



CPTPP: How does it impact your business?



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From Business to Prosperity

13 AUGUST 2020, THURSDAY

[WEBINAR]
UNDERSTANDING CHINA-
SINGAPORE FREE TRADE
AGREEMENT (CSFTA)
UPGRADE PROTOCOL

2.00pm to 3.30pm
Complimentary





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The High Commission of Canada in Singapore and CanCham Singapore invite you to an exciting and informative four-part series of eight e-commerce webinars, highlighting cross border business opportunities in the broader **ASEAN - Association of Southeast Asian Nations** region and **Singapore**.

During these webinars you will have the opportunity to hear from leading regional experts including **Lazada** and **Shopee**, as well as from major global players such as **Amazon**, **FedEx** and **Shopify**.



MODERATOR



H.E. Lynn McDonald

High Commissioner of Canada to
Singapore



Jay Allen

Executive Director, Trade Policy
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Executive Director, Asian
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CPTPP

Where We Stand, One Year On

Jay Allen

Executive Director, Trade Policy and Negotiations, Asia
Directeur exécutif, Politique et négociations commerciales, Asie

July 30, 2020



Government
of Canada

Trade Commissioner
Service

Gouvernement
du Canada

Service des
délégués commerciaux

Canada

What is the CPTPP?

➤ Asia-Pacific's largest regional trade agreement, in force since Dec. 30, 2018

- Diverse membership, representing over 13% of global economy
- First FTA that links Canada with Singapore, Australia, Japan, New Zealand, and Vietnam



Setting a Standard for Regional Trade

- ✓ Offers the best market access commitments
 - Eliminates virtually all tariffs on merchandise trade
 - Removes local presence and performance requirements for trade in services and FDI
- ✓ Sets rules that help grow your business
 - Helps you bring innovative ideas to market with enhanced IP protection and enforcement
 - Facilitates business travel to help you connect with new clients
 - Supports electronic commerce and doing business in a digital environment
- ✓ Creates a more stable business environment
 - Reduces red tape and encourages adoption of global standards
 - Improves regulatory transparency and impartiality



Certainty and Diversification

➤ International business and trade facing strong headwinds

- COVID-19 disrupts global demand, introduces new industrial supports
- Lingering uncertainties of increased protectionism, China-U.S. trade dispute

➤ Managing supply chain risks a priority for all businesses

- Producers may seek alternative suppliers from other regions of the world
- Should be agile and flexible in business planning to capitalise on opportunities that emerge

➤ CPTPP positions Canada as a reliable international trading partner

- Makes you a stable and reliable business partner for prospective clients overseas
- Enables you to expand and invest in new markets with confidence and strengthen your market presence



Current and Future Opportunities

- **Canadian exporters saw early success under CPTPP**
 - Increased exports of both agricultural and industrial goods to CPTPP markets
 - Opportunities for further growth as tariffs fall and barriers come down
- **Strengthened business connectivity across the Pacific**
 - Labour mobility and investment will be key to renewing business after pandemic
- **Foreseeable opportunities in innovation, technology, and digital trade**
 - Services liberalisation allows Canadian companies to add value to high-tech supply chains
 - Digital trade allows businesses to use alternative channels of distribution for goods and services



Resources and Tools

- Canada's CPTPP website: www.canada.ca/cptpp
 - Information about all aspects of the agreement
 - SME-specific resources to help you grow your business in the Asia-Pacific region



- Free, personalised advice from network of trade experts that spans 160 different cities worldwide to help you identify potential markets and partnerships abroad
- Access to funding to help you take advantage of new international business opportunities
- Instructional videos and other resources on how to use Canada's trade agreements





