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A new dawn for digital trade? WTO Members conclude negotiations for a plurilateral *Agreement on Electronic Commerce*

On 26 July 2024, following five years of negotiations, the co-convenors of the World Trade Organization's (hereinafter, WTO) Joint Statement Initiative (hereinafter, JSI) on Electronic Commerce, namely Australia, Japan, and Singapore, announced that the plurilateral negotiations for a WTO "*Agreement on Electronic Commerce*" (hereinafter, Agreement) had "*reached a new phase*" by achieving a *"stabilised text*" that "*reflects a balanced and inclusive outcome*". In simple terms, this concludes the negotiations and WTO Members will now work towards integrating the Agreement into the WTO framework. The Agreement intends to establish a global framework for digital trade to facilitate cross-border electronic transactions, reduce trade barriers, promote innovation, and enhance consumer protection. This article explores the key features of the draft Agreement, its potential impact on global trade, its position within the legal framework of the WTO, and some of the challenges moving forward.

From stalemate to progress: The WTO's path towards an e-commerce framework

In 1998, the WTO acknowledged the existing regulatory gap in the area of electronic commerce (hereinafter, e-commerce) and established the *Work Programme on Electronic Commerce*, which aimed to develop a multilateral framework for regulating digital trade that would involve and apply to all WTO Members. The WTO Work Programme on Electronic Commerce defines e-commerce as "*the production, distribution, marketing, sale or delivery of goods and services by electronic means"*. This encompasses a wide range of activities from online retail and auction sites to digital downloads and online banking. Additionally, in the same year, WTO Members agreed to a *Moratorium on Customs duties on electronic transmissions*, committing not to impose tariffs on electronic transmissions (*i.e.,* on purely digital cross-border transactions such as downloading software, music or movies). This *Moratorium* has been extended successively since then, although certain WTO Members, such as India, Indonesia, and South Africa, increasingly oppose it.

Despite significant efforts, substantial progress on the Work Programme has remained elusive. The lack of progress was a primary catalyst for the launch of plurilateral negotiations for a common framework through the JSI, initiated by 71 WTO Members at the 11th WTO Ministerial

Conference in December 2017. Plurilateral negotiations under the WTO framework refer to trade negotiations involving only a subset of WTO Members. Outcomes of such negotiations are, pursuant to Article II.3 of the WTO Agreement, binding on those Members that have accepted them and "*do not create either obligations or rights for Members that have not accepted them*". The *JSI on Electronic Commerce* aims to "*achieve a high standard outcome that builds on existing WTO agreements and frameworks with the participation of as many WTO Members as possible*". Over time, the total number of WTO Members formally participating in the JSI has increased to 91, representing roughly 90% of global trade.

The negotiations encountered significant challenges to reach balance between fostering a free and open digital economy, on the one hand, and protecting national interests, on the other hand. Despite these challenges, a "*stabilised text*" was reached on 26 July 2024 and was circulated on behalf of the participants in the JSI, excluding 9 participating WTO Members, among which Brazil, Indonesia, Türkiye, and the US, "*due to ongoing domestic consultations and considerations*". Most notably, the US issued a statement explaining that the text fell "*short and more work is needed, including with respect to the essential security exception*". In this regard, the co-convenors underline their "*continued engagement with these Members in coming months with the goal of expanding participation*".

The plurilateral *Agreement on Electronic Commerce*

The Agreement is divided into 8 sections, namely: Section A) Scope and general provisions; Section B) Enabling electronic commerce; Section C) Openness and electronic commerce; Section D) Trust and electronic commerce; Section E) Transparency, cooperation, and development; Section F) Telecommunications; Section G) Exceptions; and Section H) Institutional arrangements; as well as a number of final provisions. Pursuant to Article 1 on "*Scope*", the Agreement would apply to *"measures adopted or maintained by a Party affecting trade by electronic means"*, exempting government procurement, services supplied in the exercise of government authority, and information held or processed by or on behalf of a Party. Article 3 on "*Relation to Other Agreements*" expressly reaffirms the plurilateral character of the Agreement, stating that it "*does not create either obligations or rights for Members of the WTO that have not accepted it*".

