



# Digital and Data provisions in the UK-Japan CEPA

▶ The UK and Japan share a common interest in addressing the barriers to digital trade and shaping the rules governing the cross-border flow of goods, services, and data in the digital economy. The UK-Japan agreement supports British businesses across a wide range of sectors including finance, tech, telecoms, professional services, and creative industries, with provisions that support open digital markets, the data economy, digital trade facilitation, and consumer and business safeguards.

CEPA goes further than the existing EU-Japan agreement on many aspects of digital trade with a number of cutting-edge rules that reflect the status of the UK and Japan as digital leaders. Examples of CEPA provisions that were not included in the EU-Japan agreement include:

- A ban on unjustified data localisation. Thereby preventing potential costs for companies that result from requirements to store data within national borders.
- Agreement to avoid unjustified restrictions on the free flow of data between the UK and Japan. This ensures that data will be able to be collected, processed, and transferred between the two countries, without facing unnecessary red tape.
- Agreement to encourage the release of anonymised government datasets where appropriate. Public access to government datasets creates opportunities for innovative British businesses.
- A commitment to uphold world-leading standards of protection for individuals' personal data when data is being transferred across borders.
- Protection for encryption technologies by prohibiting either country from unnecessarily requiring encryption service providers to transfer details about their software, or other proprietary information, to state authorities before entering the commercial market. This provides certainty that the security of developers' products that use encryption technology will not be undermined

by unjustified requests for the disclosure of their proprietary information.

- A commitment to ensuring open internet access as a means of developing an open, secure, and trustworthy online environment that will enable development of innovative technologies and the protection of users of online services.
- ▶ The UK and Japan have also expanded on important areas within the EU-Japan EPA. In particular, the agreement prevents the forced transfer of algorithms, broadens digital trade facilitation, for example through encouraging the use of interoperable electronic authentication and electronic signatures, and expands future cooperation in various areas, including emerging technologies and electronic trust services.
- ▶ These changes directly benefit the UK's digital economy, which in 2018 delivered £675m in services exports to Japan.
- ▶ TechUK welcomed these changes, with the techUK CEO, Julian David, saying "techUK welcomes the signature of the UK-Japan Comprehensive Economic Partnership Agreement with its digital trade provisions on cross-border data flows and open government data. The agreement improves an already flourishing relationship between the UK and Japan tech sectors and creates significant opportunities for trade and investment for both our countries. Since 2018, in partnership with JEITA, we have run a successful UK-Japan Tech Forum to enable our members to develop a closer relationship with Japan and we look forward to working with the Government and our partners in Japan to assist the tech sector in taking full opportunity of this agreement."

