

## **ASEAN WORK PROGRAMME ON ELECTRONIC COMMERCE**

### **INTRODUCTION**

1. Under the Third Characteristic “Enhanced Connectivity and Sectoral Cooperation” of the AEC Blueprint 2025 in the section on E-Commerce (C3), it is highlighted that global e-commerce has become an increasingly vital element of the global economy. It is further noted that in a globalised world interconnected through ICT, e-commerce plays a key role not only in domestic and cross-border trade, but also in facilitating foreign investment through the supply of intermediary services. E-commerce has significantly lowered barriers to entry and operating costs for businesses, and is particularly beneficial for SMEs.

2. In view of these important contributions, the AEC Blueprint 2025 states that ASEAN shall intensify cooperation on e-commerce, building upon Article 5 of the e-ASEAN Framework Agreement adopted by ASEAN Leaders in November 2000, with a view to developing an ASEAN Agreement on E-Commerce to facilitate cross-border e-commerce transactions in ASEAN. The strategic measures that could be covered by the framework agreement include, but not limited to, the following:

- (i) Work towards harmonisation through coherent and comprehensive consumer rights and protection laws;
- (ii) Work towards harmonisation through coherent and comprehensive legal framework for online dispute resolution, taking into account available international standards;
- (iii) Promote interoperability and align e-commerce-related regulations and standards to facilitate cross-border transactions;
- (iv) Coherent and comprehensive framework for personal data protection;
- (v) Coherent and comprehensive regulations and standards to facilitate cross-border transactions;
- (vi) Promote seamless and efficient cross-border logistics; and
- (vii) Enhance capacity building for MSMEs to adapt to cross border e-commerce.

### **DEVELOPMENT OF AN E-COMMERCE FRAMEWORK IN ASEAN**

3. At the Prep-SEOM Meeting for the AEM Retreat on 2 March 2015, the Meeting discussed the new focus areas under the AEC Blueprint 2025, which included the Concept Note on E-Commerce, prepared with the assistance of the OECD. The Meeting subsequently tasked the ASEAN Secretariat to come up with draft work plans, and revised concept notes, as appropriate, on the new areas for consideration at SEOM 2/47.

4. The Concept Note highlighted several trends in e-commerce:
  - (i) ASEAN's young population and expanding middle class are contributing to e-commerce growth in the region, a trend that is likely to continue in tandem with increased Internet connectivity, rising smartphone penetration, as well as the fast growing availability of internet access and innovative payment options. Between 2009 and 2014, the proportion of the ASEAN population using the Internet rose from 12.6% to 25.8%; and
  - (ii) The scale, scope, and success of firms like Amazon and Alibaba have transformed e-commerce, reduced entry barriers for cross-border trade and brought smaller businesses into the market and tap into a new segment of consumers that shopped on-line.
  - (iii) As the online market continues to expand, it will also transform the global market. The integrated on-line shopping experience has provided customers and new clients greater options and access to more products, at only one click away. This transformation also means new challenges which the business community will have to address in the ASEAN region.
  
5. A number of existing and newly announced ASEAN initiatives – particularly those espoused in the ASEAN Economic Community Blueprint 2025, ASEAN ICT Masterplan 2020, strategic measures under the 2025 Master Plan on ASEAN Connectivity (MPAC), the ASEAN Strategic Action Plan on Consumer Protection 2025 (ASAPCP) and the ASEAN Strategic Plan for SME Development (SAP SMED) 2016-2025 – support specific aspects of the cross-border e-Commerce value chain. They include efforts to promote digital trade and use of electronic payment, simplify customs procedures, improve Internet access, develop ICT infrastructure, enable transport connectivity, and harmonise e-commerce laws.
  
6. Under the newly launched ASEAN ICT Masterplan 2020, efforts to strengthen the ICT environment in ASEAN have been expanded to cover measures supportive of e-commerce development such as (i) promoting digital trade in ASEAN, (ii) nurturing the free flow of ICT products and services in ASEAN, and (iii) developing regional data protection principles; while continuing the efforts in improving the accessibility of ICT infrastructure in the region, including through (i) creating initiatives to address the growing digital divides in ASEAN, (ii) developing the next generation Universal Service Obligation (USO), (iii) developing best practices for next generation telecenter, (iv) reducing development disparities in access and affordability to broadband access, and (v) improving ICT interoperability.
  
7. The ASEAN Strategic Action Plan on Consumer Protection (ASAPCP) 2025 highlighted that a consumer policy strategy must be able to respond to the new and emerging challenges and opportunities facing ASEAN. The increase of cross-border trade through e-commerce and other new trading methods resulting from globalisation and technological advancement

requires government to find innovative ways of protecting and promoting the interests of consumers.

