

Digital Trade Agreement between the European Union and the Republic of Singapore

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PURPOSE: to conclude, on behalf of the European Union, the Digital Trade Agreement between the European Union and the Republic of Singapore.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: the bilateral trade relations between the EU and Singapore have already been liberalised and enhanced by the FTA between the EU and Singapore which entered into force in 2019. Although this is a comprehensive FTA that provides for substantial commitments for trade in goods and services between the parties, it does not provide for comprehensive rules on digital trade.

The Council authorised the opening of negotiations for digital trade disciplines with Singapore on 27 June 2023. The Commission, on behalf of the Union, and Singapore launched the negotiations on 20 July 2023. The negotiations were concluded in principle on 25 July 2024.

This proposal is consistent with the EU trade policy review of 2021 that recognised the contribution of the EU's digital trade policy to the EU's digital transformation and announced the EU's intention to step up bilateral engagement and explore stronger frameworks for cooperation on trade-related digital issues with like-minded partners.

Digital trade accounts for around 25% of all international trade and has been growing at a faster pace than traditional trade. The EU is the world's leader in both exports and imports of digitally deliverable services, which amounted to EUR 1.3 trillion in 2022, or 54% of the EU's total trade in services.

CONTENT: the Commission proposes that the Council should decide to approve, on behalf of the European Union, the Agreement between the European Union and the Republic of Singapore on Digital Trade. The Agreement on Digital Trade is a **modern, self-standing agreement with ambitious and binding commitments** on digital trade between the EU and Singapore. The Agreement will enhance online consumer protection, provide legal certainty for businesses wishing to engage in cross-border digital trade and address unjustified barriers to digital trade. It will complement the existing EU-Singapore Free Trade Agreement (FTA) by deepening and underpinning the existing EU-Singapore bilateral trade relationship from a digital perspective.

The Agreement:

- includes commitments on digital trade. These commitments are of a binding nature and range from commitments on cross-border data flows and online consumer protection to commitments on the protection of source code of software;
- includes provisions that are in line with EU practice based on the 2018 horizontal provisions on cross-border data flows and the protection of personal data and privacy in trade agreements, which recognise each Party's right to determine the appropriate level of privacy and personal data protection;

- provides for horizontal exceptions, a dispute settlement mechanism, as well as an institutional framework.

The Digital Trade Agreement will enter into force once the EU and Singapore have completed their respective requirements and procedures necessary for signature and conclusion and have exchanged written notifications to that effect.