

Competition & Antitrust and Trade

Singapore Ratifies the Regional Comprehensive Economic Partnership Agreement

Introduction

Singapore has ratified the Regional Comprehensive Economic Partnership ("RCEP") Agreement, making it the first RCEP Participating Country to complete the official ratification process.

In a press release on 9 April 2021 (available [here](#)), the Ministry of Trade and Industry ("MTI") announced that Singapore had deposited its instrument of ratification with the Secretary-General of ASEAN. The RCEP is an economic partnership that builds on existing ASEAN agreements with its five Free Trade Agreement ("FTA") Partners (Australia, China, Japan, New Zealand and South Korea). Comprising about 30% of global Gross Domestic Product and close to a third of the world's population, the RCEP is the world's largest FTA to date.

The RCEP Agreement will enter into force 60 days after six ASEAN Member States and three ASEAN FTA Partners have deposited their instrument of ratification, acceptance or approval with the Secretary-General of ASEAN. MTI has stated that the RCEP Participating Countries are targeting for the RCEP to enter into force on 1 January 2022.

Regional Comprehensive Economic Partnership Agreement

The RCEP Agreement was signed at the 4th RCEP Leaders Summit on 15 November 2020. Please see our earlier Regional Client Update on "*Signing of the Regional Comprehensive Economic Partnership Agreement by 15 Asia-Pacific Countries*" (available [here](#)) on this development. It complements Singapore's existing network of FTAs and further broadens Singapore's economic linkages and connectivity within the region, which will open up considerable opportunities by, amongst other means, providing businesses with preferential access. Knowing how to complement the RCEP with a combination of other trade agreements and carefully planning production and supply chains will allow businesses to reap real benefits.

The key benefits under the RCEP Agreement, which include the following, are not intended to be more of the same. It is the soft benefits in particular that businesses must identify, better understand and take advantage of effectively.

- (a) **Trade in goods**
 - Tariff elimination of around 92% on average



Competition & Antitrust and Trade

- Additional preferential market access for specific products in selected markets
- (b) Non-tariff measures provisions**
 - Enhanced provisions that aim to bring down trade transaction costs
- (c) Rules of origin**
 - Streamlined rules for greater flexibility to tap on preferential market access benefits
- (d) Customs procedures and trade facilitation**
 - Simplified procedures for more efficient clearance of goods
- (e) Trade in services**
 - At least 65% of service sectors on average to be fully open with increased foreign shareholding limits
 - More transparent approach for greater business certainty
- (f) Investment**
 - Commitments to prohibit performance requirements on investors
 - Provisions to lock in future relaxation of measures and mitigate backtracking
- (g) Electronic commerce**
 - More conducive digital trade environment and greater market access
 - Enhancements in areas such as online consumer protection and online personal information protection
- (h) Intellectual property**
 - Greater protection when venturing into RCEP markets
 - A single trademark or patent application to be accepted across RCEP Participating Countries
- (i) Competition**
 - Protection from anti-competitive activities through competition law regimes and cross-border enforcement cooperation
- (j) Government procurement**
 - Increased transparency through publication of laws, regulations and procedures

Competition & Antitrust and Trade

Concluding Words

The RCEP Agreement is expected to expand Singapore's economic space, and boost trade and investment flows. Businesses can expect to greatly benefit from the array of measures highlighted above, and should make arrangements to take advantage of the opportunities afforded.

As noted by the Minister for Trade and Industry, Singapore's prompt ratification of the RCEP Agreement signals Singapore's strong commitment to strength our trade and economic linkages with our partners, and is suggestive of the Government's confidence in the potential benefits that it would bring to our businesses and people.

We would be happy to guide you if you wish to find more out more about the RCEP Agreement and how your business might benefit from it and/or the steps you may consider taking now in anticipation of ratification by the remaining RCEP Participating Countries. Please feel free to approach our team below.