Using the CPTPP to Create Competitive Advantage for Your Firm

Deborah Elms

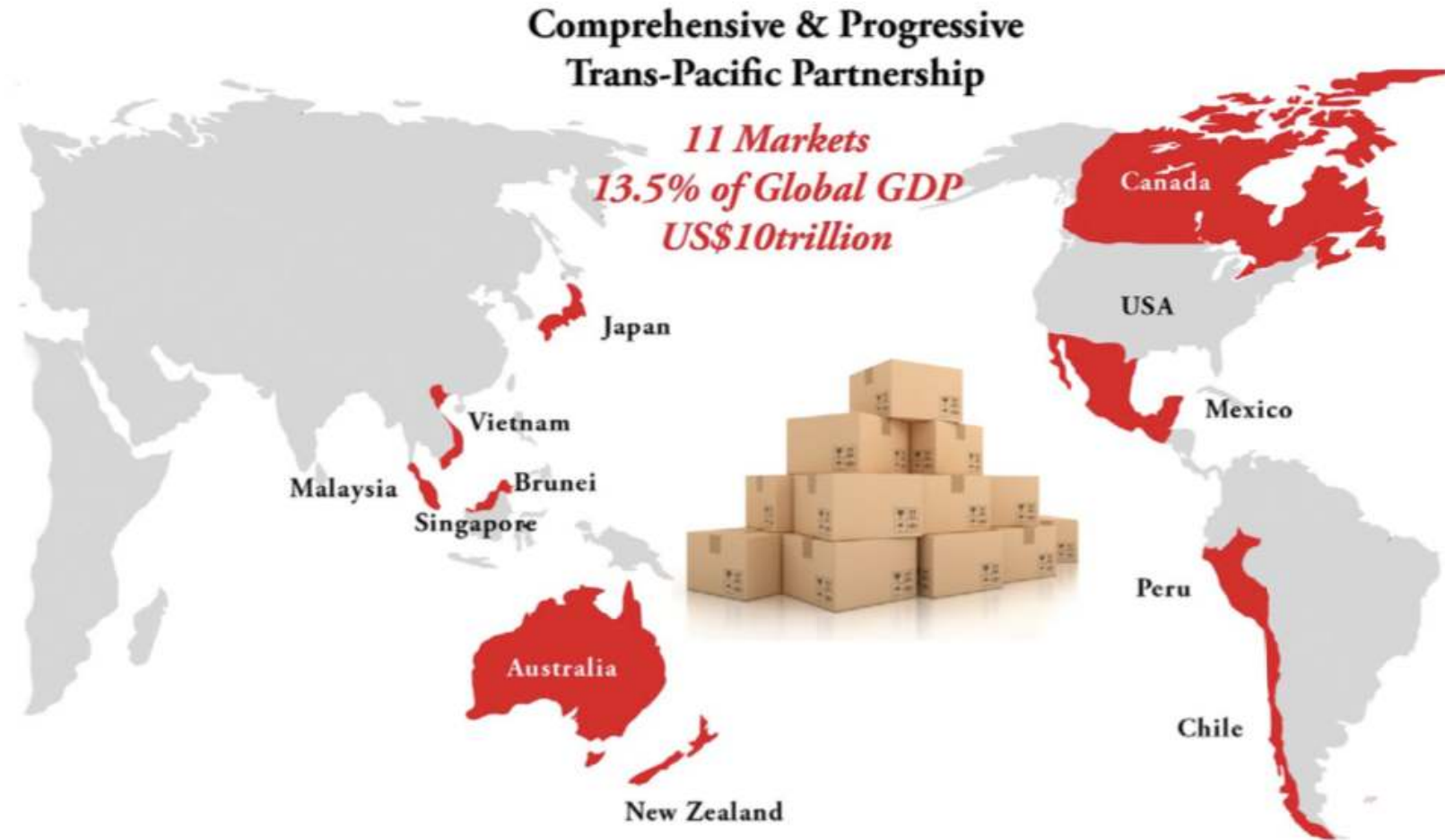
Singapore

July 29, 2020

elms@asiantradecentre.org



CPTPP Membership



Launched in December 2018



What's Different About the CPTPP?

- CPTPP is broader:
 - Covers markets for *all* goods (including agriculture), services, investment, government procurement, e-commerce with meaningful promises for opening
 - 30 chapters included in agreement, 6000+ pages
- CPTPP is deeper:
 - Has new rules for areas like intellectual property, food and food safety (SPS), standards (TBT), environment, labor, competition, customs, etc.
- Shared norms:
 - Every member has same commitments (just longer time frames for some members to implement deal)

CPTPP: Market Access for Goods

- Extensive, interlocking nature of CPTPP contains deep commitments for goods
- Goods includes: goods chapter, tariff cuts, rules of origin, textiles, standards (TBT and SPS), trade facilitation, investment, services, e-commerce, annexes, plus many side letters
- Overall, CPTPP provides greater market access than any agreement since NAFTA
- After just 18 months in operation, firms enjoy significant tariff cuts
 - Most products already at duty-free or 0 tariffs



