher standard in terms of the overall structure, approaches of commitments, and the promotion of liberalization in key service areas.

Compared with other FTAs, the annex on financial services adds rules on rules on new financial services, self-regulatory organizations, transfer and handling of financial information. Parties have made high-level commitments in terms of financial regulatory

transparency, which is of great significance in maintaining financial stability, preventing financial risks, and promoting the development of financial services and financial services exchanges among the Parties. On top of the China-ASEAN FTA annex on Telecommunication, the annex of telecommunication of the RCEP adds rules on regulatory methods, international submarine cable systems, electric poles, international mobile roaming, and the flexibility in the selection of technology. This plays a great role in promoting the unification and integration of the telecommunications industries of the Parties and driving the development of the telecommunications industry. The RCEP annex on professional services regulates issues related to professional qualifications among Parties, which is of great significance in promoting mutual recognition and exchange of professional qualifications between the Parties, as well as promoting the exchange of talents between the Parties.

Table 2.3.4 Overview of FTAs involving economies in the Asia-Pacific region

FTA	Items Related to Service Trade in The Text	Items Related to Service Trade in The Annex
RCEP	CH8-CH9	AN2-AN4
CPTPP	CH9-CH14	AN12，I-III
Japan-EU EPA	CH8	AN8
Singapore-EU FTA	CH8	AN8
South Korea-United States FTA	CH11-CH15	AN11-14，I-III
India-Japan CEPA	CH6-CH8	AN4-10
CUK- South Korea FTA	CH5, CH7	AN5-7
China- South Korea FTA	CH8-CH11	AN8，AN11
China-ASEAN FTA	Agreement on Trade in Services	

(A) Scope and coverage

1. service sectors and scope of activities

FTAs usually specify service sectors and the scope of activities to which the provisions relating to trade in services apply. The following services trade activities are usually covered by FTAs, but the relevant provisions may be found in different chapters.

a. The production, distribution, marketing, sale or delivery of services.

b. Purchase, use of services or payment of services.

c. Access to and use of the services provided to the public (generally related to the provision of the service).

d. Matters relating to the commercial presence of a service provider of one Party in the territory of the other Party.

The chapter on trade in services in the RCEP makes it clear that the provisions apply to services sectors open to the Parties, except for the following five services:

a. government procurement;

b. subsidies or grants, including government-supported loans, guarantees, and insurance;

c. Services provided in the exercise of governmental authority;

d. cabotage in maritime transport services;

e. air transport services, measures affecting traffic rights however granted, or measures affecting services directly related to the exercise of traffic rights.

Aircraft transport services other than the following six services are included in the scope of rules of trade in services: aircraft repair and maintenance services; the selling and marketing of air transport services; computer reservation system services; speciality air services; ground handling services; and airport operation services. Additionally, the scope of trade in services does not apply to services affecting natural persons seeking access to the employment market of a Party, nor shall it apply to services regarding nationality, citizenship, residence or employment on a permanent basis.

Among other FTAs in the Asia-Pacific region, the Singapore-EU FTA has the longest list of general exclusion, with the following industries and activities:

a. government procurement;

b. services provided by the government in the exercise of its powers;

c. subsidies or grants provided by a Party, including government-supported loans, guarantees, and insurance;

d. matters relating to the employment of nationals of one Party in the territory of the other Party;

e. activities calling for the privatization of public utilities;

f. activities affecting the right of navigation;

g. coastal transport services in maritime transport services;

h. audiovisual services.

The KORUS FTA, the GCC-Singapore FTA and the CPTPP do not include the "coastal transport service in maritime transport services" in the list of exclusion. The India-Japan CEPA does not include the "services provided by the government in the exercise of its powers" in the list of exclusion. China-ASEAN FTA has the shortest list of general exclusion, with only the first and the second items listed above.

In terms of the number of sectors opened up, the RCEP makes more extensive liberalization commitments in trade in services, covering more than 100 sectors, including finance, telecommunications, transport, tourism, research and development, etc. RCEP Parties have also committed to converting the current positive lists to negative lists within 6 years of the establishment of the agreement. This means the liberalization of trade in services will be more stable. In the chapter on trade in services of the China-ASEAN FTA, China opened up 5 sectors involving 33 subsectors to ASEAN. South Korea opened up 10 sectors involving 85 subsectors to ASEAN. Australia opened up 11 sectors involving 85 subsectors to ASEAN. New Zealand opened up 9 sectors involving 116 subsectors to ASEAN. Japan has not reached a general agreement with ASEAN on trade in services. However, separate EPAs between ASEAN and Japan show that Japan has opened up 11 sectors to Indonesia, Vietnam, the Philippines and

Malaysia, and 12 sectors to Thailand, Brunei and Singapore. Therefore, the scale of liberalization of the RCEP in trade in services is much higher than other existing FTAs signed by ASEAN, which will promote the development of service industries among RCEP Parties, such as transport, tourism and education, as well as promote the movement of people within the region and boost economic growth.

2. trade in services approach

FTAs generally cover the 4 modes of cross-border trade, defined in "Annex 1B of the Agreement Establishing the WTO: General Agreement on Trade in Services", namely cross-border supply, consumption abroad, commercial presence and movement of natural persons. The RCEP singles out the movement of natural persons in chapter 9, and sets out the Parties' commitments to facilitate the temporary entry and temporary stay of natural persons engaged in the trade of goods, the provision of services or the making of investments. It also establishes rules for Parties to approve such temporary entry and temporary stay, so as to increase the transparency of policies on the movement of persons.

