

Follow up to the European Parliament non-legislative resolution on the proposal for a Council decision on the conclusion of the Agreement on Digital Trade between the European Union and the Republic of Singapore

- 1. Rapporteur:** Svenja HAHN (Renew / DE)
- 2. References:** 2025/0009M(NLE) / A10-0190/2025 / P10_TA(2025)0267
- 3. Date of adoption of the resolution:** 13 November 2025
- 4. Competent Parliamentary Committee:** International Trade (INTA)
- 5. Brief analysis/ assessment of the resolution and requests made in it:**

The resolution welcomes the signing of the Digital Trade Agreement (DTA) between the European Union (EU) and Singapore as the first stand-alone digital trade agreement concluded by the EU. The resolution recognises the role of the DTA in strengthening bilateral trade relations, providing predictability and legal certainty for businesses involved in digital trade, and raising the ambition of digital trade rules globally. At the same time, the resolution expresses concern that certain provisions of the agreement may limit regulators' ability to apply EU digital rules and adequately enforce EU's high standards of personal data protection and privacy.

The resolution calls for specific actions from the Commission, including implementing recommendations from the European Union Data Protection Supervisor (EDPS) regarding specific wording on personal data and privacy, as well as conducting a targeted ex post evaluation of the impact of the DTA provisions on the regulatory space of the EU. Additionally, the resolution stresses the need for developing a robust digital trade policy and calls on the Commission to explore possibilities for further digital trade agreements with other partners.

Response to the requests in the resolution and overview of the action taken, or intended to be taken, by the Commission:

The Commission welcomes the input provided by the European Parliament on the Digital Trade Agreement between the European Union and the Republic of Singapore. The Commission shares the assessment of the European Parliament that the DTA will further enhance bilateral trade relations between the EU and Singapore, foster consumer confidence and provide predictability and legal certainty for businesses involved in digital trade. The DTA is a landmark achievement in digital trade relations between the EU and Singapore, which reflects our strategic partnership, sending a clear message of the shared commitment to open, competitive, and fair digital economies. Considering Singapore's key role in the region, the DTA with Singapore sets an example on standards on digital trade with other countries in the region.

Paragraphs 1-4: The agreement establishes legally enforceable digital trade rules that benefit consumers, businesses, especially Small and Medium-sized Enterprises (SMEs), and society at large. It ensures a secure online environment through measures on online consumer protection, cybersecurity, privacy, as well as protection against spam messages. It provides legal certainty for businesses through targeted measures, such as ensuring the validity of electronic signatures and contracts, promoting paperless trading and e-invoicing. The agreement protects against protectionist practices and fosters trust in digital economies, by prohibiting unjustified data localisation and forced source code transfers. At the same time, the DTA follows a balanced approach, by expressly allowing both the EU and Singapore to maintain policy space to implement measures that protect personal data, privacy, as well as to regulate the digital economy.

Paragraph 5: The Commission concurs on the non-negotiable nature of personal data protection. It assures that the negotiated outcome fully preserves the EU's autonomy to regulate personal data protection and privacy. The Commission stresses, in this regard, that the outcome of the DTA preserves all elements of the 2018 horizontal provisions on cross-border data flows. The EU can thereby adopt any measures that it deems appropriate to ensure a high level of data protection and privacy.

Paragraphs 6 and 7: The Commission agrees with Parliament's assessment that the DTA will provide significant benefits for consumers as well as for businesses engaging in digital trade. The DTA will make it easier and more cost-efficient for EU companies operating in Singapore to engage in online transactions by removing digital trade barriers and ensuring fair competition. This includes, for example, prohibiting data localisation requirements which enables companies to use their own data centres for cross-border data flows. Additionally, the DTA protects EU consumers from fraudulent practices and unwanted spam. The Commission acknowledges the European Parliament's suggestion to extend the definition of unsolicited commercial electronic messages (spam) to cover all communications, to future-proof this provision against emerging technologies. In the course of the DTA negotiations, the Commission aimed for a higher

level of ambition, within the limits of EU legislation. The negotiated outcome carefully balances these objectives with partners' legal constraints.

