

## **CHAPTER FIFTEEN**

### **ELECTRONIC COMMERCE**

#### **Article 1501: Scope and Coverage**

1. The Parties confirm that this Agreement, including Chapter Nine (Cross-Border Trade in Services), Chapter Two (National Treatment and Market Access for Goods), Chapter Eight (Investment), Chapter Fourteen (Government Procurement), Chapter Eleven (Financial Services), Chapter Ten (Telecommunications), and Chapter Twenty-Two (Exceptions) applies to trade conducted by electronic means.<sup>1</sup> In particular, the Parties recognize the importance of the access and use provisions of Chapter Ten (Telecommunications) in enabling trade conducted by electronic means.
2. Nothing in this Chapter imposes obligations on a Party to allow products to be delivered electronically, except in accordance with the obligations of that Party in other chapters in this Agreement.

#### **Article 1502: General Provisions**

1. The Parties recognize the economic growth and opportunities provided by electronic commerce and the applicability of WTO rules to electronic commerce.
2. Considering the potential of electronic commerce as a social and economic development tool, the Parties recognize the importance of:
  - (a) clarity, transparency and predictability in their domestic regulatory frameworks in facilitating, to the maximum extent possible, the development of electronic commerce;

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<sup>1</sup> For greater certainty, the application of this Agreement to trade conducted by electronic means includes the application of the reservations or exceptions taken by a Party as set out in its schedule to Annex I, II, or III.

- (b) encouraging self-regulation by the private sector to promote trust and confidence in electronic commerce, having regard to the interests of users, through initiatives such as industry guidelines, model contracts and codes of conduct;
- (c) interoperability, innovation and competition in facilitating electronic commerce;
- (d) ensuring that global and domestic electronic commerce policy takes into account the interest of all stakeholder, including business, consumers, non-government organizations and relevant public institutions;
- (e) facilitating the use of electronic commerce by micro, small and medium sized enterprises; and
- (f) protecting personal information in the on-line environment.

3. Each Party shall endeavour to adopt measures to facilitate trade conducted by electronic means by addressing issues relevant to the electronic environment.

4. The Parties recognize the importance of avoiding unnecessary barriers to trade conducted by electronic means. Having regard to its national policy objectives, each Party shall endeavour to guard against measures that:

- (a) unduly hinder trade conducted by electronic means; or
- (b) have the effect of treating trade conducted by electronic means more restrictively than trade conducted by other means,

### **Article 1503: Customs Duties**

1. Neither Party may apply customs duties, fees or charges on or in connection with the importation or exportation of products by electronic means.

2. For greater clarity, this Chapter does not preclude a Party from imposing internal taxes or other internal charges on products delivered electronically, provided that such taxes or charges are imposed in a manner that is not inconsistent with this Agreement.

#### **Article 1504: Consumer Protection**

1. The Parties recognize the importance of maintaining and adopting transparent and effective measures to protect consumers from fraudulent and deceptive commercial practices in electronic commerce.

2. To this end, Parties should exchange information and experiences on national approaches for the protection of consumers engaging in electronic commerce.

#### **Article 1505: Paperless Trade Administration**

1. Each Party shall endeavour to make trade administration documents available to the public in electronic form.

2. Each Party shall endeavour to accept trade administration documents submitted electronically as the legal equivalent of the paper version of such documents.

#### **Article 1506: Protection of Personal Information**

1. Each Party should adopt or maintain laws, regulations or administrative measures for the protection of personal information of users engaged in electronic commerce.

2. The Parties should exchange information and experiences regarding their domestic regimes for the protection of personal information.

## **Article 1507: Cooperation**

1. Recognizing the global nature of electronic commerce, the Parties affirm the importance of:
  - a) working together to facilitate the use of electronic commerce by micro, small and medium sized enterprises;
  - b) sharing information and experiences on laws, regulations, and programs in the sphere of electronic commerce, including those related to data privacy, consumer confidence, security in electronic communications, authentication, intellectual property rights, and electronic government;
  - c) working to maintain cross-border flows of information as an essential element in fostering a vibrant environment for electronic commerce;
  - d) fostering electronic commerce through the encouragement of the private sector to adopt codes of conduct, model contracts, guidelines, and enforcement mechanisms; and
  - e) actively participating in regional and multilateral fora, to promote the development of electronic commerce.
  
2. Parties may work together through various means, including through information and communication technologies, face to face meetings or a working group of experts to further the objectives of this Chapter, in particular Articles 1504, 1506 and 1507.

## **Article 1508: Relation to Other Chapters**

In the event of an inconsistency between this Chapter and another Chapter, the other Chapter shall prevail to the extent of the inconsistency.

## **Article 1509: Definitions**

For purposes of this Chapter:

**authentication** means the process or act of establishing the identity of a party to an electronic communication or transaction or ensuring the integrity of an electronic communication;

**delivered electronically** means delivered through telecommunications, alone or in conjunction with other information and communication technologies;

**interoperability** means the ability of two or more systems or components to exchange information and to use the information that has been exchanged;

**personal information** means any information relating to an identified or identifiable natural person;

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

**trade conducted by electronic** means trade conducted through telecommunications, alone or in conjunction with other information and communication technologies.