

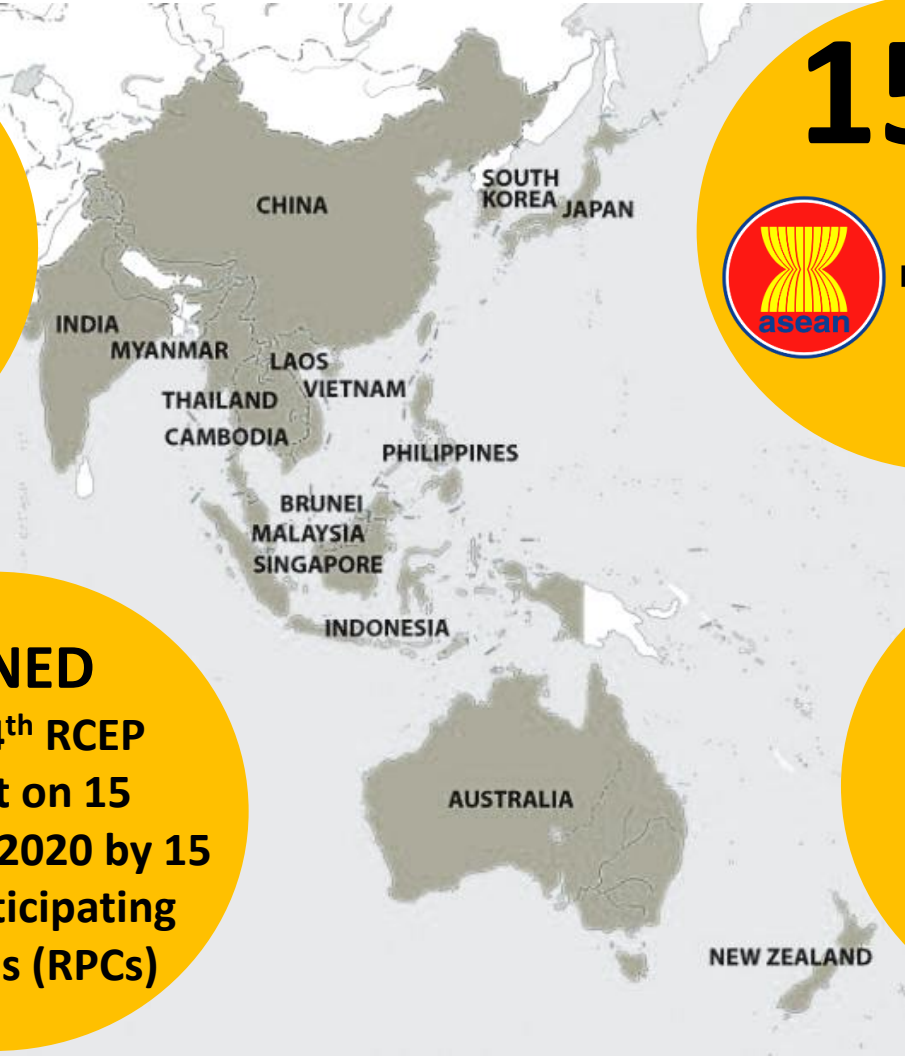
Regional Comprehensive Economic Partnership (RCEP)

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Regional Comprehensive Economic Partnership (RCEP) – 15 Countries

~a third
of the world's
POPULATION



15 Parties



SIGNED
during 4th RCEP
Summit on 15
November 2020 by 15
RCEP Participating
Countries (RPCs)

30%
of the world's
GDP



The RCEP remains the largest FTA to-date, covering 2.2 billion people and contributing to 30% of global GDP.

History and Objective of RCEP

- The RCEP was launched in November 2012 at the 21st ASEAN Summit in Phnom Penh, amongst the 10 ASEAN Member States (AMS) and six ASEAN FTA Partners (AFPs).
- The objective of the RCEP, as endorsed by the Leaders in the *Guiding Principles and Objectives of the RCEP Negotiations* in 2012, is to be a modern, comprehensive, high-quality and mutually-beneficial economic partnership agreement that will broaden and deepen ASEAN's economic engagement with the AFPs with significant improvements over the ASEAN Plus One FTAs.
- RCEP is an important strategic and economic initiative that will further regional economic integration.
 - The signing of RCEP on 15 November 2020 sends a strong signal of the 15 countries' unwavering support and commitment to the multilateral trading system, regional integration and economic development across the region.
 - Amidst the global economic climate, the RCEP will bolster market and employment opportunities for our businesses and people, and boost confidence in the post-pandemic economy recovery and longer-term prospects of the region.

