



28 March 2022

Mr Jason Lange  
Executive Director  
Office of Best Practice Regulation  
Department of the Prime Minister and Cabinet  
1 National Circuit  
BARTON ACT 2600

Dear Mr Lange

**Regulation Impact Statement – Interim Comprehensive Economic Cooperation Agreement  
between Australia and India – Second Pass Assessment**

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for the Interim Comprehensive Economic Cooperation Agreement between Australia and India known as the Australia-India Economic Cooperation and Trade Agreement (AI ECTA).

I am satisfied that the revised RIS addresses the comments made in your letter of 4 March 2022. Specifically, the revised RIS:

- includes an updated 'Benefits and Impacts' analysis section, which:
  - discusses in further detail the net benefits, including the strategic benefits and benefits for Australian businesses and consumers, for Australia in entering into the proposed AI ECTA,
  - acknowledges the costs to Australia, including an estimate of the foregone tariff revenue following entry into force of the proposed AI ECTA, which is estimated to be AU\$115 million per annum, and costs of implementing a double taxation avoidance agreement (DTAA) with India of AU\$145 million per annum, offset by tariff savings estimated at AU\$500 million per annum on Australian exports,
  - seeks to more clearly articulate the costs and benefits that are expected to be realised on entry into force of the agreement, including in the context of goods, services and the temporary movement of natural persons,
- provides further information in the 'Options' section to better explain and justify the weightings placed on the qualitative and quantitative evidence used to inform the RIS,
- details in the 'Implementation and Evaluation' section an overview of the potential metrics for success that may be used in evaluating the proposed AI ECTA, including as part of a general review, which is scheduled to occur within one year of the interim agreement coming into effect.

Accordingly, I am satisfied that the RIS is consistent with the six principles for Australian Government policy makers, as specified in the *Australian Government Guide to Regulatory Impact Analysis*.

I submit the RIS to the Office of Best Practice Regulation for formal Second Pass Assessment.

If you have any queries, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lisson', with a stylized flourish at the end.

Frances Lisson  
First Assistant Secretary  
Department of Foreign Affairs and Trade