

REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP

E-Commerce Chapter



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THE WORLD OF DATA

NUMBER OF EMAILS SENT EVERY SECOND

2.9 MILLION

DATA CONSUMED BY HOUSEHOLDS EACH DAY

375 MEGABYTES

VIDEO UPLOADED TO YOUTUBE EVERY MINUTE

20 HOURS

DATA PER DAY PROCESSED BY GOOGLE

24 PETABYTES

TWEETS PER DAY

50 MILLION

TOTAL MINUTES SPENT ON FACEBOOK EACH MONTH

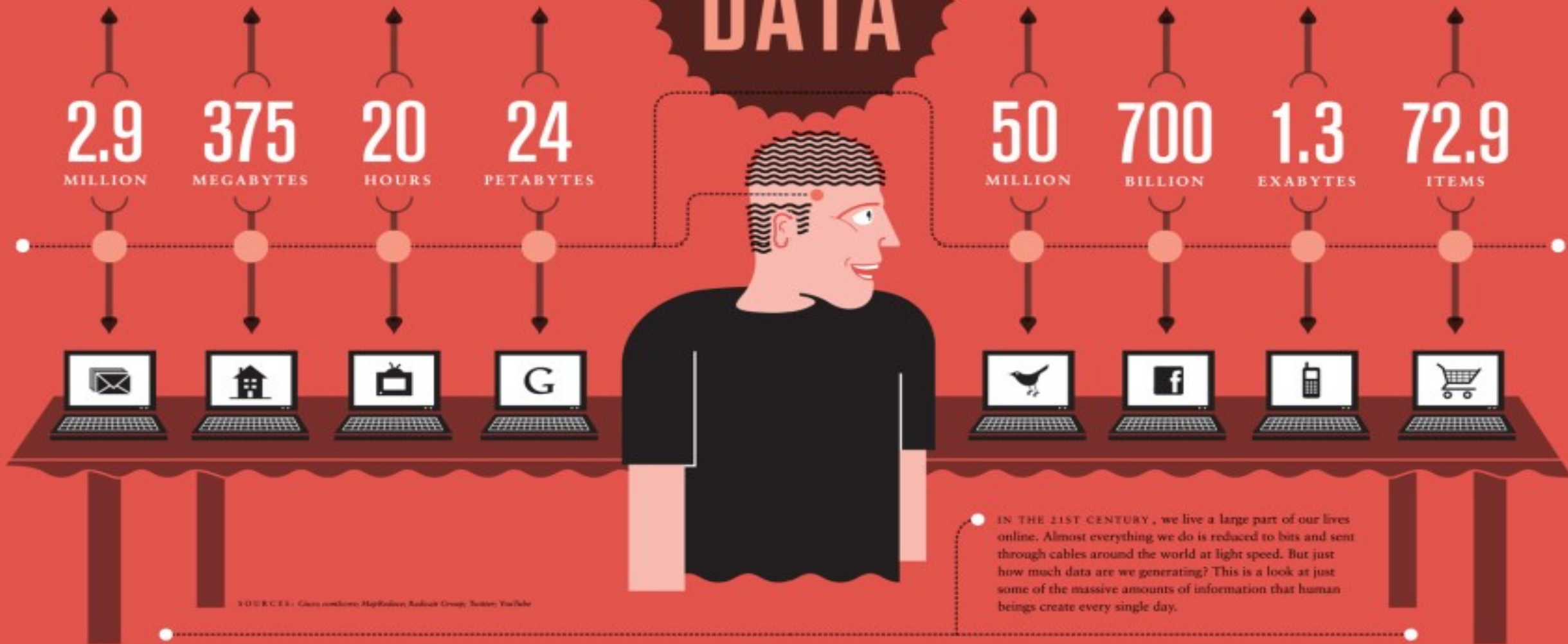
700 BILLION

DATA SENT AND RECEIVED BY MOBILE INTERNET USERS

1.3 EXABYTES

PRODUCTS ORDERED ON AMAZON PER SECOND

72.9 ITEMS



SOURCES: Cisco.com, MapInfo, Radix Group, Twitter, YouTube

IN THE 21ST CENTURY, we live a large part of our lives online. Almost everything we do is reduced to bits and sent through cables around the world at light speed. But just how much data are we generating? This is a look at just some of the massive amounts of information that human beings create every single day.

BIG TECH

Google



Microsoft

Baidu 百度

Tencent

facebook

amazon

Alibaba.com
Global trade starts here.™

xiaomi

More than 80% of the world's data is owned by the Big TECH

NAME...
AGE... GENDER...
HEIGHT... WEIGHT...
SSN... NET WORTH...
MARITAL STATUS...
PET PEEVES...
WORST FEARS...
SEXUAL FANTASIES...
MEDICAL HISTORY...