8. Under the ASAPCP 2025, one of the goals is the development of a Common Consumer Protection Framework. Among the initiatives under this goal is the “modernisation of relevant provision of national consumer protection legislations which include: unfair contract terms, e-commerce, product liability and safety and consumer data privacy”. In addition, one of the supportive measures states the need to promote consumer protection in the trade of products and services including online services.

9. Under SAP SMED 2016-2025, one of the goal is to enhance the use of e-commerce for SMEs, which can used as a support scheme for market access and integration into the global supply chain as well as promotion for export capacity.

10. AMS have made progress in establishing the legal infrastructure for e-commerce, with nine AMS having legislations related to e-commerce and Lao PDR being the most recent in 2012. Progress was also made in terms of updating existing laws in some AMS. Cambodia is expected to enact its e-commerce legislation in the near future. Furthermore, six ASEAN countries currently have e-commerce laws that encompass on-line consumer protection, while Brunei and Indonesia only have partial laws and Lao PDR has begun to address the issue. Indonesia is currently finalising its regulation on e-commerce that sets guidelines for e-commerce business players. In terms of data protection, only Malaysia, the Philippines, Singapore and Viet Nam have enacted full privacy legislation.

11. Despite positive trends and existing ASEAN initiatives, more needs to be done for cross-border e-commerce in the region to flourish as the needs of cross-border e-commerce pose new challenges to ASEAN’s existing regulatory environment.

## **COORDINATING MECHANISM**

12. In the context of developing a Work Programme on E-Commerce, SEOM agreed to the establishment of the ASEAN Coordinating Committee on Electronic Commerce (ACCEC) at the SEOM Retreat in Cebu, the Philippines, 5-6 November 2016. The Terms of Reference of the ACCEC is annexed to this Work Programme.

## **ELEMENTS OF THE E-COMMERCE WORK PROGRAMME**

13. The Work Programme is divided into different segments, based on the different mandates of the sectoral bodies and the strategic measures under the AEC Blueprint 2025, keeping in mind that not all measures may fall neatly under the purview of particular sectoral bodies and there may be cross-cutting issues. As work progresses, the elements or initiatives may be updated and other sectoral bodies identified.

## 14. The elements of ASEAN Work Programme on e-Commerce are:

OUTCOMES	INITIATIVES	OUTPUT	TIMELINE	IMPLEMENTING BODIES
<b>INFRASTRUCTURE</b>				
1. Region-wide Accessibility of Broadband Infrastructure	1.1 Identify gaps in internet access, affordability and network interoperability	Mapping of priority locations requiring broadband deployment for private sector participation	2019	TELSOM
	1.2 Promote affordable access to international mobile roaming services in ASEAN	Adoption of an ASEAN framework to provide affordable intra-ASEAN mobile voice, SMS and data roaming services	2020	TELSOM
	1.3 Provide broadband access to rural and underserved areas	Development of next generation Universal Service Obligation (USO) and <i>telecenter</i> frameworks	2019	TELSOM
2. Conducive Environment to Foster the Growth of e-Marketplace and e-Commerce Platforms	2.1 Develop ASEAN guidelines on accountability and responsibilities of online intermediaries (platform providers)	The guide lines developed	2019	ACCEC
	2.2 Develop coordination mechanisms to enhance enforcement of intellectual property rights in the digital environment	Coordination mechanism is developed.	2019	AWGIPC
<b>EDUCATION AND TECHNOLOGY COMPETENCY</b>				
3. Human Capacity Development Programmes	3.1 Develop skills at all levels to maximise competency in e-	Sectoral Roadmaps on Capacity Building	2018	All relevant sectoral

Instituted	commerce for relevant-industry regulators, consumer protection officials, and law enforcement officials	Developed		bodies
	3.2 Disseminate to business, especially MSMEs, best practices in the use of the internet for the improvement of their business, including essential tools for business management, as well as information on the available training providers and their range of courses	Information/educational materials and programmes developed	2018	ACCMSME
	3.3 Provide education to the public with regard to safe use of the internet, on the availability of self-regulatory options, screening and filtering technologies and dispute resolution mechanism	Educational materials and programmes developed	2018	ACCP
<b>CONSUMER PROTECTION</b>				
4. Consumer Rights Principles for On-line B2C Recognised	Integrate e-commerce considerations into the ASEAN High-level Consumer Protection Principles	E-Commerce considerations are reflected in the ASEAN Consumer Protection High-Level Principles	2018	ACCP
5. Code of Conduct for On-line Business	Develop guidelines/code of good on-line business practice based on self-regulation best practices	Guidelines developed	2019	ACCP