Paragraph 8: The Commission shares the view that the DTA must not constrain the ability of the EU to protect personal data and privacy, as well as to regulate consumer protection and the digital economy. The DTA, in Article 3, affirms the right of the Parties to regulate within their respective territories. Furthermore, carefully negotiated exceptions in the DTA fully preserve policy space for EU regulators to take measures safeguarding personal data and privacy, as well as to implement and enforce the EU digital and data acquis. Specifically in relation to protection of personal data and privacy, Article 6 introduces a horizontal exception which allows both the EU and Singapore to adopt or maintain safeguards to protect personal data and privacy. The effect of the exception is that EU can take any measure that it deems appropriate to protect personal data and privacy in derogation from the agreed rules. The Commission also agrees with the Parliament on the importance of protecting SMEs and start-ups against forced technology transfers and underlines that Article 11 provides a clear and strong safeguard against forced transfers of source code by prohibiting either Party to require the transfer of or access to source code from any natural or legal person from the other Party, either by law or informally, subject to exceptions that ensure Parties' right to request source code of software for legitimate policy objectives.

Paragraphs 9 and 10: The Commission reaffirms that the cross-border data flows provision (Article 5) of the DTA applies to all sectors of the economy. In accordance with the 2018 horizontal provisions on cross-border data flows, the text provides for an exhaustive list of prohibited data localisation restrictions, which may be reviewed and updated by the Parties. The Commission stresses that the agreed wording allows the EU to adopt or maintain measures under its legal framework that provides for the protection of the personal data of individuals. On this basis, as mentioned above, the EU can take any measure that it deems appropriate to protect personal data and privacy, including, but not limited to, data flows, in derogation from the agreed rules.

Paragraph 11: The Commission agrees with the European Parliament's assessment that the strong commitment on the protection of source code in the DTA will provide vital protection for SMEs and start-ups against forced technology transfers. The Commission underlines that the EU rules on source code, as well as the agreement as a whole, do not jeopardise the EU's policy space and regulatory oversight. Firstly, legitimate access to source code remains possible. Regulators, conformity assessment bodies, and competition authorities can access it for security, safety, and compliance purposes. Secondly, the rule works alongside broader exceptions, including those for privacy, prudential measures, and security. With these safeguards in place, the EU's digital trade rules fully preserve the right to regulate Artificial Intelligence and other emerging technologies, which is

reaffirmed in Article 3 of the DTA.

Paragraphs 12 and 13: The Commission fully shares the view that the EU should act as a global standard-setter for rights-based digital governance. Through legally binding commitments on digital trade, the EU is promoting rules-based trade in face of growing protectionism. The DTA contributes to EU's competitiveness and economic security, by opening avenues for bilateral digital trade and mitigating risks from dependencies and vulnerabilities. At the same time, considering Singapore's key role in the region, the DTA with Singapore will serve as a pathfinder for promoting similar rules and standards on digital trade with other countries in ASEAN and the wider region.

Paragraph 14: The EU has included state of the art digital trade chapters in FTAs with the UK, Chile, Japan, New Zealand and Indonesia. Such chapters are also negotiated with Australia, India, Thailand, the Philippines, Malaysia and the United Arab Emirates. In addition, the EU has concluded negotiations on standalone DTAs with Singapore and the Republic of Korea and is starting the process for the negotiation of a DTA with Canada. These DTAs will ensure that the EU is connected to the main digital hubs in the Indo-Pacific region and beyond. The Commission will assess, in the future, the feasibility and political interest of entering into DTA negotiations with other countries.

Paragraph 15: The Commission welcomes the position of the EDPS on the DTA. The Commission would like to underline it places personal data protection and privacy at the heart of EU's policy making, including in its external dimension. The Commission fully agrees that the protection of the fundamental right to privacy is of paramount importance. Throughout the negotiations, EDPS's views were thereby reflected. The Commission's objective has been to preserve all elements of the horizontal provisions on cross-border data flows and personal data protection from 18 May 2018. According to the negotiated outcome, the EU can adopt any measures that it deems appropriate to serve data protection and privacy protection purposes. The relevant regulatory space remains, thereby, unconstrained.

Paragraph 16: The Commission is committed to ensuring the DTA will serve the interests of consumers, businesses, especially SMEs, and society at large. Upon the DTA's entry into force, the Committee on Trade in Services, Investment, and Government Procurement established under the EU-Singapore Free Trade Agreement will monitor the correct implementation of the commitments undertaken. In line with the commitment towards a transparent and inclusive trade and investment policy, the Commission publishes the agendas (when available), as well as reports and other documents, which will provide information on the different steps of the implementation process. The Commission will inform the European Parliament on any planned evaluation of the DTA following its entry into force.

Paragraph 17: The Commission views digital trade as essential for the EU's economic growth and resilience. Maintaining the openness of the

internal market and connecting the EU's economy to centres of growth around the world contributes to innovation and competitiveness. Apart from economic opportunity, digital trade provides an opportunity for the promotion of the EU regulatory approach to digital and data policies globally. At the same time, the EU's approach to digital trade ensures that the EU can continue to develop and implement the policies required to address new challenges posed by the digital economy.