

**US-SINGAPORE JOINT STATEMENT
ON ELECTRONIC COMMERCE**

November 18, 2002

- 1 Electronic commerce will be an engine of economic growth in the 21st century, with the potential to invigorate economies by enhancing productivity, streamlining distribution, and revamping corporate structures. Singapore and the United States have already taken steps domestically to realize the full potential of electronic commerce.
- 2 Electronic commerce will enhance the standard of living of citizens in Singapore and the United States, as well as the rest of the world, by creating new jobs and opportunities. Small and medium-sized enterprises, in particular, will benefit from new opportunities to sell their products to a worldwide market. Consumers will likewise benefit from the greater variety of choices made possible by electronic commerce, which will also lead to lower prices.
- 3 The Governments of Singapore and the United States recognize the importance of working together to promote global electronic commerce in the appropriate multilateral fora.
- 4 We support and endorse the following fundamental principles and policies, which should guide the development of electronic commerce.

I. General Principles

- 5 We agree to work on the basis of the following principles:
 - (a) The private sector should lead in the development of electronic commerce and in establishing business practices.
 - (b) Both governments should avoid imposing unnecessary regulations or restrictions on electronic commerce. Government actions, when needed, should be transparent, minimal, non-discriminatory, and predictable to the private sector.
 - (c) Governments should encourage effective self-regulation through codes of conduct, model contracts, guidelines, and enforcement mechanisms developed by the private sector.
 - (d) Cooperation among all countries, from all regions of the world and all levels of development, will assist in the construction of a seamless environment for electronic commerce

II. Policy Issues

The Social and Regional Challenge

- 6 The Internet and other information and telecommunications technologies and services are shaping not just our economies, but our societies as well, and they hold the potential to enhance the lives of our citizens as well as commerce. Used creatively, the Internet, and information and telecommunications technologies and services more generally, can be a powerful tool for tackling difficult social challenges as well as for fostering economic growth.
- 7 We believe that a pro-competitive and fully liberalized telecommunications sector is an important foundation for spurring electronic commerce and that it results in lower prices, more customer choice, and faster deployment of new technologies. We encourage countries to open their markets to private sector investments to help modernize telecommunications infrastructure and IT services. Singapore

- and the United States are ready to advance international cooperation to achieve this goal and to avail themselves of international organizations and financial institutions to further this goal.
- 8 We must also ensure that new information and telecommunications technologies widen the circle of opportunity. The technological revolution allows us to imagine a future with greater opportunities for all. Information and telecommunications technologies and services can benefit all countries, integrate them into the global economy, and facilitate the dissemination of knowledge and technologies to citizens and companies.
 - 9 Governments have an important role to play in promoting access to information and telecommunications technologies and services, particularly for consumers in under served areas. Singapore and the United States will endeavour to cooperate in facilitating the use of information and telecommunications technology to (1) address social challenges, such as bridging the digital divide and helping working adults acquire relevant knowledge-based skills; (2) improve the quality of life for the disabled and economically disadvantaged; (3) strengthen democracy; and (4) increase access to healthcare and education.
 - 10 To avoid the creation of a "digital divide" on a social, cultural or geographic basis, we should promote the expansion of IT literacy and encourage the wide availability of information technology at public institutions such as schools, libraries, and community centres.
 - 11 The Internet provides unprecedented access to information. For the first time, a means of communication enables an individual to select what he or she wishes to view from among billions of pages of information posted on hundreds of thousands of Web sites all around the world. This information is posted in many countries and in many languages. Governments should promote access to this information.
 - 12 Content that is produced on the Internet can and should be used to afford an opportunity to promote cultural diversity and preserve cultural identity as various cultural, social, and linguistic interests can be produced and accessed by others with similar interests world-wide. We support the deployment of information and telecommunications technologies and services that enable these opportunities.
 - 13 Content should be transmitted freely across national borders in response to a user's request, subject to restrictions on illegal content. The United States and Singapore will cooperate to promote open global markets for digital products transmitted electronically, to help support the growth of the Internet and electronic commerce. In instances where users do not wish to receive certain types of content, such as that which is unsuitable for children, the individual consumer can exercise his or her choice through using filtering/blocking systems or other available tools.
 - 14 Encouragement of the free flow of information on the Internet, however, should not impair the rights of intellectual property owners given the importance of protecting intellectual property on the Internet. If electronic commerce is to be fully successful, the businesses that use it must be confident that their intellectual property rights will be protected.
 - 15 We recognize that international Internet connectivity is critical to ensure open access to content around the world and the continued development of information and telecommunications services and infrastructure worldwide. Singapore and the United States will cooperate in the promotion of the APEC Principles on International Charging Arrangements for Internet Services (ICAIS) agreed on in May 2000 at the 4th APEC Telecommunications and Information Industry Ministerial held in Cancun, Mexico, which endorse commercially negotiated charging arrangements. Singapore and the United States believe that dialogue and action in this area must be private sector-driven and based on pro-competitive principles, and that the role of governments is to facilitate this dialogue and action.