Among other FTAs signed among countries in the Asia-Pacific region, the India-Japan CEPA, the GCC-Singapore FTA, the China-ASEAN FTA and the China-South Korea FTA list all of the four types of services. The CPTPP and the KORUS FTA do not include the third mode of service in the section on "definition of trade in services", but rather provide a definition in the section on the "coverage of trade in services" (Article 10.2). In the Japan-EU EPA and the Singapore-EU FTA, the third and fourth modes appear in two different sections, on "investment" and "temporary entry of natural persons for commercial purposes", respectively.

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(B) Basic principle

1. market access

The RCEP, together with the India-Japan CEPA, China-ASEAN FTA and China-South Korea FTA, all stipulate that no restrictions may be imposed on the following six items:

a. number of service providers;

b. total value of service transactions or assets;

c. total amount of service-based production or total service output;

d. the type of legal entity or joint venture to which the service provider provides the service;

e. total number of natural persons who may be employed and

who are directly related to the provision of a particular service;

f. involvement of foreign capital.

The lists for the CPTPP and KORUS FTA do not include the involvement of foreign capital. The Japan-EU EPA contains only the first four items whereas the Singapore-EU FTA contains only the first three items.

2. basic principle

The FTAs signed within Asia all adhere to the "national treatment" principle. However, only the CPTPP, Japan-EU EPA, India-Japan CEPA and the KORUS FTA comply with the most-favored-nation treatment principle for trade in services.

In terms of "national treatment", the RCEP, like the Japan-EU EPA, Singapore-EU FTA, GCC-Singapore FTA, China-ASEAN FTA and China-South Korea FTA, provides for the following three aspects:

a. the treatment accorded to the other party's services or service providers shall not be less favorable than that accorded to domestic services or service providers in a similar nature.

b. treatment includes formally identical treatment and formally different treatment.

c. treatment shall be deemed to be unfavorable if it alters the conditions of competition to the greater advantage of the services or service providers within the Party.

In addition to the above requirements, Japan-EU EPA, Singapore-EU FTA and India-Japan CEPA also stipulate that no Party shall provide any compensation for inherent competitive disadvantages arising from the foreign origin of services or service providers. The CPTPP and the KORUS FTA contain only provisions similar to the first requirement listed above, with an emphasis on the local governments of the contracting Parties, and do not contain the second and third requirements listed above.

In terms of the "most-favored-nation treatment" (MFN), the RCEP states that a Party may be exempted from MFN obligations under the following circumstances: firstly, where the Party has entered into an international agreement externally or has entered into an international agreement prior to the entry into the RCEP; secondly, where the Party has entered into an integrated arrangement for goods, services and investment between ASEAN members; thirdly, where the Party has granted some treatment or benefit to a neighboring country. The CPTPP, the KORUS FTA and India-Japan CEPA only require that the treatment accorded to the other Party should not be less favorable than that accorded to their Parties. Japan-EU EPA also includes two items to which MFN treatment does not apply: treatment related to taxation, and qualifications, licensing or prudential measures related to financial services.

(C) Protection and regulations

1. exceptions and reservations

The WTO divides the service sector into 160 subsectors, with 12 categories. On this basis, FTAs usually provide for the level of liberalization in specific sectors in the form of a "schedule of commitments and concessions" ("positive list") and a list of reservations ("negative list").

In terms of commitment modalities, GATS adopts the positive list commitment whereas the RCEP adopts a combination of positive lists and negative lists. In the RCEP Annexes, there are three types of commitment tables related to trade in services: 8 service specific commitment tables listed as positive lists; 7 service and investment reservations and non-conforming measures commitment tables listed as negative lists. CPTPP, Japan-EU EPA, KORUS FTA and India-Japan CEPA adopt negative lists. GCC-Singapore FTA, China-ASEAN FTA, China-South Korea FTA and Singapore-EU FTA take a

positive list approach.

2. denial of benefits clause

Article 20 of the RCEP chapter on trade in services provides for the "denial of benefits", which states the denial of benefits to the following two types of service providers:

a. a Party that is owned or controlled by a subject that is not a Party and that has made a refusal prohibits it from engaging in the relevant transaction.

b. the granting of a benefit under this chapter to that legal person would contravene or circumvent those measures.

The CPTPP, KORUS FTA, GCC-Singapore FTA, China-ASEAN FTA and China- South Korea FTA differ from the RCEP with respect to article 2: the denial of benefit to service providers owned or controlled by the subject of the Party or non-Party making the rejection, and not carrying out substantial business operations in the territory of the other Party.

In addition, in terms of maritime transport, the RCEP provides that a contracting Party may deny the benefits granted in this chapter if, following corresponding provisions of the China-ASEAN FTA, the following circumstances arise:

a. the benefit are crated by a vessel registered under the laws and regulations of a non-Party; and

b. the benefits are created by a person who operates or uses all or part of the vessel, but who is a non-Party.

The Japan-EU EPA and the India-Japan CEPA only deny benefits to the first type of service providers listed above.

3. safeguard measures

The RCEP states that in the event that a Party encounters difficulties in the implementation of its commitments under this chapter, that Party may request consultations with the other Parties to address such difficulties. The India-Japan CEPA and the

GCC-Singapore FTA both contain provisions relating to safeguard measures. The CPTPP, Japan-EU EPA and Singapore-EU FTA do not include provisions on safeguards.

