



2020 G20 Recommendations for Promoting Innovation, Digital Technologies, and Trade

Global industry welcomes the renewed discussions at the G20 in 2020 on the role of digital technologies in promoting economic growth through cross-border innovation and trade.

G20 2019 was a groundbreaking year for the advancement of global digital policy discussions. Under Japan's leadership, the G20 launched the Osaka Track to accelerate and support the ongoing digital trade discussions at the World Trade Organisation (WTO) and created the concept of Data Free Flows with Trust (DFFT) in recognition of the fact that open cross-border data flows are the lifeblood of all industries, and that strong protections for privacy and cybersecurity go hand-in-hand with the transparent, non-discriminatory transfer of data across borders. G20 2020 offers governments the opportunity to advance this work towards an open, inclusive vision of the modern global economy.

At a time when global uncertainty is at a high and governments are grappling with responding to an ongoing pandemic, the G20 is among the most appropriate convening bodies to build the international consensus between the key players necessary to mitigate the near- and long-term negative impacts of the current public health crisis. We applaud its recent commitments to continue to realise a free, fair, non-discriminatory, transparent, predictable and stable trade and investment environment, and to keep markets open. Together with industry, the G20 should continue to encourage the open markets and accelerated technology adoption that will drive groundbreaking innovations and creative solutions, including those that directly contribute to the economic and public health response to the COVID-19 pandemic. This will require reaffirmed commitments to reject protectionism, support rules-based multilateral organisations, best practices, processes, and obligations, embrace transparency in

legislative and regulatory actions, and invest in the workforce. Such commitments should be taken with a view to prioritizing the enhancement and generation of business opportunities for micro, small, and medium size enterprises (MSMEs) and continued advancement of the UN Sustainable Development Goals (SDGs) as a means of ensuring inclusive recovery across economies.

To achieve these goals, global industry respectfully provides the following recommendations for G20 governments as they continue to meet throughout 2020.

Facilitate a Global Response to the COVID-19 Outbreak

The priority of governments around the world must be mounting the strongest possible economic and public health response to the COVID-19 outbreak. Industry is a ready and willing partner in these efforts. Digital technology has a fundamental role to play in the global response to and recovery from the pandemic, including in the form of critical healthcare-related devices and components; digital products and services that facilitate telework, distance learning and tele-health arrangements; digital tools that can assist in public health and economic recovery, including digitally-delivered financial services; and information and communications technology (ICT) infrastructure and products that enable connectivity. As a means of facilitating the use of digital technologies in the response to and recovery from COVID-19, G20 Governments should:

- 1. Reaffirm commitment to free, fair, non-discriminatory, transparent, predictable and stable trade and investment environments, and to keep markets open.** Such commitment should entail agreement to refrain from imposing new trade-restrictive measures that would inhibit the necessary flow of goods and services, including digital services and technologies and physical goods sold over the internet. Where economies adopt trade-related emergency measures, these should be notified to the WTO and rolled back as soon as possible;
- 2. Commit to facilitating the development of new technologies,** including those enabling contact tracing by delivering exposure notifications through mobile devices, in a manner that is consistent with privacy and security standards; and
- 3. Adopt clear and consistent guidance on essential workers that includes ICT workers** to assure the continuation of critical ICT manufacturing and uninterrupted delivery of essential services.

Advance Global Data Free Flows with Trust (DFFT)

The flow of data across borders underpins the ability of businesses across all sectors to produce, move, market, and sell products and services. Consistent with this global reality, G20 Governments should:

- 4. Strengthen their commitment to facilitate the free flow of data across borders** and refrain from imposing localization measures requiring the local storage or processing of data, or the use of local computer facilities.

As policymakers consider different avenues for achieving these goals in a globally compatible manner, they should seek to **advance a global concept of DFFT** through relevant channels, including through commitments to:

- 5. Adopt and maintain strong privacy protections** that reflect global consensus frameworks (such as from the OECD and APEC) and facilitate global interoperability;
- 6. Ensure the availability of multiple transparent, non-discriminatory legal mechanisms for the cross-border transfer** of personal data which are interoperable across jurisdictions;

7. **Allow the cross-border movement of personal and non-personal data**, including metadata and machine-to-machine communications, subject to appropriate privacy and security practices;
8. **Develop efficient, innovative, and rights respecting mechanisms for issuing and responding to cross-border requests for digital information** for law enforcement or national security purposes, or use international mechanisms such as the Budapest Convention, mutual legal assistance process, or bilateral arrangements where appropriate;
9. **Enhance cybersecurity** by using risk-based approaches grounded in global, consensus-based, industry-led standards and best practices;
10. **Negotiate trade agreements** that promote digital trade and include robust obligations in respect of data that reflect global consensus frameworks (such as from the OECD and APEC) and facilitate global interoperability. Specifically, trade agreements should include:
 - a. provisions that facilitate the flow of data across borders; prohibit requirements to localize the storage and processing of data or to disclose source code, algorithms, or encryption keys or other proprietary information relating to cryptography; and prohibit the imposition of tariffs or customs duties on electronic transmissions; and
 - b. narrowly tailored exceptions consistent with the scope and content of those contained in existing high-standard agreements, including GATS;
11. **Support the WTO Joint Statement Initiative on E-Commerce** as a key forum for expanding digital trade commitments in a broad and inclusive manner; and
12. **Provide technical assistance and capacity building** tools to enable developing economies to pursue appropriate data governance policies and practices.