- 16 We encourage international cooperation among regulators and law enforcement authorities to prevent, investigate and prosecute illegal activities on the Internet, including those by criminal and terrorist organizations.

E-Government

- 17 Electronic commerce will help our two governments serve their people better by increasing the efficiency of, and citizens' access to, public services and products. Governments can also contribute to the development of the information economy by acting as model users and market catalysts. Business and user confidence will be enhanced by effective government use of information and telecommunications technologies and services. Singapore and the United States endeavour to cooperate in developing innovative methods for the provision of government services through electronic means.

Tariffs and Trade Principles

- 18 The current WTO practice of not imposing customs duties on electronic transmissions should be made permanent and binding as soon as possible.
- 19 We agree that electronic commerce falls within the scope of WTO rules and commitments. Conducting electronic commerce in conformity with these rules and commitments will ensure a predictable, trade-liberalizing environment, thereby promoting the growth of electronic commerce and creating opportunities for trade and development for Members at all stages of development.
- 20 Trade barriers to the free flow of content do not exist today and should not be created in the future.

Taxes

- 21 Any taxation of electronic commerce transactions for the supply of goods and services should be clear, consistent, neutral and non-discriminatory. We will work towards achieving a consensus regarding the taxation of electronic commerce based on the internationally agreed principles of neutrality, efficiency, certainty and simplicity, effectiveness and fairness, and flexibility.

Electronic Authentication/ Electronic Signatures

- 22 Governments should work towards a global approach that supports, domestically and internationally, the recognition and enforcement of electronic transactions and electronic authentication methods (including electronic signatures). On the international level this should include working together on a convention or other arrangement to achieve a common legal approach that will support electronic transactions as well as a variety of authentication technologies and implementation models. This approach should:
- (a) Remove paper-based obstacles to electronic transactions by adopting relevant provisions from the UNCITRAL Model Law on Electronic Commerce;
 - (b) Permit parties to a transaction to determine the appropriate authentication technologies and implementation models for their transaction, with assurance that those technologies and implementation models will be recognised and enforced;
 - (c) Permit parties to a transaction to have the opportunity to prove in court that their authentication technique and their transaction is valid;

- (d) Take a non-discriminatory approach to electronic signatures and authentication methods from other countries.

Personal data privacy protection

- 23 Ensuring the effective protection of personal data on global information networks is necessary, as is the need to continue the free flow of information. Governments and businesses should consider consumers' concern about their private information, as well as the needs of law enforcement. Since content, usage, and the method for collection of private information differ from industry to industry, means for data protection should be flexible. Governments should encourage the private sector to develop and implement enforcement mechanisms, including preparing guidelines and developing verification and recourse methodologies. Both Parties welcome on-going work to develop international guidelines as a useful basis for policy development in this area.