Two Main Principles for ROOs

- 1. Wholly obtained goods (no part of the good originates outside of the partner country)
- 2. Last substantial transformation of product was conducted inside partner country
- Several ways to calculate substantial transformation:
 - Change in Tariff Classification (CTC) or (CTH)
 - Manufacturing operations and specific rules
 - Added-value criteria
 - Combination of different alternative methods for calculating origin

CPTPP Uses PSR ROOs

- While CPTPP has country-specific tariff schedules, agreement has just one ROO schedule (Chapter 3)
- Once a firm qualifies for ROO, it can ship into any CPTPP member country without change needed to goods
- CPTPP uses product-specific ROOs (PSRs)—for *every* tariff line there is a matching ROO
 - This is not like most Asian and ASEAN ROOs
 - Could be a big shift for firms in the region
- Note that CPTPP does not automatically require certificates of origin (COs) to prove origin
 - Burden of proof on the firm—must retain documentation for five calendar years after shipment



What Doesn't Count

- Products don't automatically get CPTPP benefits
- Minimal processing is not enough to get origin status
- Must do more to a product than just
 - Storing or preserving products
 - Packaging, bulk breaking, marking and labeling
 - Simply assembly or disassembly, cutting and mixing
 - Combining two or more sets of articles as a set for commercial sale
 - Any combination of the above
- These are “non-substantial transformation”



New Trade Facilitation Rules

- Generally greater transparency in procedures
- Self-certification possible for companies
 - Companies will need to manage internal paperwork to claim origin and keep documentation for five years after shipment
- Advance Rulings
 - Under TPP, customs to issue rulings that are to be stable for one full year
 - On tariff classification, valuation, and origin
- Expedited procedures for express shipments
- Adopt risk management systems
- Release goods within 48 hours
 - Several specific provisions about timing of clearance and paperwork

Tariffs Capture Headlines, But...

- Some of greatest CPTPP benefits found elsewhere in deal including services and investment
- Typically, CPTPP countries reluctant to open
- Examples: Health and education
 - Could deliver some services before, but now less risk and more certainty over rules
- Partly given negative list scheduling and partly a result of overall ambition of agreement, members pledge greater openness than ever before
 - But, like in goods trade, not entirely automatic
- Some movement of people allowed—like intra-corporate transferees—to deliver services



The CPTPP Uses a “Negative” List

- Basically, in the CPTPP, if a country did not list a service in the Non-Conforming Measures annex, it is *automatically* opened to member countries
 - If you *don't* see your sector listed (or scheduled) it is opened for TPP competition
- Subject, however, to some internal restrictions, like the potential need for licenses or professional requirements (like local suppliers of the service)
- Hence, the CPTPP provides significantly greater services and investment access to member firms than WTO/GATS type schedules
 - And should need fewer revisions in the future as new services are opened by default



CPTPP Services/Investment Bottom Lines

- The most important new access likely from CPTPP will probably come from services and investment
- These areas are opened in new ways and provide firms with opportunities not yet seen, particularly in Asia
- Examples include: health care clinics, mid-size logistics providers, cold storage warehousing, after-school tuition centres, online services of all types, new environmental services, etc.
- Firms can take advantage of new scale options
- But note that getting people in and out with licensing and visa issues could still be problematic



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- Strategic, creative thinking for policy and regulatory challenges
- Solutions for vexing trade problems
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- Sensible input to craft modern trade agendas

Asian Trade Centre

Singapore

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How can CPTPP help you today