4. mutual recoginition

The RCEP indicates that Parties should recognize service suppliers who have in some way acquired qualifications or professional experience in another Party. Among the other Asian FTAs, the CPTPP and the China-ASEAN FTA only provide the principle of mutual recognition. The Japan-EU EPA and Singapore-EU FTA do not provide for the principle of mutual recognition, but rather give detailed guidelines, that is, in addition to the main regulatory body responsible for the implementation of the agreement, a separate dedicated services trade commission was also established. China-South Korea FTA, the KORUS FTA and India-Japan CEPA provide both the principles and specific guidelines. The principle of mutual recognition in the China-South Korea FTA is very similar to that of the CPTPP and the China-ASEAN FTA.

(D) Temporary movement of natural persons

1. scope

According to the schedules of specific commitments on temporary movement of natural persons, the categories of natural persons whose temporary movement is permitted by different Parties may include one or more of the following, depending on their respective circumstances:

Business visitor/short-term business visitor: a natural person who travels to the host country for commercial purposes with no direct remuneration from the host country and may not sell directly to the public or provide services directly. Business visitors may include: (1) a service seller who is seeking temporary entry into the host country for the purpose of negotiating the sale of services; (2) a

goods seller who is seeking temporary entry into the host country to negotiate for the sale of goods; (3) an investor, or a duly authorized representative of an investor, seeking temporary entry into the host country to establish, expand, monitor, or dispose of a commercial presence of that investor.

Intra-corporate transferees: senior employees of a corporation of a Party that has established a representative office, branch, or subsidiary in the territory of the host country, usually including managers, senior executives and specialists.

Contractual service provider: A natural person who enters the host country temporarily to provide services in order to fulfill a service contract between his/her employer and a consumer of services in the host country, and who cannot perform services unrelated to the subject matter of the contract. The employer of the contractual service provider shall be a business, partnership or company that does not have a commercial presence in the territory of the host country. The contractual service provider should have appropriate educational and technical (professional) qualifications relevant to the services to be provided.

Installers and services: Qualified specialists supplying installation or maintenance services for machinery or industrial equipment. The supply of that service has to occur on a fee or contractual basis between the builder of the machinery or equipment and the owner of that machinery or equipment, both of them being legal persons. They cannot perform services that are not related to the service activity which is the subject of the contract, and should have appropriate technical (professional) qualifications relevant to the service to be provided.

Accompanying spouses and dependants: Accompanying spouses and dependants of persons of the aforementioned categories (the categories granted vary from country to country) who have been

granted a temporary stay by the host country.

The categories of natural persons allowed to stay temporarily are defined by each RCEP Party according to their own circumstances.

The permit and duration of stay granted for different categories of natural persons by each country also vary, as summarised below:

Table 2.3.5 Comparison of commitments of other RCEP Parties for different categories of movement of natural persons

China	limited to a 90-day period	in the terms of contract concerned or an initial stay of three years, whichever is shorter.	Temporary entry and temporary stay for a CSS is subject to the duration of contract, but shall not exceed one year.	subject to the duration of contract, but shall not exceed three months.	shall not exceed 12 months, and shall not exceed the same period of stay for the entrants.	/
Australia	**Service sellers:** an initial stay of six months and up to a maximum of 12 months. **Business visitors:** up to a maximum of three months.	**Executives and Senior Managers:** Temporary entry is for an initial period of stay of up to four years, with the possibility of further stay; **Specialists:** Temporary entry is for periods of stay up to two years, with the possibility of further stay.	Temporary entry is for periods of stay up to 12 months, with the possibility of further stay.	/	Temporary entry and temporary stay is for the same period as for the temporary entrant.	**Independent Executives:** Temporary entry is for periods of stay up to a maximum of two years.
Japan	up to 90 days	up to five years, which may be extended	up to five years, which may be extended	/	Temporary entry and temporary stay is for the same period as for the temporary entrant.	**a. Investor:** up to five years, which may be extended **b. Qualified Professional:** up to five years, which may be extended

						c. **Independent Professionals**: up to five years, which may be extended
South Korea	Is limited to a period of 90 days.	Is limited to a period not exceeding three years that may be extended	Is limited to the duration of the contract, which is not exceeding One year	/	/	/
New Zealand	not exceeding in aggregate three months in any calendar year	Entry for a period of initial stay up to a maximum of three years.	/	Entry for periods not exceeding three months in any 12-month period.	/	Independent Service Supplier: subject to economic needs tests, entry for a period of stay up to a maximum of 12 months.
Brunei	/	Is limited to a three-year period that may be extended for up to two additional years for a total period not exceeding five years.	/	/	/	/
Cambodia	Entry visa for business visitors shall be valid for a period of 90 days for an initial stay of 30 days, which may be extended	Temporary residency and work permit are required for the natural persons in the categories defined under intra-corporate transferees. Such permits are issued for two years and may be renewed annually up to maximum of five years in total.	/	/	/	The natural persons responsible for setting up of a commercial establishment are not subject to a maximum duration of stay. Economic Needs Testing Requirement is applied.
Indonesia	Is permitted for a period of 60 days,	Is permitted for up to two years and could	/	/	/	/

	extendable to a maximum of 120 days.	be extended for a maximum two times subject to two years extension each time.				
Lao PDR	Is subject to a maximum duration of stay of 90 days.	Temporary residency and work permit will be issued for one year which may be renewed every six months for up to three years.	/	/	/	/
Malaysia	Not exceeding 90 days.	an initial period of up to two years and may be extended every two years.	/	Temporary entry is allowed for a duration of three months or the period of contract, whichever is less.	/	/
Myanmar	Such natural persons will be granted temporary entry for a maximum stay of 70 days, and renewable for a period of three months to one year with recommendation of the ministry concerned	/	/	/	/	/
Philippines	an initial period of 30 days, which may be extended.	an initial period of 30 days, which may be extended.	/	/	/	/
Singapore	/	Is limited to a three-year period that may be extended for up to two additional years for a total term not exceeding five years.	/	/	/	/
Thailand	not exceeding 90 days from the arrival date	The temporary stay is limited to a one-year	/	/	/	/

