

EU proposal for provisions on

Cross-border data flows and protection of personal data and privacy

Article 1

Cross-border data flows

1. The Parties are committed to ensuring cross-border data flows to facilitate trade in the digital economy. To that end, cross-border data flows shall not be restricted between the Parties by:
 - a) requiring the use of computing facilities or network elements in the Party's territory for processing, including by imposing the use of computing facilities or network elements that are certified or approved in the territory of the Party;
 - b) requiring the localisation of data in the Party's territory for storage or processing;
 - c) prohibiting storage or processing in the territory of the other Party;
 - d) making the cross-border transfer of data contingent upon use of computing facilities or network elements in the Party's territory or upon localisation requirements in the Party's territory.
2. The Parties shall keep the implementation of this provision under review and assess its functioning within 3 years of the entry into force of this Agreement. A Party may at any time propose to the other Party to review the list of restrictions listed in the preceding paragraph. Such request shall be accorded sympathetic consideration.

Article 2

Protection of personal data and privacy

1. Each Party recognises that the protection of personal data and privacy is a fundamental right and that high standards in this regard contribute to trust in the digital economy and to the development of trade.
2. Each Party may adopt and maintain the safeguards it deems appropriate to ensure the protection of personal data and privacy, including through the adoption and application of rules for the cross-border transfer of personal data. Nothing in this agreement shall affect the protection of personal data and privacy afforded by the Parties' respective safeguards.

3. Each Party shall inform the other Party about any safeguard it adopts or maintains according to paragraph 2.
4. For the purposes of this agreement, "personal data" means any information relating to an identified or identifiable natural person.
5. For greater certainty, the Investment Court System does not apply to the provisions in Articles 1 and 2.

Article X

Cooperation on regulatory issues with regard to digital trade¹

1. *The parties shall maintain a dialogue on regulatory issues raised by digital trade, which shall inter alia address the following issues:*
 - a. *the recognition and facilitation of interoperable cross-border electronic trust and authentication services;*
 - b. *the treatment of direct marketing communications;*
 - c. *the protection of consumers in the ambit of electronic commerce; and*
 - d. *any other issue relevant for the development of digital trade.*
2. *Such cooperation shall focus on exchange of information on the Parties' respective legislation on these issues as well as on the implementation of such legislation.*
3. For greater certainty, this provision shall not apply to a Party's rules and safeguards for the protection of personal data and privacy, including on cross-border data transfers of personal data.

Footnote 1 - Text in italics in paragraphs 1 and 2 denotes existing language in trade agreements.