Coverage of the RCEP

The RCEP comprise the following 20 Chapters:

1	Initial Provisions and General Definitions	11	Intellectual Property *
2	Trade In Goods	12	Electronic Commerce *
3	Rules of Origin <ul style="list-style-type: none">Annex on Product Specific Rules	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 <ul style="list-style-type: none">Annex on Financial ServicesAnnex on Telecommunication ServicesAnnex on Professional Services	18	Institutional Provisions
9	Movement of Natural Persons	19	Dispute Settlement
10	Investment	20	Final Provisions

* These Chapters are new for ASEAN trade agreements.

How does RCEP improve on ASEAN Plus One Agreements?

The RCEP improves on existing ASEAN Plus One agreements in **four key areas**:

- (i) **Comprehensive trade facilitative measures** that introduces additional clarity on goods clearance procedures at the border as well as more flexible rules of origin for companies to benefit from regional supply chains, including establishing a single rule of origin criteria across all 15 RPCs;
- (ii) **Improved market access for Trade in Services** with significant number of sectors open to foreign participation and increase in allowed foreign shareholding limits in some RCEP participating markets;
- (iii) **Enhanced Investment rules and disciplines** to support businesses' regional investments and;
- (iv) **Expanded scope and commitments in new areas** such as E-Commerce, Competition policy and Intellectual Property Rights.

Economic Benefits of the RCEP Agreement for Singapore

1. Additional Preferential Trade in Goods Market Access Coverage into some RCEP markets, notably China, Japan and Republic of Korea (ROK), on top of existing FTAs
2. Simplified Customs Procedures and Enhanced Trade Facilitation Measures to allow efficient administration of procedures and expeditious clearance of goods
3. At least 65% of Services Sector open to foreign participation and with increase in permissible foreign shareholding limits in some RCEP markets
4. Enhanced Investment Rules and Disciplines to better support businesses' regional investments
5. Streamlined Rules of Origin to allow businesses to better take advantage of regional value chains
6. Regional Cumulation makes it easier for businesses to meet the required rules of origin for their exports, and benefit from preferential treatment and greater cost-savings
7. Government Procurement provides increased transparency through publication of laws, regulations and procedures
8. Coverage of Emerging Trade Fields, including E-Commerce, Competition Policy and Intellectual Property (IP) rights
 - i. E-Commerce: More conducive digital trade environment and greater access to RCEP markets
 - ii. IP rights and Competition Law: Additional layer of protection and assurance for businesses when operating in the region

India and RCEP



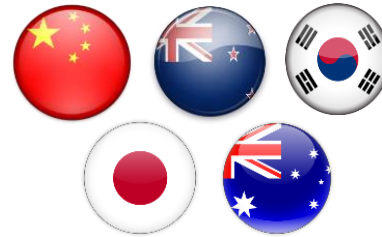
- India was one of the founding members of the RCEP Agreement, when launched in 2012.
- However, during the 3rd RCEP Summit in 2019, Prime Minister Narendra Modi declared that India was unable to join the RCEP as its outstanding issues were not addressed.
- Efforts to engage India to rejoin the RCEP in 2020 were futile. There was a general acknowledgement amongst the 15 RPCs that India will not be able to re-join and sign the RCEP in 2020 given its domestic political pressures.
- All 15 RPCs agreed to keep the door open for India to re-join the RCEP in future when ready.
- Ministers' Declaration on India's Participation in the RCEP

Ratification and Entry into Force

Entry into Force (EIF) Requirement for RCEP



6 out of 10
ASEAN Member
States (AMS)



3 out of 5
ASEAN FTA
Partners (AFPs)

Expected Duration for EIF

~ 2 Years (EIF in Jan 2023)

**Expected Duration for Singapore's
Ratification**

~ Few Months (Aiming to ratify by 2021)

Accession

“This Agreement shall be open for accession by any State or separate customs territory **18 months after the date of entry into force** of this Agreement. Such accession shall be subject to the consent of the Parties and any terms or conditions that may be agreed between the Parties and the State or separate customs territory.”

