



5 March 2018

**The Honourable
Dato Erywan Pehin Yusof
Second Minister of Foreign Affairs and Trade
Brunei Darussalam**

Dear Minister Dato Erywan Pehin Yusof,

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 Brunei Darussalam:

Nothing in Section D (Electronic Payment Card Services) of Annex 11-B (Specific Commitments) 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 of entry into force of the Agreement as between Malaysia and Brunei Darussalam.

Sincerely,



MUSTAPA MOHAMED
Minister of International Trade and Industry
Malaysia

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مکتبہ بین الاقوامی اور تجارتی
MINISTRY OF FOREIGN AFFAIRS AND TRADE
BRUNEI DARUSSALAM

Your Reference:

Our Reference:

8 March 2018

His Excellency
Dato' Sri Mustapa Mohamed
Minister of International Trade and Industry
Malaysia

Dear Minister,

I am pleased to acknowledge 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 Brunei Darussalam:

Nothing in Section D (Electronic Payment Card Services) of Annex 11-B (Specific Commitments) 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);*

A handwritten signature in blue ink, consisting of a stylized 'S' followed by a horizontal line.

- (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 of entry into force of the Agreement as between Malaysia and Brunei Darussalam."

I have the honour to confirm that my Government shares this understanding, and that your letter and this 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 of entry into force of the Agreement as between Brunei Darussalam and Malaysia.

Sincerely,



DATU ERYWAN PEHIN YUSOF
Second Minister of Foreign Affairs and Trade