		period from the arrival date and may be extended for a further three terms of not more than one year each.				
Viet Nam	/	shall be granted entry and a stay permit for an initial period of three years which may be extended	/	/	/	**a. other personnel** shall be granted entry and a stay permit in conformity with the term of the concerned employment contract or for an initial period of three years, whichever is shorter. **b. Service Sales Persons:** The stay of service sales persons is limited to a 90-day period. **c. Persons Responsible for Setting Up a Commercial Presence:** is limited to a 90-day period.

2. other content

In addition to the content mentioned above, the temporary movement of natural persons under the RCEP includes the following:

(1) Processing of applications: A contracting Party shall, at the request of another contracting Party, process an application for immigration formalities or a related extension application as soon

as possible.

(2) Transparency: Each Party shall publish or otherwise make publicly available the requirements, explanatory material, modifications or amendments relating to the temporary movement of natural persons and establish a mechanism for responding to stakeholder inquiries about laws and regulations relating to the temporary movement of natural persons.

(3) Cooperation: The contracting Parties may further discuss cooperation in relation to the temporary entry and temporary stay of natural persons.

(4) Dispute resolution: Parties shall endeavor to resolve their differences through consultation and shall not reject the dispute resolution mechanism provided for under chapter 19 of the RCEP.

3. comparison of RCEP and China-ASEAN FTA

Table 2.3.6 Comparision of RCEP and China-ASEAN FTA provisions for temporary movement of natural persons

FTA	Category of Natural Person	Length of Stay	Other Conditions and Limitations
RCEP	Business Visitor (Including service seller, investor, good seller)	Temporary entry and temporary stay for a business visitor is limited to a 90-day period	
	Intra-corporate transferees (ICTs) (including manager, executive, specialist)	Temporary entry and temporary stay as stipulated in the terms of contract concerned or an initial stay of three years, whichever is shorter.	China commits to another Party that no numerical restrictions and no labor market test or other procedures of similar effect will be imposed on temporary entry and temporary stay of ICTs of that other Party
	Contractual Service Supplier (CSS)	Temporary entry and temporary stay for a CSS is subject to the duration of contract, but shall not exceed one year.	Labor market testing may be required as a condition for temporary entry of CSS, or numerical restriction may be imposed relating to temporary entry of CSS.
	Installers and Servicers	Temporary entry and temporary stay for such natural persons is subject to the duration of contract, but	

		shall not exceed three months.	
	Accompanying Spouses and Dependents	Temporary entry and temporary stay shall not exceed 12 months, and shall not exceed the same period of stay for the entrants.	
China-ASEAN FTA	Service Salespersons	entry for salespersons is limited to a 90-day period.	
	a. employees of a corporation of a Party that has established a representative office, branch or subsidiary in the territory of the People's Republic of China, temporarily moving as intercorporate transferees b. Managers, executives and specialists defined as senior employees of a corporation of Parties, being engaged in the foreign invested enterprises in the territory of the People's Republic of China for conducting business	a. shall be permitted entry for an initial stay of three years; b. shall be granted a long-term stay permit as stipulated in the terms of contracts concerned or an initial stay of three years, whichever is shorter;	
	Contractual Service Supplier (CSS)	Temporary entry and temporary stay for such natural persons is subject to the duration of contract, but shall not exceed one year.	
	Installers and Servicers	Temporary entry and temporary stay for such natural persons is subject to the duration of contract, but shall not exceed three months.	

The comparison shows the following characteristics of the temporary movement of natural persons regulation under the RCEP:

The categories of persons involved in the temporary movement of natural persons are more extensive. Compared to the China-ASEAN FTA, China borders the categories of natural persons granted temporary entry under the RCEP to include categories such as sellers of goods, investors and duly authorized

representatives of investors, and accompanying spouses and dependents.

Some restrictive conditions have been removed. In general, the RCEP reduces restrictive conditions for the temporary movement of natural persons, such as not limiting the number of temporary entries of intra-corporate transferees and not carrying out labor market tests or other procedures with similar effects. This will facilitate the temporary movement of intra-corporate transferees. Of course, the restrictions are not open-ended, e.g. contractual service providers may still face restrictions on numbers or be subject to labor market tests.

III. Investment

(A) Definitions

The term "investment" in the RCEP refers to every kind of asset that an investor owns or controls, directly or indirectly, and that has the characteristics of an investment. The connotation of this term is broad and covers almost all investment in the economic and financial sense, including specifically: enterprises and their branches, i.e. "commercial presence" in trade in services, all forms of shares, bonds, contractual rights, intellectual property rights, licenses, rights related to any movable and immovable property and the proceeds of reinvestment.

The India-Japan CEPA and the China-ASEAN FTA also make clear definitions that investment also includes the reinvestment of investment returns. The differences between other agreements and the RCEP are about the identification of the type of investment. For example, the China-ASEAN FTA identifies claims to cash or to any payment of financial value as investments, while the CPTPP excludes intergovernmental loans. In addition, the KORUS FTA excludes claims to payments arising solely from the commercial sale of goods and services, but loans with investment

characteristics may be identified as investments.