The Agreement would lay down key commitments and guiding principles, providing a harmonised framework for participating WTO Members to better ensure regulatory consistency and providing commercial predictability and legal certainty in the area of digital trade. In certain respects, the Agreement closely aligns with the principles and commitments outlined in existing agreements covering these issues, such as the *Agreement on Electronic Commerce* of the Association of Southeast Asian Nations (ASEAN), the commitments contained in the EU's recent trade agreements, and Singapore's Digital Economy Agreements. Similar to these other digital trade agreements, the draft Agreement contains a mix of binding rules and provisions on best endeavours. This means that, while some provisions of the draft Agreement would impose legally enforceable obligations, others will only encourage or recommend certain actions.

Binding commitments are mostly found in Section B '*on enabling electronic commerce*' and Section D on '*trust and electronic commerce*'. For example, the binding commitments in Section D concern, *inter alia*, the adoption of: 1) Online consumer protection measures proscribing "*misleading, fraudulent, and deceptive commercial activities that cause harm, or potential harm, to consumers engaged in electronic commerce*"; 2) Measures to limit unsolicited commercial electronic messages, defined as "*commercial electronic message that is sent without the consent of the recipient or despite the explicit rejection of the recipient*"; and 3) Legal frameworks to protect the personal data of users of electronic commerce. Such commitments aim at ensuring secure and reliable electronic transactions, which could contribute to greater consumer confidence, encouraging more online purchases and boosting e-commerce growth.

The majority of the provisions are "*best endeavour*" provisions, covering *inter alia*, aspects intended to facilitate digital trade, such as the facilitation of electronic invoicing and digital payments, as well as encouraging the participating WTO Members to use international standards in their national regulatory frameworks in order to achieve greater regulatory consistency across countries. The Agreement further intends to enhance the efficiency of single windows or single entry points for Customs clearance by encouraging participating WTO Members to enable "*the electronic submission of the documentation or data that a Party requires for importation, exportation, or transit of goods through its territory for all its participating authorities or agencies*" and, where possible, to allow the electronic submission of documents or data "*in order to begin processing information prior to the arrival of goods with a view to expediting the release of goods upon arrival in its territory*".

Unlike other recently concluded agreements addressing digital trade, the Agreement does not foresee binding commitments on a number of core digital trade issues, notably prohibitions or restrictions, regarding: 1) Restrictions to cross-border data flows; 2) Data localisation requirements; 3) Mandates to disclose the source code of software; and 4) Discriminatory treatment of digital products.

Incorporating the *Moratorium on Customs Duties on Electronic Transmissions*

If agreed, Article 11 of the Agreement on "*Customs Duties on Electronic Transmissions*" could be considered one of the key achievements of the JSI, but it remains one of its more controversial provisions. Under the current draft of this article, the Parties to the Agreement would commit not to "*impose customs duties on electronic transmissions between a person of one Party and a person of another Party*", which would embed the current *Moratorium* into a legally binding document with indefinite validity. This would be especially relevant in case the *Moratorium* is not further extended multilaterally in the future.

A review clause would require the Parties to the Agreement to examine the suspension "*in the fifth year after the date of entry into force*" "*and periodically thereafter, with a view to assessing the impacts of this Article and whether any amendments are appropriate*". This article is the core reason for certain JSI participants, such as Brazil, Indonesia, and Turkey, to oppose the current text of the Agreement. These WTO Members argue that such provision would undermine their prerogative to raise revenue from such transactions, which is, conversely, the principal argument for other WTO Members, such as India, to oppose further extensions of the *Moratorium*.

The Agreement's impact on business

The OECD estimates that, already in 2020, the value of global digital trade amounted to around USD 5 trillion, highlighting the need for clear and consistent regulations. In this regard, the *European Services Forum* (hereinafter, ESF), which represents the European services sector, underlines that the JSI would "*make trade faster, cheaper, fairer and more secure*" helping "*businesses, workers and consumers seize the opportunities of global digital trade*".

Following its entry into force and implementation in national domestic legal frameworks, the Agreement is poised to create a better common understanding of the regulation of certain aspects of the digital economy, ideally providing significant opportunities for businesses to expand their market reach across continents. However, the failure to include more binding rules and the lack of commitments on, *inter alia*, cross-border data flows and data localisation requirements, which are fundamental for businesses to leverage the benefits of digital trade, is a missed opportunity and suggests that bilateral agreements with stronger commitments will likely remain relevant.

Long road towards implementation?

WTO Members interested in joining this Agreement will now "*proceed with their domestic processes, with a view to integrating the outcome of negotiations in the WTO legal framework*".

