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**Subject to Legal Review for Accuracy, Clarity, and Consistency**

**CHAPTER FIFTEEN**  
**ELECTRONIC COMMERCE**

ARTICLE 15.1: GENERAL

The Parties recognize the economic growth and opportunity that electronic commerce provides, the importance of avoiding barriers to its use and development, and the applicability of the WTO Agreement to measures affecting electronic commerce.

ARTICLE 15.2: ELECTRONIC SUPPLY OF SERVICES

The Parties affirm that measures affecting the supply of a service delivered or performed electronically are subject to the obligations contained in the relevant provisions of Chapters Eleven (Investment), Twelve (Cross-Border Trade in Services), and Thirteen (Financial Services), subject to any exceptions or non-conforming measures set out in this Agreement that are applicable to such obligations.

ARTICLE 15.3: DIGITAL PRODUCTS

1. Neither Party may impose customs duties, fees, or other charges<sup>1</sup> on or in connection with the importation or exportation of (1) a digital product fixed on a carrier medium, if it is an originating good, or (2) a digital product transmitted electronically.<sup>2</sup>

2. Neither Party may accord less favorable treatment to some digital products<sup>3</sup> than it accords to other like digital products

(a) on the basis that:

- (i) the digital products receiving less favorable treatment are created, produced, published, stored, transmitted, contracted for, commissioned, or first made available on commercial terms in the territory of the other Party, or
- (ii) the author, performer, producer, developer, distributor, or owner of such digital products is a person of the other Party; or

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<sup>1</sup> For greater certainty, Article 15.3.1 does not preclude a Party from imposing internal taxes or other internal charges on digital products, provided that such taxes or charges are imposed in a manner consistent with this Agreement.

<sup>2</sup> Consistent with Article 2.15.4 (National Treatment and Market Access for Goods: Committee on Trade in Goods), the Committee on Trade in Goods shall consult on and endeavor to resolve any difference that may arise between the Parties on classification matters arising in connection with this obligation.

<sup>3</sup> Recognizing the Parties' objective to promote trade between them, the prohibition on according less favorable treatment to a digital product applies only if the digital product is created, produced, published, contracted for, or commissioned in the territory of the other Party, or if the author, performer, producer, developer, or owner of the digital product is a person of the other Party.

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- (b) so as otherwise to afford protection to other like digital products that are created, produced, published, stored, transmitted, contracted for, commissioned, or first made available on commercial terms in its territory.
3. Neither Party may accord less favorable treatment to digital products:
- (a) created, produced, published, contracted for, commissioned, or first made available on commercial terms in the territory of the other Party than it accords to like digital products created, produced, published, contracted for, commissioned, or first made available on commercial terms in the territory of a non-Party; or
  - (b) whose author, performer, producer, developer, distributor or owner is a person of the other Party than it accords to like digital products whose author, performer, producer, developer, distributor or owner is a person of a non-Party.
4. Paragraphs 2 and 3 do not apply to measures adopted or maintained in accordance with Articles 11.12 (Investment: Non-Conforming Measures), 12.6 (Cross-Border Trade in Services: Non-Conforming Measures), and 13.9 (Financial Services: Non-Conforming Measures).
5. Paragraph 2 does not apply to
- (a) subsidies or grants that a Party provides to a service or service supplier, including government-supported loans, guarantees, and insurance; and
  - (b) services supplied in the exercise of governmental authority, as defined in Article 1.1.6 (Cross-Border Trade in Services: Scope and Coverage).
6. This Article does not apply to measures affecting the electronic transmission of a series of text, video, images, sound recordings, and other products scheduled by a content provider for aural and/or visual reception, and for which the content consumer has no choice over the scheduling of the series.

**ARTICLE 15.4: ELECTRONIC AUTHENTICATION AND ELECTRONIC SIGNATURES**

1. Neither Party may adopt or maintain legislation for electronic authentication that would:
- (a) prohibit parties to an electronic transaction from mutually determining the appropriate authentication methods for that transaction;
  - (b) prevent parties from having the opportunity to establish before judicial or administrative authorities that their electronic transaction complies with any legal requirements with respect to authentication; or
  - (c) deny a signature legal validity solely on the basis that the signature is in electronic form.

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2. Notwithstanding paragraph 1, a Party may require that, for a particular category of transactions, the method of authentication meet certain performance standards or be certified by an authority accredited in accordance with the Party's law, provided the requirement:

- (a) serves a legitimate governmental objective, and
- (b) is substantially related to achieving that objective.

**ARTICLE 15.5: ONLINE 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 when they engage in electronic commerce.

2. The Parties recognize the importance of cooperation between their respective national consumer protection agencies on activities related to cross-border electronic commerce in order to enhance consumer welfare.

3. The Parties' national consumer protection enforcement agencies shall endeavor to cooperate with each other, in appropriate cases of mutual concern, in the enforcement of laws against fraudulent and deceptive commercial practices in electronic commerce.

**Article 15.6: PAPERLESS TRADING**

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

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

**ARTICLE 15.7: PRINCIPLES ON ACCESS TO AND USE OF THE INTERNET FOR ELECTRONIC COMMERCE**

To support the development and growth of electronic commerce to facilitate trade, each Party recognizes that consumers in its territory should be able to:

- (a) access and use services and digital products of their choice, unless prohibited by the Party's domestic law;
- (b) run applications and services of their choice, subject to the needs of law enforcement;
- (c) connect their choice of devices to the Internet, provided such devices do not harm the network and are not prohibited by domestic law; and
- (d) have the benefit of competition among network providers, application and service providers, and content providers.

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ARTICLE 15.8 : CROSS-BORDER INFORMATION FLOWS

In recognition of the importance of the free flow of information to facilitating trade and acknowledging the importance of protecting personal information, the Parties shall endeavor to refrain from imposing or maintaining unnecessary barriers to information flows across borders.

ARTICLE 15.9: DEFINITIONS

For purposes of this Chapter:

**carrier medium** means any physical object designed principally for use in storing a digital product by any method now known or later developed, and from which a digital product can be perceived, reproduced, or communicated, directly or indirectly, and includes, but is not limited to, an optical medium, a floppy disk, or a magnetic tape;

**digital products** means computer programs, text, video, images, sound recordings, and other products that are digitally encoded and produced for commercial sale or distribution, regardless of whether they are fixed on a carrier medium or transmitted electronically<sup>4</sup>;

**electronic 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;

**electronic signature** means data in electronic form in, affixed to, or logically associated with, an electronic document, which may be used to identify the signatory in relation to the electronic document and indicate the signatory's approval of the information contained in the electronic document;

**electronic transmission** or **transmitted electronically** means the transfer of digital products using any electromagnetic or photonic means;

**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.

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<sup>4</sup> The definition of digital products should not be understood to reflect a Party's view on whether trade in digital products through electronic transmission should be categorized as trade in services or trade in goods.