(B) Preferential Treatment

1. national treatment and most-favored-nation treatment

The RCEP provides that national treatment and most-favored-nation treatment shall not apply to any existing non-conforming measures maintained by a Party or to the continuation or modification of any non-conforming measures. Parties are allowed to make commitments on inconsistent measures with this chapter in the form of a "negative list". The China-South Korea FTA provides for a list of sectors where national treatment cannot be provided due to inconsistencies in existing measures. The agreement also establishes a list of sectors for which both Parties reserve the right to implement future measures that are inconsistent with the national treatment provisions. The India- Japan CEPA, the CPTPP and the KORUS FTA also emphasize the extension of the obligation to provide national treatment to local governments. In terms of MFN treatment, the Japan-EU EPA provides for two main exceptions to the application of the MFN: (a) international agreements or arrangements relating wholly or mainly to taxation, or on the avoidance of double taxation; and (b) existing or future measures on the recognition of qualifications, licensing or prudential measures for financial services. The China-ASEAN FTA also provides that MFN treatment does not apply to certain preferential treatment, including preferential treatment obtained as a result of: existing agreements with non-Parties; future agreements between ASEAN Parties; and future agreements between any Party and its separate customs territory. The ASEAN-South Korea FTA, the ASEAN-Australia-New Zealand FTA and the EPA between Japan and the six ASEAN countries include not only post-access national treatment but also pre-access national treatment, i.e. treatment no less favorable than

that which they accord to their own investors and their investments under equivalent conditions in respect of the disposition of investments such as access, establishment, acquisition and expansion.

2. performance requirements and requirements for appointment to senior positions

The RCEP sets out that Parties may not impose or enforce performance requirements on investors in a number of areas, or make performance requirements a condition for obtaining or continuing to obtain preferences. Parties are allowed to set out in List A and List B of Annex III (Schedules of Reservations and Non-Conforming Measures for Services and Investment) measures (existing or updated) that are maintained or adopted but not subject to the prohibition of performance requirements. The Singapore-EU FTA and China-ASEAN FTA do not set out any specific prohibitions in relation to performance requirements or management positions. China-South Korea FTA sets out a brief list of prohibited requirements, but covers only two areas: the Agreement on Trade-Related Investment Measures (TRIMs) as described in Annex 1A of the WTO Agreement, and unreasonable or discriminatory measures regarding performance requirements for exports or technology transfer. The ASEAN-South Korea FTA puts forward performance requirement provisions in a moderate and positive way, i.e. relevant provisions of the TRIMs in the WTO shall be complied with unless specifically mentioned or amended in this agreement. The India-Japan CEPA, the KORUS FTA, the CPTPP and the Japan-EU EPA provide for an exhaustive list of prohibitions on setting performance requirements for investors.

(C) Predictable Business Environment

1. treatment standards and market access standard

The investment provisions of the RCEP grant fair and

equitable treatment as well as full protection and security treatment. Treatment is not required to be accorded in addition to or beyond which is required under the minimum standard of treatment of aliens of the customary international law, and do not create additional substantive rights, but rather the minimum standard under the customary international law. The Japan-EU EPA and Singapore-EU FTA set out specific provisions on minimum market access standards. This minimum standard of treatment, or minimum market access standard, is designed to ensure that investors are protected against grossly undue arbitrary, discriminatory or abusive conduct by the host country. Although there are no specific provisions, the China-ASEAN FTA states that relevant elements can determine whether a measure is in breach of such an obligation. For example, if there is a miscarriage of justice in any legal or administrative proceedings, it may be considered a breach of the standard.

With respect to the limitations on the minimum standard of treatment, the RCEP states that "a determination that there has been a breach of another provision of this Agreement, or of a separate international agreement, does not establish that there has been a breach of this Article". China-South Korea FTA, the CPTPP, the KORUS FTA, and China-ASEAN FTA do not identify a breach of another provision of the agreement or a separate international agreement as a breach of the minimum standard of treatment.

2. expropriation and compensation for losses

With respect to the provision of expropriation, the RCEP states that "no Party shall expropriate or nationalize a covered investment either directly or through measures equivalent to expropriation or nationalization (hereinafter referred to as "expropriation" in this Chapter), except:

(a) for a public purpose;

(b) in a non-discriminatory manner;

(c) on payment of compensation in accordance with paragraphs 2 and 3; and

(d) in accordance with due process of law.

Meanwhile, the compensation referred to in (c) shall be equivalent to the fair market value of the expropriated investment at the time when the expropriation was publicly announced, or when the expropriation occurred, whichever is earlier. This is in line with the India-Japan CEPA, China-ASEAN FTA and China-South Korea FTA. The KORUS FTA and the CPTPP provide that the fair market value is the value of the investment as determined immediately before the expropriation took place. Meanwhile, all these agreements emphasize that the compensatory value must not reflect changes in value resulting from prior knowledge of the proposed expropriation.

3. transfer

Under the general provisions of "transfer", each Party shall allow all transfers relating to a covered investment to be made freely and without delay. The agreements also provide that the transfer of capital may be impeded in the event of bankruptcy, insolvency, criminal offences; issuing, trading, or dealing in securities, and financial reporting when necessary to assist law enforcement and to ensure compliance with orders/rulings made in judicial proceedings. Similar to the RCEP, the India-Japan CEPA and the China-ASEAN FTA also provide that Parties may block or delay capital transfers in cases involving social insurance, pension or compulsory savings schemes.