The European Commission notes that the EU and other participants of the JSI would now "*take necessary steps towards integrating the E-commerce Agreement into the WTO rulebook, which will require consensus by all WTO Members*". Pursuant to Article 29 of the Agreement, the Agreement would enter into force once a yet to be determined number of participants has deposited their respective instruments of acceptance with the Director-General of the WTO. It is likely that this process will take months or even years, but this Agreement looks poised to inject new *momentum* in the international regulation of digital trade.

Deepening the bilateral partnership in the digital domain: The EU and Singapore conclude negotiations for the *EU-Singapore Digital Trade Agreement*

On 25 July 2024, the EU and Singapore concluded negotiations for the *EU-Singapore Digital Trade Agreement* (hereinafter, EU-Singapore DTA). By establishing legally binding digital trade rules, the *EU-Singapore DTA* will modernise the commitments on electronic commerce (hereinafter, e-commerce) contained in the *EU-Singapore Free Trade Agreement* (hereinafter, EU-Singapore FTA). Following the conclusion of the negotiations, the EU and Singapore will now proceed with their domestic approval procedures to work towards the formal signature and conclusion. This article provides an overview of EU-Singapore cooperation on digital matters and discusses the key elements of the *EU-Singapore DTA,* along with the potential benefits for businesses.

EU-Singapore digital cooperation

The EU and Singapore are longstanding economic partners with significant trade and economic ties. The *EU-Singapore FTA*, which entered into force November 2019, was the first Preferential Trade Agreement (hereinafter, PTA) between the EU and a Member State of the Association of Southeast Asian Nations (hereinafter, ASEAN). Under Chapter 8 thereof, both parties agreed, *inter alia*, to jointly promote the development of electronic commerce and not to impose Customs duties on electronic transmissions. As the *EU-Singapore FTA* was negotiated more than ten years ago, it lacks comprehensive commitments and provisions on digital trade, especially when compared to more recent PTAs and digital agreements concluded by the EU and Singapore in recent times.

On 1 February 2023, the EU and Singapore had signed the *EU-Singapore Digital Partnership*, which established "*an overarching framework to strengthen connectivity and interoperability of digital markets and policy frameworks*" and aims to advance cooperation on various digital issues. The *Digital Partnership* provides for a flexible architecture that allows the EU and Singapore to jointly address additional areas of the digital space and to adopt a range of cooperation modalities. Also on 1 February 2023, the EU and Singapore signed the *Digital Trade Principles* as the first tangible outcome of the *Digital Partnership*, establishing a common understanding between the EU and Singapore on five areas of digital trade, namely digital trade facilitation, data governance, consumer trust, business trust, and cooperation on digital trade (see *Trade Perspectives*, Issue No. 3 of 13 February 2023).

To date, the EU has pursued *Digital Partnerships* with Japan, the Republic of Korea, and Singapore, which were signed in May 2022, November 2022, and February 2023, respectively. While the EU's *Digital Partnerships* and the *Digital Trade Principles* are an essential step forward to developing common regulatory approaches between the Parties, they remain non legally binding. To complement these non-binding initiatives, the EU also pursues the '*modernisation*' of the binding commitments on e-commerce in the PTAs concluded with the Republic of Korea, Japan, and Singapore (see *Trade Perspectives, Issue No. 15 of 31 July 2023*). On 31 October 2023, the EU and the Republic Korea officially launched negotiations for a Digital Trade Agreement, and on 1 July 2024, an agreement on cross-border data flows between the EU and Japan entered into force.

The digital trade commitments under the EU-Singapore DTA

On 14 April 2023, the European Commission had adopted a *Recommendation for a Council Decision authorising the opening of negotiations for digital trade disciplines with the Republic of Korea and with Singapore*. On 27 June 2023, the Council of the EU adopted the negotiating directives for both negotiations and, on 20 July 2023, negotiations were officially launched with Singapore. The EU proposed the same text for the Digital Trade Agreement with the Republic of Korea and Singapore, respectively. The EU's text proposals contained 31 articles, providing, *inter alia*, for a prohibition of Customs duties on electronic transmissions, a commitment on ensuring cross-border data flows, commitments on digital trade facilitation (*e.g.*, on the conclusion of contracts by electronic means, and electronic authentication and electronic trust services), and commitments on establishing business trust (*e.g.*, the prohibition against any requirement to transfer or access the source code of software). The proposed texts also covered a prohibition on data localisation requirements.

