



8 March 2018

His Excellency
Mr. HERALDO MUÑOZ VALENZUELA
Minister of Foreign Affairs
Chile

Dear Minister MUÑOZ,

In connection with the signing on 8 March 2018 of the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership* (the Agreement), I have the honour to confirm the following agreement reached between representatives of the Government of Malaysia and the Government of the Republic of Chile (Chile):

Nothing in Section D (Electronic Payment Card Services) of Annex 11-B (Specific Commitments) of the *Trans-Pacific Partnership Agreement*, signed on 4 February 2016, in Auckland, New Zealand (TPP), incorporated, by reference, into and made part of the Agreement, restricts the right of Malaysia to adopt or maintain measures that condition the cross-border supply of electronic payment services into Malaysia by a service supplier of another Party on a requirement that such electronic payment services are supplied through a payment system operated in Malaysia by an entity approved by Bank Negara Malaysia (hereinafter referred to as an “approved operator of payment system in Malaysia”).

Any such measure shall:

1. be applicable only to electronic payment services for payment card transactions made in Malaysia using payment cards issued in Malaysia;
2. not be used as a means of avoiding Malaysia’s obligations under Section D (Electronic Payment Card Services);
3. not result in creating a competitive disadvantage to any service suppliers of Malaysia and of another Party;
4. ensure the security, speed, or reliability of the services, and preserve the ability of service suppliers of another Party to innovate; and
5. not impose unreasonable costs, directly or indirectly, on service suppliers of another Party.

If an approved operator of payment system in Malaysia and a supplier of another Party enter into an agreement or agreements for the processing of electronic payment transactions that set out standards for operation of that payment system, compliance with the terms of the agreement or agreements shall be deemed to satisfy Malaysia's obligations under paragraphs 3, 4 and 5 with respect to that supplier.

I have the honour to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the Agreement, which shall enter into force on the date on which the Agreement enters into force between Malaysia and Chile.

Sincerely,


J. Jayasiri
Secretary General
Ministry of International Trade and Industry
Malaysia



REPUBLICA DE CHILE
MINISTERIO DE RELACIONES EXTERIORES

8 March 2018

H.E. Mustapa Mohamed
Minister of International Trade and Industry
Malaysia

Dear Minister,

I am pleased to acknowledge receipt of your letter of 5 March 2018, which reads as follows:

“In connection with the signing on 8 March 2018 of the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership* (the Agreement), I have the honour to confirm the following agreement reached between representatives of the Government of Malaysia and the Government of the Republic of Chile (Chile):

Nothing in Section D (Electronic Payment Card Services) of Annex 11-B (Specific Commitments) of the *Trans-Pacific Partnership Agreement*, signed on 4 February 2016, in Auckland, New Zealand (TPP), incorporated, by reference, into and made part of the Agreement restricts the right of Malaysia to adopt or maintain measures that condition the cross-border supply of electronic payment services into Malaysia by a service supplier of another Party on a requirement that such electronic payment services are supplied through a payment system operated in Malaysia by an entity approved by Bank Negara Malaysia (hereinafter referred to as an “approved operator of payment system in Malaysia”).

Any such measure shall:

1. be applicable only to electronic payment services for payment card transactions made in Malaysia using payment cards issued in Malaysia ;
2. not be used as a means of avoiding Malaysia’s obligations under Section D (Electronic Payment Card Services);
3. not result in creating a competitive disadvantage to any service suppliers of Malaysia and of another Party;
4. ensure the security, speed, or reliability of the services, and preserve the ability of service suppliers of another Party to innovate; and
5. not impose unreasonable costs, directly or indirectly, on service suppliers of another Party.

If an approved operator of payment system in Malaysia and a supplier of another Party enter into an agreement or agreements for the processing of electronic payment transactions that set out standards for operation of that payment system, compliance with the terms of the agreement




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or agreements shall be deemed to satisfy Malaysia's obligations under paragraphs 3, 4 and 5 with respect to that supplier.

I have the honour to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the Agreement, which shall enter into force on the date on which the Agreement enters into force between Malaysia and Chile."

I have the honour to confirm that my Government shares this understanding, and that your letter and this letter in reply shall constitute an agreement between our two Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the Agreement, which shall enter into force on the date on which the Agreement enters into force between Chile and Malaysia".

Sincerely,



HERALDO MUÑOZ VALENZUELA
Minister of Foreign Affairs
Republic of Chile