In general, the FTAs between ASEAN and China, South Korea, Australia and New Zealand, as well as the EPAs between the seven ASEAN countries and Japan all contain investment liberalization provisions and investment protection provisions, with

the difference that the China-ASEAN FTA does not grant pre-entry national treatment to investors and does not introduce performance requirement (prohibition) provisions. In addition, all ASEAN bilateral agreements contain provisions on transparency and relations with other agreements. The China-ASEAN FTA also contains provisions on promoting and facilitating investment.

Table 2.3.7 Comparison of investment provisions between the RCEP and other bilateral agreements signed by ASEAN countries

Content	RCEP	China-AESAN FTA	ASEAN-South Korea FTA	ASEAN-JAPAN EPA	ASEAN-Australia- New Zealand FTA
Investment Liberalization Clause					
1. Pre-Investment National Treatment	○	—	○	○	○
2. Pre-Investment MFN Treatment	○	○	○	○	—
3. Performance Requirements Clause	○	—	○	○	○
Investment Protection Clause					
1. Post Investment National Treatment	○	○	○	○	○
2. Post Investment MFN Treatment	○	○	○	○	—
3.Fair and Just Treatment	○	○	○	○	○
4. Expropriation and Nationalization Compensation	○	○	○	○	○
5.War Damage Compensation	○	○	○	○	○
6. Fund Transfer	○	○	○	○	○
7.Subrogation	○	○	○	○	○
8. Dispute Settlement Between Parties	○	○	○	○	○
9. Dispute Settlement Between Parties and Investors	○	○	○	○	○
Other Terms					
1.Investment Promotion	○	—	○	○	—
2. Investment Facilitation	○	—	○	○	—
3 Transparency	○	○	○	○	○
4. Relationship with Other Agreements	—	○	○	○	○

Note: "○" indicates "yes", "—" indicates "no". "Performance requirement" provisions are expressed as "performance requirement prohibition" provisions.

IV. Dispute Settlement

(A) Basic approach of dispute settlement

Like other FTAs in the Asia Pacific region, the RCEP dispute settlement mechanism retains the right to use the WTO or other international agreements for dispute resolution, while also adopting a mixed dispute settlement model based on WTO, with the establishment of arbitral tribunals or panels of experts to adjudicate when consultations fail, while encouraging the use of political settlement models such as goods offices, mediation and conciliation as an alternative at all times. The arbitral tribunals or panels of experts proposed by other FTAs' dispute settlement mechanisms, despite their different names, are in essence a form of arbitration, and usually do not require the establishment of a permanent arbitral settlement body, but rather adjudicate through the formation of a panel of experts on an ad hoc basis, showing a quasi-judicial nature. It is worth noting that the KORUS FTA sets out that a dispute may be submitted to a joint committee for resolution if the consultation fails within a specific period of time, and if the joint committee fails to resolve the dispute within the specific period of time, the dispute may be resolved by means of a panel of experts.

Table 2.3.8 Summary of dispute settlement mechanisms in selected FTAs in the Asia-Pacific region

FTA	**Dispute Settlement Agreement**	
RCEP	Consultations	Panel
	The Parties to the dispute may at any time agree to voluntarily undertake an alternative method of dispute resolution, including good offices, conciliation, or mediation. Procedures for such alternative methods of dispute resolution may begin at any time, and may be terminated by any Party to the dispute at any time. If the Parties to the dispute agree, such procedures referred to in paragraph 1 may continue while the matter is being examined by a panel under this Chapter.	
TPP/CPTPP； China-South Korea FTA； Japan -EU EPA	Consultations	Panel
	At any time, it may agree to voluntarily adopt alternative methods of dispute settlement, such as good offices, mediation and mediation, and mediation may be carried out at any time. (Japan-EU EPA)	

<table>
<tr><th>FTA</th><th colspan="6">Dispute Settlement Agreement</th></tr>
<tr><td></td><td colspan="6">To the greatest extent possible, encourage and facilitate the use of arbitration and other alternative dispute resolution methods to resolve international commercial disputes between private individuals in the free trade zone.</td></tr>
<tr><td rowspan="2">South Korea-United States FTA</td><td colspan="2">Consultations</td><td colspan="2">Joint Committee</td><td colspan="2">Panel</td></tr>
<tr><td colspan="6">Encourage and facilitate the use of arbitration and other alternative dispute resolution methods to the greatest extent to resolve international commercial disputes between private individuals in the free trade zone.</td></tr>
<tr><td rowspan="3">ASEAN FTA</td><td colspan="6">ACT/ACB</td></tr>
<tr><td colspan="3">Consultations</td><td colspan="3">Panel</td></tr>
<tr><td colspan="6">Good offices, mediation and mediation can be agreed at any time, and can be started and terminated at any time.</td></tr>
<tr><td rowspan="2">China-ASEAN FTA;
China-New Zealand FTA;
China-Australia FTA;
India-Japan CEPA</td><td colspan="3">Consultations</td><td colspan="3">Arbitral Tribunal</td></tr>
<tr><td colspan="6">The parties to a dispute may at any time agree to conciliation or mediation. They may begin at any time and be terminated by the parties concerned at any time. (China—ASEAN FTA)
The Parties may at any time agree to good offices, conciliation or mediation. They may begin at any time and be terminated at any time. (China—New Zealand FTA、China—Australia FTA、India—Japan CEPA)</td></tr>
<tr><td rowspan="2">GCC-South Korea FTA</td><td colspan="3">Consultations</td><td colspan="3">Arbitration Tribunal</td></tr>
<tr><td colspan="6">The Parties may at any time agree to good offices, conciliation or mediation. They may begin at any time and be terminated at any time.
It can be settled friendly before the panel decides.</td></tr>
<tr><td>GCC</td><td colspan="2">Friendly Settlement</td><td colspan="2">Arbitration</td><td colspan="2">Judicial Committee</td></tr>
</table>

(B) Efficiency requirements for dispute resolution mechanisms

The WTO requires that the period from the date of the formation of the panel of experts and the scope of responsibilities to the date of submission of the final report to the Parties to the dispute should not exceed 6-9 months (3 months for urgent cases). This period, plus the consideration and adoption of the report, takes 7-11 months. The RCEP further shortened the time taken for all aspects of the dispute settlement mechanism, especially the time taken to issue the final report.