The *EU-Singapore DTA* builds on the *EU-Singapore FTA*, the *EU-Singapore Investment Protection Agreement*, as well as on the *Digital Partnership* and the *Digital Trade Principles.* The full text of the *EU-Singapore DTA* is not yet publicly available, but a press release issued by Singapore's Ministry of Industry and Trade summarises the key elements of the DTA, which are divided into four main areas: 1) "*Enabling and facilitating open and secure data flow*", which includes provisions on cross-border data flows, personal data protection, and open government data; 2) "*Facilitating end-to-end digital trade*", which includes provisions on e-payments, e-invoicing, paperless trading and Customs duties; 3) "*Establishing trusted and secure digital systems*", which includes provisions on source code, cybersecurity, and online consumer protection; and 4) "*Promoting greater participation and access to opportunities in the Digital Economy*", which includes provisions on digital participation of Small and Medium Enterprises (hereinafter, SMEs) and digital inclusion.

Ensuring that cross-border data flows are not subject to unjustified barriers

Under the *EU-Singapore Digital Partnership*, the EU and Singapore agreed that "*data should be able to flow freely across borders with trust, based on instruments for cross-border data flows ensuring a high level of data protection and security*". With respect to "*Enabling and facilitating open and secure data flow*", the EU and Singapore commit, under the *EU-Singapore DTA*, to allow businesses to transfer data seamlessly across each other's territories, to prohibit data localisation requirements, and to encourage the use of publicly available government data.

In general terms, data localisation requirements, which are arguably one of the most contentious topics in negotiations on digital trade, are being imposed for various objectives, such as for the protection of privacy, security, economic development of local businesses. At the same time, they can also be perceived as protectionist in nature and intended to protect local service providers from the competition of '*like*' foreign services and service providers. The prohibition of data localisation requirements under the *EU-Singapore DTA* would prevent both sides from maintaining and introducing such requirements. Notably, this commitment would continue to ensure that EU and Singapore businesses engaged in digital trade are protected against digital protectionism and arbitrary restrictions, while also avoiding the high costs associated with, for instance, building and maintaining data storage facilities in multiple countries or jurisdictions.

Facilitating end-to-end digital trade and ensuring trusted digital systems

With respect to "*Facilitating end-to-end digital trade*", the EU and Singapore agreed on a commitment to paperless trading, in which both sides will make available documents required for import, export and transit of goods in an electronic format and to accept electronic versions of these documents. The provisions governing paperless trade under the *EU-Singapore DTA* will likely lead to reduced compliance costs for businesses moving goods across borders and offering cross-border services, as well as increase the participation of small and medium enterprises in cross-border trade.

In the past, the EU and Singapore have already launched efforts to enable the exchange of trade-related data and documents electronically. Notably, on 26 September 2018, Singapore Customs had launched the *Networked Trade Platform*, a trade information management system, and *Trade Trust*, a public Distributed Ledger Technology platform for electronic trade documents. In 2017, the EU started piloting the *EU Customs Single Window Certificates Exchange System* (hereinafter, EU CSW-CERTEX), which is a platform that streamlines the electronic exchange of documents and information that are required for Customs clearance process, and the first phase of will be officially implemented in 2025.

Unlocking new economic opportunities for EU and Singapore businesses?

The conclusion of the *EU-Singapore DTA* has been welcomed by relevant stakeholders. For instance, the *Global Data Alliance*, a cross-industry coalition of companies that rely on cross-border data flows, lauded the EU and Singapore's commitment to "*promote cross-border access to knowledge and information*", as well as to "*secure and responsible cross-border data transfers*". Additionally, a 2023 survey conducted by *EuroCham Singapore*, which represents the common interests of the European business community in Singapore, found that 96.1% of the European companies surveyed viewed the *EU-Singapore DTA* favourable. Most notably, many of these companies highlighted that the introduction of paperless trading and e-payment systems would be among the most significant benefits of the Agreement.

