



23 March 2022

Angus Brendan MacNeil MP
Chair, International Trade Select Committee
House of Commons
London
SW1A 0AA

Submitted electronically

RE: INQUIRY INTO THE UNITED KINGDOM-AUSTRALIA FREE TRADE AGREEMENT

Dear Chairman,

On behalf of BSA | The Software Alliance,¹ I am writing to express my appreciation to the International Trade Select Committee (**Committee**) for inviting me to provide oral evidence to the Committee on March 10, 2022, on the United Kingdom-Australia Free Trade Agreement (**UK-Australia FTA**).

BSA represents leading business-to-business software companies² that are all committed to building trust and confidence in technology. To this end, BSA launched the Global Data Alliance,³ a cross-industry coalition of companies that share BSA's commitment to high standards of data privacy and security and who rely on the ability to transfer data responsibly around the world to create jobs and make local industries more competitive.

BSA and the Global Data Alliance applaud the inclusion of a robust Digital Trade chapter and the first-of-its kind Innovation chapter under the UK-Australia FTA. The forward-looking provisions in these chapters will generate opportunities and remove barriers for businesses in the United Kingdom. Such provisions will also facilitate closer collaboration between Australia and the UK on innovation to support trade and economic growth.

Further to the March 10 session, I would like to highlight and provide the following supplementary information:

Binding rules on data transfers and localisation support digital trade

Organisations of all sizes and across all sectors increasingly rely on smart digital trade

¹ BSA | The Software Alliance (www.bsa.org) is the leading advocate for the global software industry. Its members are among the world's most innovative companies, creating software solutions that help businesses of all sizes in every part of the economy to modernize and grow. With headquarters in Washington, DC, and operations in more than 30 countries, BSA pioneers compliance programs that promote legal software use and advocates for public policies that foster technology innovation and drive growth in the digital economy.

² BSA's members include: Adobe, Alteryx, Altium, Amazon Web Services, Atlassian, Autodesk, Bentley Systems, Box, Cisco, CNC/Mastercam, Dassault, DocuSign, Dropbox, IBM, Informatica, Intel, MathWorks, Microsoft, Nikon, Okta, Oracle, PTC, Rockwell, Salesforce, SAP, ServiceNow, Shopify Inc., Siemens Industry Software Inc., Splunk, Trend Micro, Trimble Solutions Corporation, Twilio, Unity Technologies, Inc., Workday, Zendesk, and Zoom Video Communications, Inc.

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Written evidence submission from BSA The Software Alliance (AUS0039)

³ <https://globaldataalliance.org>

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policies, including those that preserve and facilitate the movement of data across borders, to conduct economic activity and support job creation in the digital economy.⁴ Yet trade barriers and digital protectionism are growing around the world at a time when digital trade and connectivity are needed to help to sustain socio-economic growth. The World Trade Organization (WTO) has reported that 80 countries have imposed export and other trade restrictions in reaction to the COVID-19 epidemic, in addition to a growing number of digital trade barriers that impact the movement of information across borders.⁵

Binding rules on the free movement of data are an important bulwark against this worrying trend. In this regard, BSA notes that key provisions in the Digital Trade chapter provide assurances that each country will not prohibit or restrict the cross-border transfer of information by electronic means and that each country will not require the use or location of computing facilities in its own territory. These provisions also permit derogations that address public policy objectives of both Parties. BSA further notes that the UK-Australia FTA helpfully provides cross-border data transfer and localisation rules for the financial services sector that are substantially the same as the rules of general applicability.

These binding rules on data transfers and localisation will allow UK businesses to reach international customers and access cutting-edge technologies from overseas service providers. They will also enhance the UK's attractiveness as an investment destination, as businesses will not need to incur costs duplicating their data processing/storage facilities in the UK.

Interoperability of personal information protection regimes

Privacy and security are bedrock principles for the digital economy, and international interoperability will provide a safe digital trading environment for both consumers and businesses. In this regard, BSA commends the commitment of the UK and Australia to develop mechanisms that can promote compatibility and enhance interoperability between the personal information protection regimes of both countries. The development of such instruments— including data transfer mechanisms – that would meet both parties' domestic data protection standards would further support international data transfers and provide regulatory certainty to businesses reliant on data transfers for their business operations.

Setting new standards for digital trade

In a paper published by the Global Data Alliance,⁶ it is noted that several open and innovative economies are seeking to maximise their participation in the global digital economy by negotiating international agreements that include modern and forward-looking digital trade provisions, similar to those found in the UK-Australia FTA. These digital trade provisions build upon the previous gold standards in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and have expanded both in scope and level of ambition.⁷

The digital trade provisions in the UK-Australia FTA send a strong signal that both London and Canberra support a rules-based, international trade and economic system that advocates for free, fair, and open trade. As the UK pursues trade agreements with its key partners across the globe, BSA and The Global Data Alliance urge the UK Government to build upon the UK-Australia FTA's forward-looking digital provisions in other ongoing and future trade negotiations. Doing so will send a clear signal about the approach the UK is taking in these important next-generation trade agreements; it also speaks to the UK's leadership role in advancing digital trade norms around the world.

⁴ <https://globaldataalliance.org/wp-content/uploads/2021/07/05062021econdevelopments1.pdf>

⁵ https://www.wto.org/english/res_e/booksp_e/wtr21_e/00_wtr21_e.pdf

⁶ <https://globaldataalliance.org/wp-content/uploads/2021/07/06022020GDANegotiations.pdf>

⁷ <https://globaldataalliance.org/wp-content/uploads/2021/07/gdashboard.pdf>

CONCLUSION

Strong digital trade disciplines are critical for the UK in its future FTA negotiations.

BSA and the Global Data Alliance once again congratulate the UK Government on successfully signing the UK-Australia FTA. We forward to future opportunities to work with the United Kingdom on these important issues.

If you require any clarification or further information regarding this submission, please do not hesitate to contact me.

Yours faithfully,



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BSA | The Software Alliance