The RCEP stipulates that the panel established pursuant to article 1 shall issue its final report to the Parties to the dispute within 150 days of the date of its establishment. The ASEAN FTA shortens the time for submission of the written report to 60-70 days (with 70 days as an exceptional case). An established panel shall issue an interim report to the parties to the dispute within 150 days from the

date of its establishment. In urgent cases, including those involving perishable goods, the panel shall endeavor to issue an interim report within 90 days from the date of its establishment. The China-ASEAN FTA sets the submission of the final report within 60 days (for perishable goods)-120 days-180 days (at the latest) from the date of formation of the arbitral tribunal. The TPP/CPTPP sets the submission date of the preliminary report within 120 days (for perishable goods) to 150 days from the appointment of the last panel member, with the final report to be submitted within 30 days from the date of submission of the preliminary report. The India-Japan CEPA agrees that the time for submission of the draft decision will be within 60 days (for urgent cases) to 120 days from the date of establishment of the arbitral tribunals and requires that it be issued within 30 days.

(C) Execution of the dispute resolution mechanism decisions

With respect to the time of execution of the final report, the RCEP provides that a reasonable period of time shall be agreed upon by Parties to the dispute. If Parties to a dispute are not able to agree on a reasonable period of time within 45 days of the date on which the panel issues its final report to the Parties to the dispute, any Party may request the chairman of the panel to determine a reasonable period of time by notifying the chairman of the panel and other Party to the dispute. Such requests should be made within 120 days of the date on which the panel issues its final report to the Parties to the dispute. The TPP/CPTPP also agrees that if the Parties cannot agree on a reasonable period of time within a specified period of time, a request shall be made to the chairman of the panel to determine a reasonable period of time through arbitration. The KORUS FTA agrees that if no reasonable period of time can be agreed upon, it will proceed immediately to the stage of negotiation of compensation.

(D) Requirements for fairness, openness and transparency in the decisions of dispute resolution mechanisms

First, the participation of third parties. Taking into account the interests of the Parties to the dispute and other RCEP Parties, the RCEP allows any Party having a substantial interest in a matter under review by a panel to participate in the dispute settlement process as a third party. This not only enhances the transparency of dispute resolution, but also facilitates the panel's consideration of the facts and legal issues of the case from all angles. Third parties shall the right to:

(a) subject to the protection of confidential information, be present at the first and second hearings of the panel with the Parties to the dispute prior to the issuance of the interim report;

(b) make at least one written submission prior to the first hearing;

(c) make an oral statement to the panel and respond to questions from the panel during a session of the first hearing set aside for that purpose; and

(d) respond in writing to any questions from the panel directed to the Third Parties.

The TPP/CPTPP specifies that interested third parties are entitled to participate in all hearings, submit written statements, make oral statements to the panel and receive written statements from the parties to the dispute. The ASEAN FTA also sets out rules for the notification of participation of interested third parties, i.e. third parties should be invited to the first substantive panel meeting and to present their views in writing. The China-ASEAN FTA also introduces rules on the participation of interested third parties, stating that third parties shall have the opportunity to submit written statements to the arbitral tribunals and shall receive written statements from the parties for the first meeting of the arbitral tribunals, and may also invoke the FTA dispute settlement

procedures under the conditions of diminished interest. The TPP/CPTPP and the KORUS FTA also specifically state that the panel shall consider requests from non-governmental subjects in the territory of any disputing party for written submissions on disputed matters that may assist the panel in evaluating the statements and arguments submitted by each disputing party. The Japan-EU EPA further clarifies the rules on "amicus curiae" by stating that a natural person of a Party or a legal person established in a Party may submit an amicus curiae statement to a panel.

Second, transparency requirement for documentation. The RCEP stipulates that subject to the protection of confidential information, each Party to the dispute shall make available to each Third Party its written submissions, written versions of its oral statements, and its written responses to questions, made prior to the issuance of the interim report, at the time such submissions, statements, and responses are submitted to the panel.

For most agreements such as the China-South Korea FTA, the only requirement is that the final report is made public. Because of the approach of arbitral tribunals they take, the China-ASEAN FTA and the India-Japan CEPA agree that the deliberations and submissions of the tribunals shall be confidential, while one disputing Party may disclose its position and written statements to the public while keeping the other Party's position and written statements confidential, except for the India-Japan CEPA, which requires a non-confidential summary of relevant information so that it is available to the public.

V. Others

(A) Intellectual property rights

Based on the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), the chapter on intellectual

property of the RCEP is divided into 14 articles with 83 articles, and 2 annexes on "transitional periods" and "technical assistance", covering all intellectual property objects stipulated in the Civil Code, such as copyright, trademarks, geographical indications, patents, designs, etc., and covering a wide range of areas such as intellectual property enforcement, cooperation, transparency. The RCEP aims to reduce trade and investment barriers to intellectual property rights by enhancing economic integration and cooperation in using, protecting and enforcing intellectual property rights.