According to Singapore's Minister in charge of Trade Relations, *Grace Fu*, the *EU-Singapore DTA* is expected to help "*unlock greater opportunities in the digital economy, while ensuring digital inclusion, especially for Small and Medium Enterprises*". The *EU-Singapore DTA* also has the potential to increase legal certainty and commercial predictability by harmonising the EU's and Singapore's regulatory frameworks and approaches to governing digital trade, delivering important trade facilitation to businesses. To ensure that the *EU-Singapore DTA* provides tangible benefits to the relevant stakeholders, the EU and Singapore need to ensure that the agreed provisions are clearly defined and properly implemented in the respective domestic legislation. Interested stakeholders should closely monitor the relevant developments regarding the *EU-Singapore DTA* and its implementation.

Indonesia's *Halal* requirements enter into a new phase: From October, the certification and labelling requirements for food and beverages will be enforced

From 17 October 2024, compliance with Indonesia's *Halal* certification and labelling requirements will be enforced for the following goods and services: food and beverages; raw materials, food additives, and supplementary materials for food and beverages; as well as slaughtered goods and slaughtering services. In accordance with *Law No. 33 of 2014 concerning Halal Product Assurance* (hereinafter, Halal Law) and *Government Regulation No. 39 of 2021 concerning the Implementation of the Halal Product Assurance Sector* (hereinafter, *GR No. 39/2021*), Indonesia's mandatory *Halal* certification is to be enforced gradually from October 2024 to October 2034, starting with the food and beverage-related goods and services mentioned above, before being extended to certain non-food products. Indonesia's mandatory *Halal* requirements will affect any companies placing the covered products on the Indonesian market and could result in significant obstacles to trade, especially for small and medium enterprises. This article discusses the mandatory *Halal* requirement, outlines the relevant procedures to obtain *Halal* certification, and discusses the relevant trade implications.

Overview of Indonesia's* Halal *requirements

Halal is an Arabic term that translates to "*permissible*" or "*lawful*" and which, in the *Quran*, is contrasted with *Haram,* which translates to "*forbidden*". The term *Halal* is associated with Islamic dietary laws and, in particular, with meat processed and prepared in accordance with those requirements. Examples of non-*Halal* food are pork and alcoholic beverages, but also

other foods that are considered not to be in a state of purity are considered *Haram*. The criteria to determine the *Halal* status for non-pork products of animal origin include their source, the cause of the animal's death, and how the food has been processed. Muslims must also ensure that foods and non-food items, such as cosmetics, pharmaceuticals and leather goods, are *Halal*. Often, these products contain animal by-products or other ingredients that are not permissible for Muslims to consume or use on their bodies. Given the religious significance of *Halal* for Muslims, several countries around the world, including Indonesia, have introduced *Halal* certification and labelling schemes.

In October 2014, the Government of Indonesia enacted the *Halal Law*, which requires all products entering, circulating and being traded in Indonesia to be certified and labelled *Halal.* The *Halal Law* provided for a five-year grace period before the requirement was to become fully effective, which lapsed in October 2019. In 2019, the Government of Indonesia enacted *Government Regulation No. 31 Year 2019 concerning Halal Product Assurance*, which has later been replaced by *GR No. 39/2021*, followed by *Minister of Religious Affairs Regulation No. 26 of 2019 concerning the Implementation of Halal Product Assurance*. Collectively, these regulations specify the scope of *Halal* goods and services, the timeline and stages for the implementation of the *Halal* certification requirement, the application process for *Halal* certificates, and the requirements for *Halal* labels and non-*Halal* information.

Indonesia's Halal certification regime: Scope and implementation timeline

GR No. 39/2021 details which goods and services must be certified *Halal*, namely: food; beverages; pharmaceuticals; cosmetics; chemical products; biological products; genetically engineered products; and consumer goods of animal origin or containing ingredients of animal origin (*e.g.*, leather goods), as well as certain services, such as slaughter, processing, storage, packaging, distribution, sales and presentation of such products (see *Trade Perspectives*, Issue No. 4 of 26 February 2021). In accordance with the *Halal Law* and *GR No. 39/2021*, products, including food and beverages, made from *Haram* ingredients are not subject to the mandatory *Halal* requirements. *Haram* ingredients include carcasses, blood, pork products, and/or slaughtered animals that are incompatible with Islamic instructions.