TYPE
TYPE
TYPE
ENTER
ENTER
ENTER

OF COURSE
I EXPECT
ALL OF THIS
TO REMAIN
STRICTLY
PRIVATE!



Wipe Kees @ THE DENVER POST 5.26.10



Free is not free

"When something online is free, you're not the customer, you're the product."



Maybe you've even filled out a few yourself to figure out which Harry Potter character you are or what museum art piece your face looks like.

The
Economist

MAY 6TH-12TH 2017

Crunch time in France

Ten years on: banking after the crisis

South Korea's unfinished revolution

Biology, but without the cells

The world's most valuable resource

Data and the new rules
of competition



E-commerce Rules



Making Rules for our Future

“Personal data is the
new oil of the internet
and the new currency
of the digital world.”

— Meglena Kuneva
Former European Consumer Commissioner



E-commerce Agenda



- Custom duties (WTO moratorium)
- Digital certificates and electronic signatures
- Border measures for digital goods in import, export and transit
- Payment processing
- Online Consumer Protection
- Unsolicited Commercial Electronic Messages
- Intermediary liability
- Cross-Border Data Transfers
- Protection of Personal Information
- Ban on Local Computing Facilities/Servers
- Net Neutrality
- Encryption technology
- Access to source code & algorithms
- Intellectual Property
- Domain name rule
- Cybersecurity

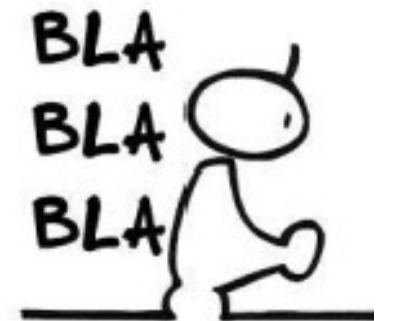


Joint Leaders' Statement on the Negotiations for the Regional Comprehensive Economic Partnership (RCEP)

RCEP: A VEHICLE FOR ECONOMIC INTEGRATION AND INCLUSIVE DEVELOPMENT

Electronic Commerce

- The E-commerce Chapter would **promote e-commerce** among the Participating Countries and foster the wider use of e-commerce globally; and **enhance cooperation** among Participating Countries in developing the e-commerce ecosystem. The E-commerce Chapter would help position RCEP as a modern agreement that **benefits and creates opportunities for facilitating e-commerce, especially for SMEs.**



Cross Border Data Transfers



TPP Article 14.11: Cross-Border Transfer of Information by Electronic Means

1. The Parties recognize that each Party may have its own regulatory requirements concerning the transfer of information by electronic means.
2. Each Party shall allow the cross-border transfer of information by electronic means, including personal information, when this activity is for the conduct of the business of a covered person.
3. Nothing in this Article shall prevent a Party from adopting or maintaining measures inconsistent with paragraph 2 to achieve a **legitimate public policy objective**, provided that the measure:
 - (a) is not applied in a manner which would constitute a means of **arbitrary or unjustifiable discrimination** or a disguised restriction on trade; and
 - (b) does not impose restrictions on transfers of information **greater than are required to achieve the objective**.

RCEP Terms of Reference

Promoting Cross Border Electronic Commerce

- Cross Border transfer of information by electronic means
- Prohibition on Requirements on Concerning the Location of Computing Facilities
- Prohibition on Requirements Concerning Disclosure of Source Code

The Concern

A common framework for the movement of data, without establishing common levels of protection for that data



Countries are prohibited from adopting robust **privacy and security protections** for users/consumers if these could be characterized as amounting to **arbitrary** or **unjustifiable** discrimination, or placing a **disguised restriction**, on trade in services



Ban on local server/computing facilities requirements

Data Localization

- Digital Protectionism
- Cyber protectionism
- Data Nationalism

Source Code



Article 14.17: Source Code

1. No Party shall require the transfer of, or access to, source code of software owned by a person of another Party, as a condition for the import, distribution, sale or use of such software, or of products containing such software, in its territory.
2. For the purposes of this Article, software subject to paragraph 1 is limited to mass-market software or products containing such software and does not include software used for critical infrastructure.
3. Nothing in this Article shall preclude:
 - (a) the inclusion or implementation of terms and conditions related to the provision of source code in commercially negotiated contracts; or
 - (b) a Party from requiring the modification of source code of software necessary for that software to comply with laws or regulations which are not inconsistent with this Agreement.
4. This Article shall not be construed to affect requirements that relate to patent applications or granted patents, including any orders made by a judicial authority in relation to patent disputes, subject to safeguards against unauthorized disclosure under the law or practice of a Party.

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- Restrictions on disclosure/transfer/access to source code

Thank You



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