Promote Cross-Border Innovation and the Adoption of New Technologies

Sound domestic and international policy approaches can work in tandem to facilitate access to productivity-enhancing goods and services while providing governments with the tools and parameters necessary to appropriately address legitimate public policy concerns without hindering innovation, growth or consumer access to information. To equitably and effectively achieve these aims, G20 governments should:

13. **Commit to achieving a multilateral solution to the taxation challenges** arising from the digitalisation of the global economy, and refrain from pursuing unilateral digital tax measures that are discriminatory in nature and contravene long-standing principles of international taxation;
14. **Ensure non-discriminatory treatment of digital products**, including by committing to avoid definitions and standards that apply differently to digital and non-digital businesses;
15. **Make permanent the WTO Moratorium** on customs duties on electronic transmissions;
16. **Recognize the need for protecting the essential role that online services and intermediaries** of all sizes play in facilitating communications and transactions and ensure that any approaches to oversight or regulation take into consideration important differences between these actors and are made pursuant to comprehensive dialogue with meaningful opportunities for input by industry and civil society;
17. **Encourage the responsible and ethical design and deployment of AI systems in alignment with the OECD's AI Principles**, for example: AI should benefit people and the planet by driving inclusive growth, sustainable development, and well-being; AI systems should be designed in a way that respects the rule of law, human rights, democratic values and diversity, and they should include appropriate safeguards; there should be transparency and responsible disclosure around AI systems; AI systems must function in a robust, secure and safe way throughout their life cycles and potential

risks should be continually assessed and managed; and organisations and individuals developing, deploying or operating AI systems should be held accountable for their proper functioning;

- 18. Support global standards development organisations and consortiums** that are industry-driven and consensus-based in support of voluntary, international standards;
- 19. Follow international best practices** in the adoption, application, and development of laws, regulations, and other policies relating to data and emerging technologies, including through: ensuring that domestic measures are enacted in a transparent manner that allow opportunities for broad stakeholder input; enabling reliance on a range of global, industry-led, voluntary, consensus standards, including services standards, in satisfying regulatory or certification requirements; ensuring requirements are evidence-based and consider technical and economic feasibility; and ensuring measures are targeted, proportionate, and restrict trade as little as possible;
- 20. Facilitate open format and machine-readable public data sets as well as flexible platforms such as cloud and multi-cloud** to foster innovation and competitiveness in data-driven technologies and enhance and generate business opportunities for MSMEs; and
- 21. Oppose measures that require companies to transfer or otherwise subvert technologies** such as forced disclosure of source code, algorithms, cryptography, or other sensitive information as a condition of doing business.

Ensure the Benefits of Technology are Realized by All

In line with SDGs including quality education, decent work, and economic growth, government and industry can work together to develop a workforce with the skills to use and innovate with emerging technologies and enhance opportunities for entrepreneurship. Thoughtful policies can help prepare the workforce of tomorrow and ensure digital technologies provide opportunities for growth and adaptation. Promoting such policies, G20 governments should:

- 22. Strengthen broadband infrastructure** to ensure network resilience and connectivity required to enable benefits of technology to reach all citizens and facilitate greater access to remote learning and telemedicine;
- 23. Protect consumers** from fraudulent or deceptive commercial activities on the internet including through cooperation among national consumer protection bodies;
- 24. Create partnerships with industry** to promote access to life-long learning opportunities that increase digital literacy for the workforce and MSMEs; and
- 25. Encourage the creation of new jobs in emerging business areas** and promote economic growth through the adoption of digital technologies that leverage the potential of digital trade to support MSMEs' integration into global value chains.

Signed,

ACT | The App Association

Asia Internet Coalition (AIC)

Australian Information Industry Association (AIIA)

Australian Services Roundtable (ASR)

Brazilian Association of Information Technology and Communication Technology (BRASSCOM)

Canadian Chamber of Commerce

Coalition of Services Industries (CSI)

Communications and Information Network Association of Japan (CIAJ)

Computer and Communications Industry Association (CCIA)
Computing Technology Industry Association (CompTIA)
DIGITALEUROPE
Engine
European Data Centre Associations (EUDCA)
Fiber Broadband Association
Fiber Optic Sensing Association
Information Technology and Communications Chamber of Argentina (CICOMRA)
Information Technology Industry Council (ITI)
Internet Association (IA)
Internet Infrastructure Coalition
Japan Business Council in Europe (JBCE)
Japan Business Machine and Information System Industries Association (JBMIA)
Japan Electronics and Information Technology Industries Association (JEITA)
Japan Information Technology Services Industry Association (JISA)
Japan Machinery Center for Trade and Investment (JMC)
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