Indonesia's mandatory *Halal* certification and labelling requirements are being implemented gradually over a 15-year period, from 2019 to 2034, as follows:

Implementation	Enforcement	Products
17 October 2019	17 October 2024	• Food and beverage products, including raw ingredients, food additives and supplementary materials for food and beverages.
17 October 2021	17 October 2026	• Traditional medicines and food supplements; • Quasi-drugs, namely products with mild effects for symptom prevention and hygiene; • Cosmetics; • Health supplements; • Chemical products and genetically modified organisms; • Wearable clothing items; • Hardware, Muslim equipment, household appliances and office products; and • Class A medical devices with low risk to individuals and the public.
17 October 2021	17 October 2029	• Class B medical devices with low-moderate risk to individuals and public.
17 October 2021	17 October 2034	• Class C medical devices with moderate-high risk to individuals and the public; and • Prescription medicines.

The first phase of mandatory *Halal* certification and labelling concerns food and beverages; raw materials, food additives, and supplementary materials for food and beverages; and slaughtered goods and slaughtering services, for which the requirement has been implemented since 17 October 2019. Businesses benefitted from a transitional period of five years until 17 October 2024. In May 2024, the Government of Indonesia announced a two-year delay for the mandatory *Halal* certification requirement for food and beverages with

respect to Indonesian micro and small enterprises. Businesses that fail to comply with the requirement after the enforcement date will be subject to potential sanctions, including fines and the withdrawal of the respective goods from the Indonesian market.

Products that have been certified *Halal* must be labelled with the *Halal* logo. In accordance with *GR No. 39/2021*, a label must provide the *Halal* logo and a certificate registration number, included on the product packaging, on certain parts of the product, or in a specific place on the product. Non-*Halal* products are still allowed to enter the Indonesian market, but they must be accompanied by non-*Halal* information, which can be in the form of pictures, signs, or words included on packaging or the product itself.

The procedures for obtaining Halal *certification in Indonesia*

According to the *Halal Law*, as amended by *Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation* (hereinafter, Perpu No. 2/2022), there are two *Halal* certification processes, namely: 1) A general certification process for medium and large enterprises; and 2) A self-declarative process for micro and small enterprises. The criteria for micro, small and medium enterprises are specified in *Law No. 20 of 2008 on Micro, Small, and Medium Enterprises*, as amended by *Perpu No. 2/2022* for enterprises established before February 2021 and in *Government Regulation No. 7 of 2021 on Facilities, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises* for enterprises established after February 2021.

For the general product certification process, businesses must submit an application to Indonesia's *Halal Product Assurance Organising Agency* (*i.e.*, *Badan Penyelenggara Jaminan Produk Halal*, hereinafter, BPJPH) via the SIHALAL website. Applications for *Halal* certification must be submitted for each product type listed in *Minister of Religious Affairs Decree No. 748 of 2021 concerning Product Types Requiring Halal Certification*. Once the application has been examined by the BPJPH, businesses may select a Halal Inspection Agency, which is to be appointed by the BPJPH, in order to verify the *Halal* status of the relevant products. The Agency will then appoint a *Halal* Auditor to carry out the inspection. Based on the inspection result submitted by the *Halal* Auditor, Indonesia's top Muslim clerical body (*i.e.*, the *Indonesian Ulama Council* or *Majelis Ulama Indonesia*, hereinafter, MUI) determines the *Halal* nature of the products through a *Halal* fatwa hearing, which refers to a non-binding legal opinion on a point of Islamic law. Once the products have been declared *Halal* by the MUI, the BPJPH issues the relevant *Halal* certificate. The fee for this process amounts to IDR 12,500,000 (*i.e.*, around EUR 725) per application and generally takes about 21 working days. The *Halal* certificate is valid for four years. The self-declarative process does not rely on the result of an inspection by a *Halal* Auditor, but rather on the application's honest declaration. This process is free of charge and the *Halal* certificate is valid for two years.

The recognition of imported products certified Halal *in their country of origin*

Indonesia's mandatory *Halal* certification and labelling requirements apply to both domestically-produced and imported products traded on the Indonesian market. Products certified by foreign *Halal* agencies that have entered into Mutual Recognition Agreements (hereinafter, MRAs) with the BPJPH will be recognised in Indonesia, and *vice-versa*. Such products must be registered with the BPJPH via the SIHALAL website and must be accompanied by supporting documents, notably a copy of the foreign *Halal* certificate. The fee for this process amounts to IDR 800,000 (*i.e.*, around EUR 46) per application, and the *Halal* certificate is valid for four years. On 18 November 2023, the BPJPH signed MRAs with 37 foreign *Halal* agencies, including those in Australia, India, Japan, the Republic of Korea, New Zealand and the US, to expedite the assessment process for the recognition and acceptance of *Halal* certificates. The BPJPH also made commitments to expedite the assessment of 16 foreign *Halal* agencies for mutual recognition purposes, including foreign *Halal* agencies based in the Netherlands. For exporting countries that do not have a recognised *Halal* agency, the *Halal* certification follows the general certification process, including the inspection by an Indonesian *Halal* Auditor.

