APEC Trade Digitalization Cooperation Framework (2027-2030)

I. Background

We, the APEC Leaders, recognize that the advancement of digital technologies is increasingly transforming international trade, and the ways by which trade is managed.

Re-affirming the benefits of trade digitalization to enhance and facilitate trade, acknowledging and observing that regional trade is evolving amid digital technology advancements, we recognize the need for an enabling environment to advance trade digitalization, leverage emerging technologies to accelerate regional economic cooperation and promote cross-border trade and investment in the APEC region. The APEC Trade Digitalization Cooperation Framework (2027-2030) will serve as a vehicle for supporting the realization of an open, dynamic, resilient and peaceful Asia-Pacific community as guided by the Putrajaya Vision 2040.

II. Areas of Cooperation

Pillar 1: Foster a Supportive Policy Environment for Trade Digitalization

(1) Electronic Authentication① and Electronic Signatures②

- APEC economies are encouraged to ensure that the legal effect of an electronic signature is not denied solely due to its electronic form, and to cooperate on a voluntary basis to promote the use and mutual recognition of electronic signatures.
- APEC economies are encouraged to promote the development and adoption of the voluntary use of interoperable electronic authentication systems.
- If requiring a specific authentication mechanism for electronic signatures, APEC economies are encouraged to ensure that it is accessible and can be completed through electronic means, and where appropriate, without a physical presence.

(2) Domestic Electronic Transactions Framework

- APEC economies are encouraged to work towards aligning our legal frameworks with the principles of the *United Nations Commission on International Trade Law (UNCITRAL) Model Law on Electronic Commerce (1996),* the *UNCITRAL Model Law on Electronic Signatures (2001)*, *the United Nations Convention on the Use of Electronic Communications in International Contracts (2005), or the*

① "Electronic authentication" means the process or act of verifying the identity of a party to an electronic communication or transaction, or ensuring the integrity of an electronic communication.
② "Electronic signature" means data in electronic form that is in, affixed to, or logically associated with an electronic data message and that may be used to identify the signatory in relation to the data message and indicate the signatory's approval of the information contained in the data message.

UNCITRAL Model Law on Electronic Transferable Records (2017), noting the different levels of readiness and capacity among them.

- APEC economies recognize the need to avoid imposing any unnecessary regulatory burdens on electronic transactions, to ensure that any measures affecting electronic transactions are transparent and non-discriminatory, and to periodically review such measures to avoid barriers to digital trade.

(3) Customs Duties on Electronic Transmissions

APEC economies support a moratorium on customs duties on electronic transmissions, which helps keep digital markets open and predictable, and note the efforts by some economies to reach an agreement for a permanent moratorium of customs duties on electronic transmissions. APEC economies recognize the importance of including provisions in trade agreements that prevent customs duties on electronic transmissions.

Pillar 2: Strengthen Policy Exchange

(4) Cooperation on Data Management

Recognizing the increasing importance of data to the digital economy, we will continue our cooperation on facilitating the flow of data across borders, strengthening business and consumer trust in digital transactions, and ensuring data protection and privacy. Recognizing the importance of data protection and privacy in the digital economy, APEC economies are encouraged to facilitate interoperability among data protection and privacy frameworks, including through the APEC Privacy Framework, and the voluntary use of relevant multilateral certification mechanisms including the APEC CBPR System and trust marks. APEC economies are also encouraged to enhance the security of international trade transactions and protect data used in such transactions from unauthorized disclosure and ICT threats.

(5) Exploring Standards that Support Trade Digitalization

APEC economies are encouraged to exchange best practices, information, and updates on the development of standards, technical regulations and accreditation and conformity assessment procedures that relate to facilitating trade digitalization.

(6) Digitally Delivered Services

We reiterate the importance of substantive reforms and cooperative initiatives to achieve an open and predictable environment for innovative, competitive and resilient services sectors. To further advance this objective, we support continued work by participating members on the APEC Services Index to identify barriers to services trade by integrating digital trade into the APEC Services Index. We support work to reduce unnecessary barriers and facilitate digitally delivered services.