30 July 2020

Mary Elizabeth Chelliah
Principal Trade Specialist , MTI

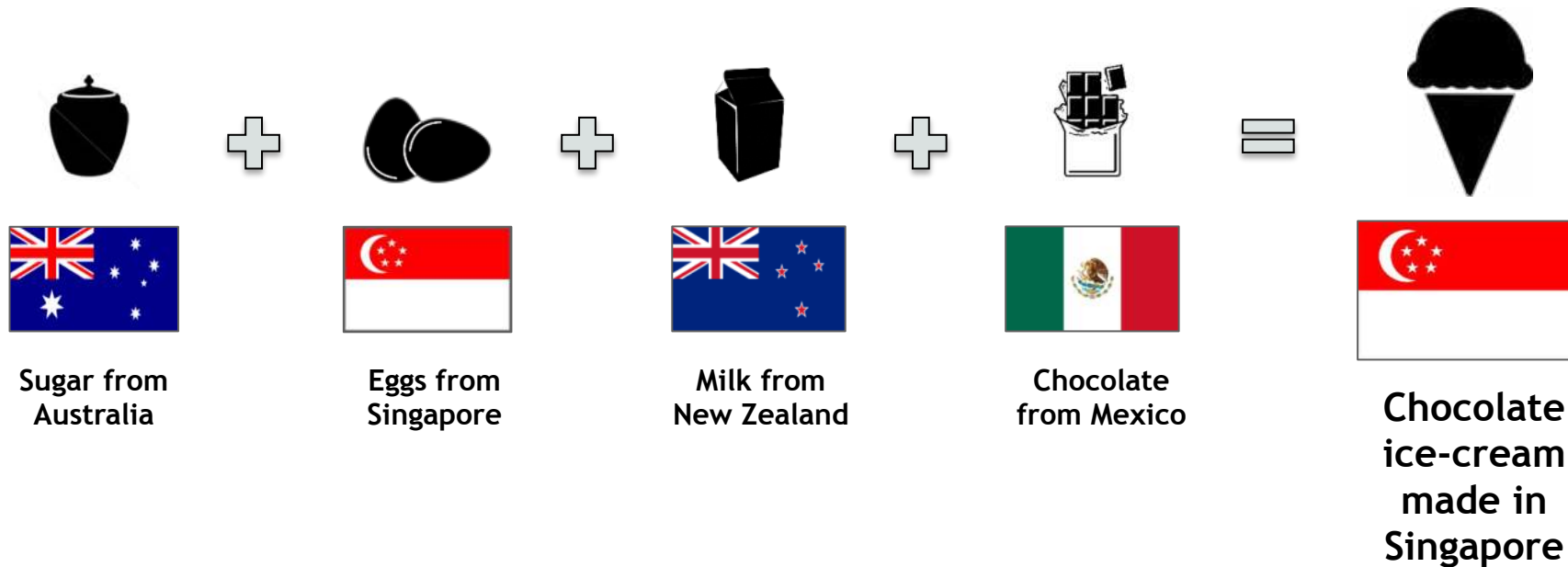
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Unprecedented scope and ambition

1.	Initial Provisions and General Definitions	16.	Competition Policy
2.	Rules of Origin and Origin Procedures	17.	State-owned Enterprises and Designated Monopolies
3.	National Treatment and Market Access for Goods	18.	Intellectual Property
4.	Textiles and Apparel	19.	Labour
5.	Customs Administration and Trade Facilitation	20.	Environment
6.	Trade Remedies	21.	Cooperation and Capacity Building
7.	Sanitary and Phytosanitary Measures	22.	Competitiveness and Business Facilitation
8.	Technical Barriers to Trade	23.	Development
9.	Investment	24.	Small and Medium-sized Enterprises
10.	Cross Border Trade in Services	25.	Regulatory Coherence
11.	Financial Services	26.	Transparency and Anti-corruption
12.	Temporary Entry for Business Persons	27.	Administrative and Institutional Provisions
13.	Telecommunications	28.	Dispute Settlement
14.	Electronic Commerce	29.	Exceptions
15.	Government Procurement	30.	Final Provisions

Setting a common and regional set of rules of origin

Alternative origin criteria and regional cumulation



Benefits beyond traditional manufacturing



Remanufacturing and maintenance, repair & overhaul (MRO) servicing activities in Singapore



MICE activities in any TPP country
Arising from provisions on temporary admission of goods



Logistics



Greater transparency for SPS & TBT requirements

Customs Administration and Trade Facilitation

Transparency of customs procedures

- **Publication**
 - Laws, regulations, and procedures
 - Designated contact points in each Party
- **Advance Rulings**
 - Obtain decisions on classification, valuation, and originating status before exportation
 - Gives certainty and predictability as to how goods will be treated when exported

Efficiency of customs procedures

- **Release of Goods**
 - Within 48 hours of arrival, to the extent possible
 - Electronic submissions and processing in advance of arrival of goods
 - Goods may be released prior to final determination of customs duties
- **Express shipments**
 - Expedited customs procedures
 - Clearance within 6 hours of submission under normal circumstances*