Contacts



Kala Anandarajah
Partner
Head, Competition & Antitrust
and Trade
Employment & Benefits

T +65 6232 0111

kala.anandarajah@rajahtann.com



Tanya Tang
Partner, (Chief Economic and
Policy Advisor)
Competition & Antitrust and Trade

T +65 6232 0298

tanya.tang@rajahtann.com



Alvin Tan
Partner, Competition & Antitrust
and Trade

T +65 6232 0904

alvin.tan@rajahtann.com

Please feel free to also contact Knowledge and Risk Management at eOASIS@rajahtann.com

Our Regional Contacts

RAJAH & TANN | *Singapore*

Rajah & Tann Singapore LLP

T +65 6535 3600
sg.rajahtannasia.com

R&T SOK & HENG | *Cambodia*

R&T Sok & Heng Law Office

T +855 23 963 112 / 113
F +855 23 963 116
kh.rajahtannasia.com

RAJAH & TANN 立杰上海

SHANGHAI REPRESENTATIVE OFFICE | *China*

Rajah & Tann Singapore LLP Shanghai Representative Office

T +86 21 6120 8818
F +86 21 6120 8820
cn.rajahtannasia.com

ASSEGAF HAMZAH & PARTNERS | *Indonesia*

Assegaf Hamzah & Partners

Jakarta Office

T +62 21 2555 7800
F +62 21 2555 7899

Surabaya Office

T +62 31 5116 4550
F +62 31 5116 4560
www.ahp.co.id

RAJAH & TANN | *Lao PDR*

Rajah & Tann (Laos) Co., Ltd.

T +856 21 454 239
F +856 21 285 261
la.rajahtannasia.com

CHRISTOPHER & LEE ONG | *Malaysia*

Christopher & Lee Ong

T +60 3 2273 1919
F +60 3 2273 8310
www.christopherleeong.com

RAJAH & TANN | *Myanmar*

Rajah & Tann Myanmar Company Limited

T +95 1 9345 343 / +95 1 9345 346
F +95 1 9345 348
mm.rajahtannasia.com

GATMAYTAN YAP PATACSIL

GUTIERREZ & PROTACIO (C&G LAW) | *Philippines*

Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)

T +632 8894 0377 to 79 / +632 8894 4931 to 32
F +632 8552 1977 to 78
www.cagatlaw.com

RAJAH & TANN | *Thailand*

R&T Asia (Thailand) Limited

T +66 2 656 1991
F +66 2 656 0833
th.rajahtannasia.com

RAJAH & TANN LCT LAWYERS | *Vietnam*

Rajah & Tann LCT Lawyers

Ho Chi Minh City Office

T +84 28 3821 2382 / +84 28 3821 2673
F +84 28 3520 8206

Hanoi Office

T +84 24 3267 6127
F +84 24 3267 6128
www.rajahtannlct.com

Rajah & Tann Asia is a network of legal practices based in Asia.

Member firms are independently constituted and regulated in accordance with relevant local legal requirements. Services provided by a member firm are governed by the terms of engagement between the member firm and the client.

This update is solely intended to provide general information and does not provide any advice or create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on this update.

Our Regional Presence



Rajah & Tann Singapore LLP is one of the largest full-service law firms in Singapore, providing high quality advice to an impressive list of clients. We place strong emphasis on promptness, accessibility and reliability in dealing with clients. At the same time, the firm strives towards a practical yet creative approach in dealing with business and commercial problems. As the Singapore member firm of the Lex Mundi Network, we are able to offer access to excellent legal expertise in more than 100 countries.

Rajah & Tann Singapore LLP is part of Rajah & Tann Asia, a network of local law firms in Singapore, Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Thailand and Vietnam. Our Asian network also includes regional desks focused on Brunei, Japan and South Asia.

The contents of this Update are owned by Rajah & Tann Singapore LLP and subject to copyright protection under the laws of Singapore and, through international treaties, other countries. No part of this Update may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Rajah & Tann Singapore LLP.

Please note also that whilst the information in this Update is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as a substitute for specific professional advice for any particular course of action as such information may not suit your specific business and operational requirements. It is to your advantage to seek legal advice for your specific situation. In this regard, you may call the lawyer you normally deal with in Rajah & Tann Singapore LLP or email Knowledge & Risk Management at eOASIS@rajahtann.com.