***A possible barrier for imported products*?**

Indonesia's mandatory *Halal* requirements will likely pose important challenges for businesses exporting covered products to Indonesia, particularly for exporting countries that do not have a recognised *Halal* agency. Although foreign businesses can apply for *Halal* certification with the BPJPH, this process is more costly and more burdensome *vis-à-vis* the mutual recognition scheme, as they will have to cover the costs of an Indonesian *Halal* auditor's travel to their respective countries for on-site audits. This process could lead to *de facto* import restrictions of several products due to potential delays and significantly higher costs. In March 2024, during a meeting of the *World Trade Organization's* Committee on Technical Barriers to Trade, several WTO Members, including the EU, expressed concerns regarding Indonesia's mandatory *Halal* requirements. The EU highlighted that it was crucial that "*all companies have the possibility to certify their product via a foreign Halal certification body well in advance*", noting that foreign *Halal* agencies should be accredited by the BPJPH via MRAs at least one year before the mandatory enforcement deadline to avoid a disruption of trade flows.

Indonesia's trading partners should consider facilitating the trade in *Halal* products through dedicated provisions in Preferential Trade Agreements (hereinafter, PTAs). Examples of PTAs with provisions on *Halal* cooperation include the *Malaysia-Turkey FTA*, under which the Parties committed to encourage the promotion of *Halal* best practices, and the *Gulf Cooperation Council-Singapore FTA*, under which the Parties committed to negotiate to provide for the recognition by the Gulf Cooperation Council Member States of Singapore's *Halal* certification standards and label. Currently, no explicit rules on *Halal* cooperation exist in the PTAs involving Indonesia. As Indonesia's *Halal* requirements will soon be mandatory for a wide range of products, the EU should advocate for the inclusion of similar provisions in the *EU-Indonesia Comprehensive Economic Partnership Agreement*, such as those governing cooperation for the development of *Halal* standards and the recognition of *Halal* certificates issued by *Halal* agencies in the EU. Such cooperation would enable products certified as *Halal* in the EU to gain easier and faster access to the Indonesian market.

Ensuring compliance by domestic and foreign businesses

By 17 October 2024, businesses intending to place food and beverages on the Indonesian market must have taken the necessary steps to comply with Indonesia's mandatory *Halal* requirements and businesses dealing with other products that will be subject to the enforcement of the requirements over the coming years should start preparing for compliance.

Recently adopted EU legislation

Trade Law

- *Commission Implementing Regulation (EU) 2024/2403 of 5 September 2024 fixing the import duties applicable to certain types of husked rice from 6 September 2024*

- *Commission Regulation (EU) 2024/2166 of 20 August 2024 on the introduction and management of tariff-rate quotas for honey resulting from Regulation (EU) 2024/1392 of the European Parliament and of the Council on temporary trade-liberalisation measures supplementing trade concessions applicable to Ukrainian products under the Association Agreement between the Union and Ukraine*

Trade Remedies

- *Commission Implementing Regulation (EU) 2024/2206 of 5 September 2024 amending Implementing Regulation (EU) 2019/73 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of electric bicycles originating in the People's Republic of China following acceptance of a request for new exporting producer treatment*

- *Commission Implementing Regulation (EU) 2024/2211 of 5 September 2024 imposing a definitive anti-dumping duty on imports of oxalic acid originating in India and the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council*

- *Commission Implementing Regulation (EU) 2024/2163 of 14 August 2024 imposing a provisional anti-dumping duty on imports of biodiesel originating in the People's Republic of China*

Food Law

- *Commission Implementing Regulation (EU) 2024/2187 of 27 August 2024 amending Annex I to Implementing Regulation (EU) 2023/594 laying down special control measures for African swine fever*

- *Council Decision (EU) 2024/2152 of 15 July 2024 on the signing, on behalf of the European Union, and provisional application of the Protocol (2024-2029) implementing the Fisheries Partnership Agreement between the European Community and the Republic of Cabo Verde*

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