Both Parties in the China-ASEAN FTA reaffirm their existing commitments and disciplines on intellectual property rights (IPRs) in pre-existing international agreements to which they are Parties, including the WTO, the World Intellectual Property Organisation (WIPO). In this agreement, IPRs include rights relating to: copyright, patents and utility models, industrial designs, trademarks for goods and services, geographical indications, wiring designs for integrated circuits, trade names, trade secrets, technical processes, know-how and goodwill. Provisions of IPRs in the India-Japan CEPA include protection of patents and trademarks, ensuring the marking of geographical indications, processing unfair competition, and security exceptions for IPRs. Provisions of IPRs in the China-South Korea FTA include intellectual property and public health; protection of copyright and related rights, broadcasting and communication to the public, protection of technological measures and trademark, patents and utility models, genetic resources, traditional knowledge and folklore; protection of new varieties of plants; undisclosed information; and protection of industrial design. In addition, the agreement contains provisions on IP enforcement, in particular on final judicial decisions and administrative rulings of general application. The provisions of IPRs in the Japan-EU EPA cover copyright and related rights, trademarks, geographical

indications, industrial designs, unregistered product appearance, patents, trade secrets, undisclosed tests or other data, plant varieties and unfair competition, enforcement, cooperation and institutional arrangements. Specifically, the chapter provides for the continuation of copyright for 70 years after the death of the author and highlights the protection of 56 Japanese products and over 200 European agricultural products. The ASEAN-South Korea FTA does not have a separate reference to IPR provisions, but only lists IPR as a priority area for cooperation in the Annex on "Economic Cooperation" to the Framework Agreement, and sets out specific elements of cooperation. The ASEAN-Australia-New Zealand FTA has a separate clause on IPRs to ensure that each party's commercial IPRs are strengthened in accordance with international standards. The agreement reaffirms the parties' commitment to the TRIPS. In the area of IP protection, each party is required to accord to the nationals of other Parties treatment no less favorable than that it accords to its own nationals, i.e. national treatment. Parties also make commitments relating to copyright protection and enhancement, government use of legal software, protection of trademarks and geographical indications, and transparency of IP laws.

(B) Competition

Competition policy is one of the guiding principles of the RCEP. In the RCEP, Parties agree to promote competition in markets, enhance economic efficiency and consumer welfare, and proscribe anti-competition activities while recognizing that there are significant differences between Parties in terms of their competitiveness and national institutions. The India-Japan CEPA, Japan-EU EPA, Singapore-EU FTA, South Korea-Canada FTA and KORUS FTA all have dedicated chapters to competition policy, emphasizing the importance of fair and free competition in trade

and investment relations. Other FTAs provide for fair competition in specific provisions on trade in goods and trade in services. Article 7 (Monopolies and Exclusive Service Suppliers) of the Agreement on Trade in Services provides that any monopoly supplier of a service in its territory does not participate in the supply of the monopoly service in the relevant market and, if requested by one party, both parties shall hold consultations in an effort to eliminate such conduct. Article 18 (market access) and article 19 (national treatment) require that a Party shall accord services and service suppliers of any other Party treatment no less favorable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule. Chapter 14 of the China-South Korea FTA focuses on competition policy, including the mutual understanding of the prohibition of anti-competitive business practices by operators, the implementation of competition policies under the principle of transparency, cooperation on competition issues, and the enforcement of competition laws with the purpose to prevent or impair the benefits of trade liberalization. The agreement provides that if a party believes that the conduct affects bilateral trade, that party may request consultations through a joint committee to facilitate the resolution of the issue. The ASEAN-Australia-New Zealand FTA reaffirms some key principles on competition, such as recognizing the importance of enhancing competition, economic efficiency, consumer welfare and proscribing anti-competitive activities, acknowledging the significant differences in competition policy capabilities between the parties, and respecting the sovereign rights of each party to develop, establish, administer and strengthen their competition laws and policies.

(C) E-commerce

The RCEP on e-commerce is set out in chapter 12 and contains 17 articles on paperless trade, electronic authentication

and electronic signature, online consumer protection, online personal information protection, unsolicited commercial electronic messages, domestic regulatory framework, customs duties, transparency, cybersecurity, location of computing facilities, cross-border transfer of information by electronic means, dialogue on electronic commerce, and dispute settlement. The RCEP provides for Parties to strengthen cooperation in e-commerce, promote paperless trade and acceptance of electronic authentication and signatures, protect online consumer and personal information and create an enabling environment for e-commerce; meanwhile, it is required not to make the location of computing facilities a condition for commercial practices and not to prevent the electronic transfer of cross-border information under commercial practices; and to promote dialogue on new issues and dispute settlement mechanisms that do not apply to chapter 19.

The promotion of e-commerce is one of the elements of the China-ASEAN FTA. According to the Protocol on revising the "China- ASEAN Framework Agreement on Comprehensive Economic Cooperation" and part of the Agreement, Article 7(3) states that the two parties agree to share information, expertise and conduct dialogue on e-commerce related topics, and encourage enterprises to use e-commerce platforms and engage in capacity building cooperation. Chapter 13 of the China-South Korea FTA highlights the economic growth and opportunities presented by e-commerce, calls for the promotion of electronic authentication and e-signatures, strengthens the protection of personal information and encourages paperless trade. The dispute settlement mechanism in Chapter 20 does not apply to e-commerce. The CPTPP chapters on e-commerce aim to facilitate the flow of business-related data and trade in digital products. Specific provisions include prohibiting data localization, allowing

cross-border electronic information transfers for commercial purposes and prohibiting the imposition of tariffs on electronic transfers.