(7) Supporting Participation in the Digital Economy For All

APEC economies recognize the importance of ensuring that all people and businesses including micro, small and medium enterprises (MSMEs), can participate in, contribute to, and benefit from regional trade digitalization.

APEC economies are encouraged to:

- exchange experiences and best practices on leveraging digital tools and technologies to enhance the capabilities and market reach of MSMEs;
- identify and address barriers to accessing the digital economy and develop initiatives to promote participation in the digital economy for all people across the APEC region; and
- other areas of cooperation mutually identified by APEC economies.

(8) Intellectual Property

Recognizing that advances in digital technologies are enabling innovation across the entire process of creation, production, distribution, and consumption of cultural and creative products in the APEC region, economies are committed to strengthening the protection and enforcement of intellectual property (IP) rights including through continued efforts to address challenges faced by innovators, creators and other right holders and including those posed by online piracy and misappropriation of trade secrets. APEC economies also recognize the importance of respecting intellectual property rights in the development of emerging technology. APEC economies are encouraged to consider effective enforcement practices that address illicit streaming of protected content in their capacity building efforts within APEC and in domestic approaches to enforcing IP protections.

Pillar 3: Leveraging Digital Technologies to Enhance Trade Facilitation

(9) Paperless Trade

To promote trade digitalization across the APEC region and further enhance the efficiency of cross-border trade procedures and reduce clearance costs and time, APEC economies are encouraged to:

- make trade administration forms [①] available to the public in electronic format;
- recognize trade administration forms submitted electronically as the legal equivalent of the paper version of such documents; and
- explore the use and exchange of electronic records in commercial cross-border trading activities, including across different transport modes.

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① Trade administration forms mean forms issued or controlled by an economy which must be completed by or for an importer or exporter in relation to the import or export of goods.

(10) Digitalization of Customs and Trade Related Procedures

APEC economies endeavoring to digitalize, through the adoption of new technologies, a customs or trade-related procedure necessary for the cross-border movement of goods, are encouraged to take account of voluntary recommendations endorsed by APEC bodies, including the *Policy Principles for Government Decision-Making on Digitalization of Customs Procedures,* to ensure that their efforts towards trade digitalization are deliberate, cost-effective, and recognize the value of commercial data. APEC economies acknowledge the collective contributions of customs administrations in the APEC region to trade security and facilitation through technological application and innovative solutions, and their role in strengthening supply chain resilience.

(11) Electronic Invoicing

APEC economies recognize the importance of electronic invoicing in increasing the efficiency, accuracy, and reliability of commercial transactions, and the benefits of interoperable electronic invoicing systems. To this end, APEC economies are encouraged to:

- promote the existence of policies, infrastructure, and processes that support electronic invoicing;
- promote, encourage, support, or facilitate cooperation and collaboration in initiatives to adopt electronic invoicing;
- enhance awareness and capacity building on electronic invoicing, and exchange experiences on electronic invoicing practices; and
- share best practices and cooperate on enabling interoperable electronic invoicing systems.

(12) Electronic Payments

Recognizing the rapid growth of electronic payments, in particular those provided by new payment service providers, APEC economies are encouraged to, to the extent practicable, support the development of efficient, safe and secure cross-border electronic payments through:

- fostering the adoption and use of international standards for electronic payments;
- supporting efforts to enhance interoperability across electronic payment infrastructures where appropriate and consistent with robust risk management frameworks; and
- encouraging innovation and competition in electronic payments services.

III. Implementation

1. APEC economies are encouraged to cooperate on a voluntary, non-binding and consensus-building basis, while taking into account different capacities, policy priorities and levels of domestic readiness.

2.The Committee on Trade and Investment (CTI) will be responsible for implementing this Cooperation Framework as well as for monitoring, evaluating and reporting on the relevant work through the CTI Annual Report, in collaboration with relevant sub-fora and taking into account existing APEC workstreams.