New and improved access to government procurement opportunities



Transparent, objective &
non-discriminatory
tender specifications

**Establishment of
domestic procedures**
Aid companies in the event
of disputes

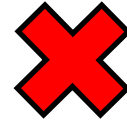


**New access to
Mexico & Vietnam's GP projects**

Encourage the growth of the digital economy



Removes unnecessary localisation requirements



Prohibits imposition of customs duties on digital products



Consumer protection laws

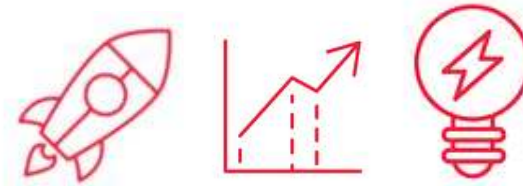
Foster creativity and innovation through the protection of intellectual property rights

High-standard & harmonized IP regime across TPP region



Trade marks, geographical indications, patents, copyrights, trade secrets & enforcement

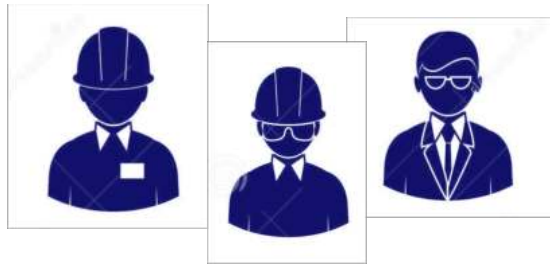
Strong civil and criminal enforcement



Easier search, registration and protection for trade marks and patents

Allows Singapore to attract R&D
Grow innovative businesses & create high-value employment opportunities for our people

Rules for sustainable trade and level playing field



Protection of basic workers' rights



Greater environmental protection & enforcement



Level playing field for state-owned enterprises and private companies

Promoting inclusive trade



Greater tariff elimination & more trade facilitative rules to encourage SME participation



User-friendly websites targeted at SMEs

Taking Advantage of the CPTPP

The Case of *ShiokIceCream*



Singapore SME



Taking Advantage of the CPTPP

The Case of *ShiokIceCream*

Enter JP and ASEAN
markets

Invest in production
plant in Vietnam

Trademark its brand
“ShiokIceCream” and
protect its secret recipe

Set up retail shop in
Vietnam

INTERESTS

Set up online store to
serve more markets

Eyeing a government
tender to supply ice cream
in Mexico

Challenge 1: Enter the JP and ASEAN market

ShiokIceCream wants to export its ice cream to JP and ASEAN.



However, its ice cream does not qualify for *preferential tariffs* under the USSFTA or **ATIGA?**

It is also worried about *complicated & costly customs delays* in exporting to these markets and **unclear SPS/TBT regulations?**

Under the CPTPP

ShiokIceCream can export to JP and ASEAN



Regional cumulation

Ice cream will qualify as TPP originating

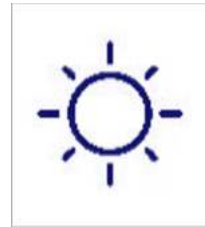
Enjoy **elimination of tariffs** when exporting to any of the CPTPP parites including Canada and Mexico

Cost savings through self-certification of exports

Cost competitive edge over regional competitors

Under the CPTPP

ShiokIceCream can export to any CPTPP country without complicated and costly custom delays



**Better customs clearance,
“faster time to runway”**

E.g. Advance rulings on tariff classification no later than 150 days after submitting a completed request



Enjoy express shipments

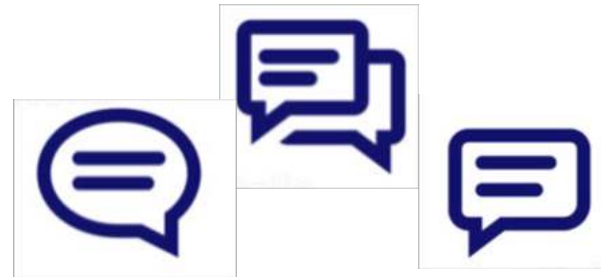
Imported goods into TPP countries released within 6 hours after submission of customs documents

