

2. New Chapter Eleven-A (Innovation) is hereby added as follows:

“CHAPTER ELEVEN-A

INNOVATION

ARTICLE 11A.1

Objective

The objective of this Chapter is to support trade and investment in innovative goods and services by addressing challenges to trade policy or opportunities that arise from innovation, and through further enhancing cooperation on innovation.

ARTICLE 11A.2

Definitions

For the purposes of this Chapter:

bioeconomy means the set of economic activities that make use of biological resources and biotechnologies for the creation of products and services; and

innovation means the development or implementation of a new or improved good or service, process, or organisational method, or a combination of those things.

ARTICLE 11A.3

General Provisions

1. The Parties recognise the important role that innovation plays in their economies, including by stimulating competitiveness, increasing productivity, encouraging investment, and promoting international trade.
2. The Parties recognise the importance of cooperation between the Parties in creating an open innovation ecosystem to promote technical innovation, including in the bioeconomy sector.
3. The Parties acknowledge that innovation affects a wide range of trade policy areas, including within the trade relationship of the Parties, and will require appropriate coordinated action to ensure economic growth opportunity is maximised.
4. The Parties acknowledge existing cooperation on innovation between their governments, industries, businesses, universities, publicly funded research agencies, and other non-governmental bodies. The Parties confirm their commitment to further strengthening this cooperation including, as appropriate, through collaboration and the development of common

approaches to innovation in relevant international fora, whilst avoiding duplication of existing bilateral collaboration or overlap with ongoing work in other Chapters of this Agreement.

5. The Parties acknowledge the benefit derived from existing collaboration in assisting them to anticipate and address challenges to trade policy or opportunities that arise from innovative goods, services, processes, and organisational methods.

ARTICLE 11A.4

Functions of the Innovation Committee

1. The Innovation Committee established under Article 15.2 (Specialised Committees) may consider any matter concerning the interaction of innovation and trade in the furtherance of Article 11A.1, for example:

- (a) significant developments in innovation-intensive sectors of the economies of the Parties such as bioeconomy, advanced manufacturing, life sciences, connected autonomous vehicles, agricultural technologies, and clean energy;
- (b) issues relating to the commercialisation of an innovative good or service;
- (c) emerging technologies such as distributed ledger technologies, quantum technologies, immersive technologies, sensing technologies, digital twins, the Internet of Things, engineering biology, or robotics and autonomous systems;
- (d) global value chain matters encompassing supply chain resilience and the increased integration of goods and services;
- (e) regulatory approaches relevant to trade in innovative goods or services, bilateral cooperation to identify and respond to future technologies, and experimental testing of technologies across borders, considering such matters as risk-based approaches, industry-led standards, and risk management best practices; and
- (f) Global Innovation Networks¹ or cross-border trade in intangible assets generated by higher education bodies or through research collaboration developments in relevant international fora.

2. The Innovation Committee shall:

- (a) provide a forum for sharing best practice principles and exploring opportunities in innovation policy across government, academia, research organisations, industry, and business;

¹ Global Innovation Networks (“GINs”) refers to the transfer of intangibles (e.g. research) and immaterial IP, patents, copyright, franchises, and assets between countries. They can be formed by high-technology start-ups, universities and public research laboratories, venture capitalists, specialised technology brokers, standard-setting organisations, and government agencies. In this respect, innovation networks are inherently global.

- (b) review existing relationships between the Parties for opportunities to strengthen bilateral cooperation whilst avoiding duplication of existing collaboration, and collaboration in relevant international fora, on the impacts of innovation on trade and investment;
 - (c) explore ways in which innovation can further promote or facilitate trade and investment in innovative goods or services;
 - (d) consider any matter that may be referred to it by the Trade Committee, established under Article 15.1 (Trade Committee);
 - (e) carry out any additional function that may be delegated to it by the Trade Committee; and
 - (f) take any other action as the Parties may decide to support trade in innovative goods or services.
3. If the Innovation Committee considers it appropriate, it shall, in respect of any matter:
- (a) develop or facilitate a cooperative activity between the Parties;
 - (b) consider how to encourage the effective commercialisation of an innovative good or service;
 - (c) consult, engage with, or seek advice from a non-governmental expert or stakeholder, including by inviting them to attend a meeting of the Innovation Committee; or
 - (d) engage and cooperate with any other body established by or under this Agreement.
4. The cooperative activities referred to in paragraph 3(a) may include activities involving government, academia, research organisations, industry, and business, including:
- (a) business and sectoral surveys and research;
 - (b) match-making events, business forums, and business roundtables;
 - (c) trade and investment promotion in innovative sectors;
 - (d) joint research projects and collaboration; and
 - (e) professional exchanges, training programmes, and capacity building.
5. The Innovation Committee may:
- (a) refer any matter to the Trade Committee; and

- (b) make an appropriate recommendation to the Trade Committee, including for the amendment of this Agreement.

6. The Innovation Committee may consider any matter concerning the interaction of innovation and trade in the furtherance of Article 11A.1 referred to it by any other subsidiary body established under this Agreement whilst avoiding duplication of existing collaboration.

7. When making a recommendation pursuant to paragraph 5(b), the Innovation Committee shall consider the potential impact of that recommendation on:

- (a) market access across the commitments in this Agreement;
- (b) gender equality and women's participation in innovation;
- (c) enabling small and medium-sized enterprises to engage in and utilise the benefits of innovation;
- (d) facilitating trade in innovative products and services which support ambitions to tackle climate change;
- (e) inclusive economic growth and the participation of developing countries in innovation; and
- (f) the social and economic benefits created by innovation.

ARTICLE 11A.5

Administrative Provisions with respect to the Innovation Committee

1. The Innovation Committee shall be composed of government representatives of each Party and shall be co-chaired by a government representative of each Party.

2. Decisions of the Innovation Committee shall be made by consensus.

3. The Innovation Committee shall meet at least once annually in the three years following the date of entry into force of this Agreement, and thereafter as decided by the Parties. A meeting of the Innovation Committee may be held by virtual means if the Parties so decide. In the period between meetings, the Innovation Committee may carry out its work by any means the Parties consider appropriate.

4. The Innovation Committee shall establish its own rules of procedure.

5. The Innovation Committee shall decide on a work plan.

6. The Innovation Committee may, at any time, report to the Trade Committee on its activities and, if appropriate, include advice or recommendations on ways to enhance the operation of this Agreement in any report.

7. Notwithstanding paragraph 6, no later than three years after the first meeting pursuant to paragraph 3, the Innovation Committee shall submit a report to the Trade Committee with advice or recommendations for furthering the objective of this Chapter.

8. The Innovation Committee shall publish a summary of discussions following each meeting of the Innovation Committee, unless otherwise decided by the Parties.

ARTICLE 11A.6

International Cooperation on Innovation

The Parties shall, if appropriate, cooperate on innovation in relevant international fora, taking into account the work of the Innovation Committee.

ARTICLE 11A.7

Contact Points

Each Party shall, within 30 days of entry into force of this Agreement, designate a named contact point responsible for communication with the other and notify the other Party of the contact details. A Party shall promptly notify the other Party of any change to those contact details.

ARTICLE 11A.8

Non-Application of Dispute Settlement

Neither Party may have recourse to Chapter Fourteen (Dispute Settlement) for any matter arising under this Chapter. ”