Security

- 24 Information infrastructures are critical to public safety and national economic well-being. Governments should provide advice on threats, vulnerabilities, and security responses to ensure that critical information infrastructures are protected. The preferred approach to information security is through industry awareness and industry-based solutions, and as necessary, effective partnerships with government.

Electronic Payments

- 25 Developments in this area should recognize the importance of private sector leadership, and should promote both a competitive market for, and user confidence in, electronic payment systems.

Intellectual Property Protection

- 26 The growth of electronic commerce depends on adequate and effective protection of intellectual property including industrial property, copyrights and trademarks. The protection of copyrighted works in the digital environment will be assisted by the ratification and implementation of the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty. International cooperation among law enforcement entities is necessary to combat piracy and counterfeiting of goods and services on the Internet.
- 27 Implementation of the treaties should be accompanied by provisions to appropriately limit the liability of carriers for copyright infringement where such carriers have no direct relationship to the infringing content and remove infringing content when made aware of the infringement.

Consumer Protection

- 27 Consumers who participate in e-commerce should be afforded transparent and effective consumer protection that is not less than the level of protection afforded in other forms of commerce, to the extent practicable. Consumers should receive effective protection in the online environment and this can be promoted through the enforcement of consumer protection laws and regulations, the modification of these as necessary to accommodate the unique characteristics of the online environment, consumer education, and industry-supported mechanisms to empower consumers and resolve consumer complaints and concerns. Both Parties welcome on-going work to develop international guidelines as a useful basis for policy development in this area.

Electronic Commerce Value Chain

28 The Governments believe that the following sectors are essential to the development of e-commerce and will enable countries to participate more effectively in the global economy: telecommunications, transportation, customs, electronic payments, delivery and distribution services, and marketing and advertising. A coordinated approach that undertakes reforms in several sectors together can intensify the momentum for change and maximize the overall improvement in efficiency. Accordingly, the Governments agree to support the following principles:

- (a) Telecommunications reforms can ensure the development of more efficient telecommunications services markets that lower the cost of getting online and conducting business online. The introduction of pro-competitive regulatory regimes, the privatisation of government-owned providers of telecommunications services, and the creation of an independent regulator – structurally separated from the providers of telecommunications services – are key to achieving an efficient market in this sector.
- (b) Open skies agreements and other liberalized transportation regimes make it easier and cheaper to ship goods ordered electronically from one country to another. The two governments note with satisfaction the liberalization achieved through the Air Transport Agreement between the Government of the Republic of Singapore and the Government of the United States, signed in April 1997, and the Multilateral Agreement on the Liberalization of International Air Transportation, signed in May 2001.
- (b) Efficient, effective customs administrations permit goods to flow quickly and predictably through the customs process, thereby facilitating efficient product delivery.
- (c) Overly burdensome marketing and advertising restrictions place onerous costs on merchants seeking to market simultaneously, via the Internet, to a variety of countries, and the reduction of such impediments, consistent with the public interest, where possible, is important
- (d) Swift, secure, reliable, cost-effective and internationally interoperable electronic payment systems are essential to foster the global spread of such systems and to maximize confidence (as stated in paragraph 24).
- (e) Efficient, liberalized delivery and distribution service regimes are essential if goods are to quickly and inexpensively traverse the "final mile" between the port of entry and the customer's doorstep. The U.S.-Singapore Open Skies and multilateral open skies agreements provide air cargo carriers the ability to ensure rapid and efficient delivery of goods directly to their final destinations.

III. A Framework of Cooperation between Singapore and the United States on Electronic Commerce

29 The U.S. and Singapore will continue to work together both on a bilateral and a multilateral level, as appropriate, to support the development of electronic commerce in the future, bearing in mind and promoting the above important principles and shared beliefs. Specifically, we commit to engage on such issues as consumer confidence, personal data privacy protection, cyber-security, e-government, and Internet policy issues.