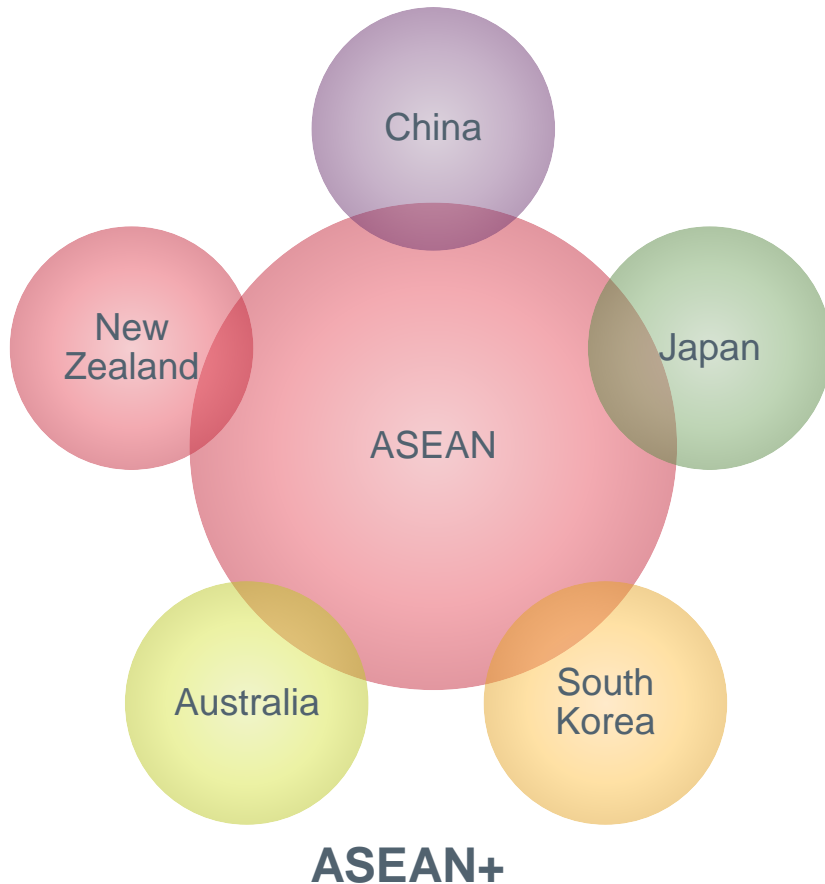
Article 20.9, Chapter 20 (Final Provisions) of the RCEP Agreement

RCEP Opportunities & What Businesses Need to Prepare Before RCEP Enters Into Force