Under the CPTPP



**Easier process to register TM
in other TPP countries**

**Common standards
across TPP countries**

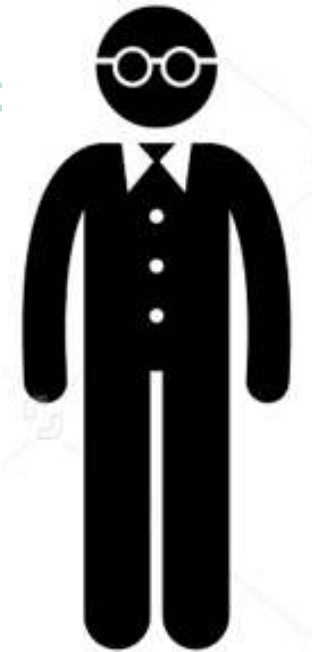


**Assured of recourse for
infringement of TM**

**Avenue to provide feedback to
IPOS or MinLaw regarding
unsatisfactory aspect
of another TPP Party's
IP regime**

Challenge 5: Bidding for government tender in Mexico

ShiokIceCream heard that Mexico will be holding its annual ice cream festival and is looking to support the event.



However, ShiokIceCream cannot find a government tender for this due to the lack of information.


Under the CPTPP

ShioklceCream can better compete for government tenders in Mexico



New market access into Mexico's government procurement projects

Resources

 Everything about Singapore's FTA and its legal text
For CPTPP this includes the SME links to other CPTPP SME sites

- www.fta.gov.sg

 ESG's Tariff Finder

- <https://www.enterprisesg.gov.sg/non-financial-assistance/for-singapore-companies/free-trade-agreements/ftas/tariff-finder>

 FTA Booklet by MTI

- <https://www.mti.gov.sg/Improving-Trade/Free-Trade-Agreements>

 Singapore Customs' Circulars

- <https://www.customs.gov.sg/news-and-media/circulars?year=&title=&pagesize=10&tag=Rules+of+Origin+-+FTA&page=>

Thank You



THE CPTPP AND DIGITAL COMMERCE

LOCKNIE HSU

PROFESSOR

SMU SCHOOL OF LAW

WEBINAR, 30 JULY 2020

DIGITAL COMMERCE

Examples of CPTPP chapters of interest

- Trade facilitation
 - Services
 - E-commerce
 - SMEs
 - Investment
- Broadly speaking, the treaty provides:
 - a) a set of “rules” and minimum protection standards for CPTPP trade and
 - b) platforms/mechanisms for developing business opportunities in other CPTPP countries

DIGITAL COMMERCE & COVID-19

- Online commerce – goods
- Online services
- Investments
- SME information and networks
- Finding the markets and customers – B2B, B2C
- COVID-19: developing a strategic plan:
 - Supply
 - Sourcing

Data protection “rules” in E-commerce chapter of CPTPP

Article 24.2: Committee on SMEs

1. The Parties hereby establish a Committee on SMEs (Committee), composed of government representatives of each Party.
2. The Committee shall:
 - (a) identify ways to assist SMEs of the Parties to take advantage of the commercial opportunities under this Agreement;
 - (b) exchange and discuss each Party's experiences and best practices in supporting and assisting SME exporters with respect to, among other things, training programmes, trade education, trade finance, identifying commercial partners in other Parties and establishing good business credentials;
 - (c) develop and promote seminars, workshops or other activities to inform SMEs of the benefits available to them under this Agreement;
 - (d) explore opportunities for capacity building to assist the Parties in developing and enhancing SME export counselling, assistance and training programmes;
 - (e) recommend additional information that a Party may include on the website referred to in Article 24.1 (Information Sharing);
 - (f) review and coordinate the Committee's work programme with those of other committees, working groups and any subsidiary body established under this Agreement, as well as those of other relevant international bodies, in order not to duplicate those work programmes and to identify appropriate opportunities for cooperation to improve the ability of SMEs to engage in trade and investment opportunities provided by this Agreement;
 - (g) facilitate the development of programmes to assist SMEs to participate and integrate effectively into the global supply chain;
 - (h) exchange information to assist in monitoring the implementation of this Agreement as it relates to SMEs;
 - (i) submit a report of its activities on a regular basis and make appropriate recommendations to the Commission; and
 - (j) consider any other matter pertaining to SMEs as the Committee may decide, including any issues raised by SMEs regarding their ability to benefit from this Agreement.
3. The Committee shall meet within one year of the date of entry into force of this Agreement, and thereafter as necessary.
4. The Committee may seek to collaborate with appropriate experts and international donor organisations in carrying out its programmes and activities.



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