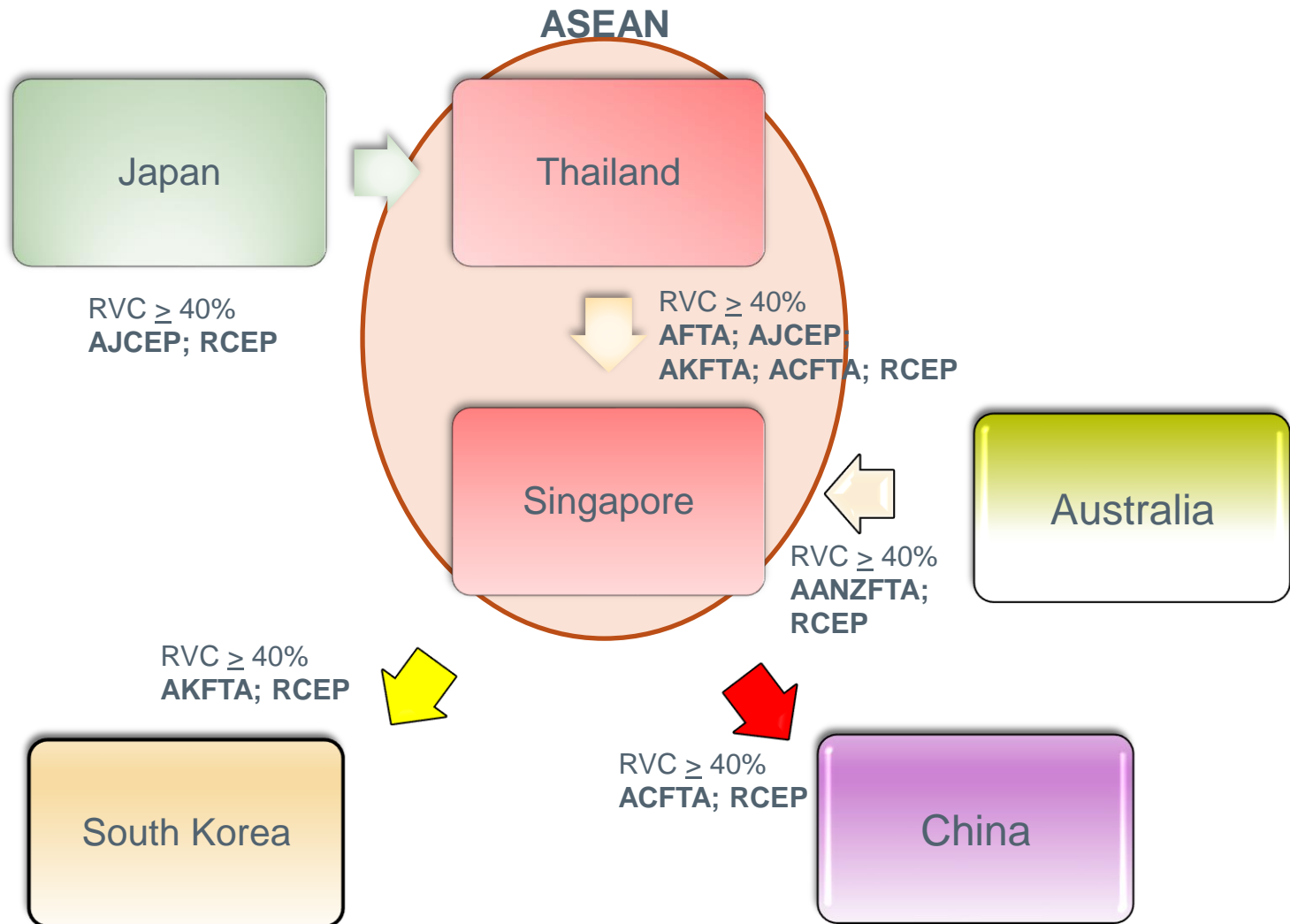
Singapore Business Federation, RCEP webinar
18 December 2020

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CLOSER REGIONAL ECONOMIC INTEGRATION



CAPTURING RCEP VALUE: TRADE IN GOODS



CAPTURING RCEP VALUE: TRADE IN GOODS

- Being able to enjoy preferential tariffs
 - Identify preferential tariffs
 - Rules of origin
 - Product-specific rules
 - Cumulation
 - Transporting through other Parties or non-Parties
 - Not undergone any further processing
 - Remains under Customs control
 - Documentary evidence: Non-manipulation certificate, etc.
- Being able to provide Proof of Origin and other documentation
 - Authorised CO
 - Self-declaration by Approved Exporter
 - Back-to-back
 - Third-party invoicing
- Being able to pass origin verification exercise by the importing country authority
 - Record-keeping
 - At least 3 years
 - Verification
 - Specific response timeline
 - Suspension of preference while waiting for verification result; goods release subject to lodgment of security

RCEP VALUE GOING FORWARD: E-COMMERCE

- Work towards paperless trading
- Enact or maintain laws
 - Online consumer protection
 - Online personal information protection
- Moratorium on customs duties
 - Does not preclude imposition of taxes, fees, or other charges on electronic transmissions
- Cannot
 - Require location of computing facilities as condition to conduct business
 - Prevent cross-border transfer of information by electronic means
 - BUT...

Thank You

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