Developed				
6. Consumer Rights Awareness Enhanced	Conduct regular consumer right awareness training for consumers and consumer associations	Consumers are aware of on-line rights as illustrated under the ASEAN Consumer Empowerment Index	2019	ACCP
7. Availability of Alternative Dispute Resolution (ADR)/On-line Dispute Resolution (ODR)	Establish ADR mechanisms, including online dispute resolution systems, to facilitate the resolution of claims over e-commerce transactions, with special attention to low value or cross-border transactions based on the best practice for fair, easy-to-use, transparent and effective ADR mechanisms.	ASEAN ADR and ODR mechanism developed	2020	ACCP
8. Regional/ International Cooperation Enhanced	8.1 Develop ASEAN Guidelines on Cross-Border B2C Complaints	Guidelines are adopted by ASEAN	2018	ACCP
	8.2 Develop a framework of cross-border cooperation in addressing consumer protection issues	Framework of Cooperation Adopted	2019	ACCP
	8.3 Develop informal/formal mechanisms for cross-border cooperation such as an MOU	ASEAN adopts an informal/formal regional mechanism of cooperation on cross-border complaints handling	2020	ACCP

	8.4 Participation in the UN Inter-Governmental Experts Consumer Protection Law (IGE Consumer Protection)	Participate in the UN IGE Consumer Protection Meetings	2018	ACCP
	8.5 Regular interaction with international organisations conducted regularly to enhance understanding, learn best practices	Interaction with UNCTAD/OECD (seminars/workshops)	2018	ACCP
<b>MODERNISING THE LEGAL FRAMEWORK</b>				
9. Updated e-Commerce Legal Framework	Voluntary internal and peer reviews of national laws/regulations on e-commerce	National laws and regulations on e-commerce covering the legal status of electronic transactions/ contracts, the legal status of the e-commerce platform providers/operators and merchants, electronic signatures, online consumer protection, and personal data protection reviewed.	2020	ACCP ACCEC
10. Transparent National Laws and Regulations on e-Commerce	Provide comprehensive updated information on domestic e-commerce-related laws and regulations	The information is publicly available on the ASEAN Trade Repository	2018	ACCEC
<b>SECURITY OF ELECTRONIC TRANSACTIONS</b>				
11. Coherent and Comprehensive Framework for Personal Data /Privacy Protection	Identify best practices in Personal Data Protection (PDP) to promote the implementation of ASEAN PDP Framework	Best practices identified	2018	TELSOM

12. Interoperable, Mutually Recognised, and Secure Electronic Authentication Mechanism	Study suitable mechanisms for authentication of electronic signatures and trade documents, based on internationally recognised practices	Voluntary adoption of the electronic authentication mechanisms for cross-border electronic trade documents	2018	TELSOM
13. International Cooperation amongst Cyber Security Agencies	Establish an international coordination mechanism amongst cyber security agencies to share best practices, exchange information on policies, strategies and cooperate in response to cyber security incidents	Coordination mechanism institutionalised	2019	TELSOM
<b>PAYMENT SYSTEMS</b>				
14. Secure, Safe Payment Systems	14.1 Develop guidelines on electronic payment solutions which cover security requirement and privacy principles	Guidelines developed	2020	WCPSS
	14.2 Foster interoperability between electronic payment networks and services by adopting open, international, and market-driven standards	Establishment of bilateral/multilateral linkages based on country readiness and business needs	2020	WCPSS
<b>TRADE FACILITATION</b>				
15. Trade Facilitation Policies in Support of E-Commerce	15.1 Review the de minimis threshold and duty drawback procedures for e-commerce deliveries and product returns	Exemption of taxes (e.g. Value Added Tax, Goods and Services Tax, duties, etc.) on low value e-commerce shipment and duty drawback procedures for e-commerce returned	2020	CPTFWG



		items reviewed		
	15.2 Review the simplification of customs procedures including through exchange of electronic certificates, at land and air borders for e-commerce deliveries	Simplified customs procedures for low value shipment and return items reviewed	2020	CPTFWG
	15.3 Develop national web sites providing comprehensive updated information on customs procedures, taxes and duties for e-commerce delivery	Transparency of customs procedures, taxes and duties for e-commerce delivery	2018	CPTFWG
<b>COMPETITION</b>				
16. A level playing field in the e-commerce sector	Build and strengthen capacity of competition authorities to identify / detect and address anti-competitive activities in the e-commerce sector	<ol style="list-style-type: none"> <li>1. Competition assessment framework for competition issues in e-commerce sector developed</li> <li>2. Training programmes and educational materials developed</li> </ol>	2020	AEGC
<b>LOGISTICS</b>				
17. Improve ASEAN logistics services to facilitate e-commerce	Coordination with relevant ASEAN sectoral bodies and logistics service providers to identify measures to improve ASEAN logistics services' support for e-commerce	Stocktaking conducted and recommendations developed	2018	ACCEC
<b>E-COMMERCE FRAMEWORK</b>				

18. ASEAN Agreement on E-Commerce	Review of the elements of ASEAN e-commerce framework and develop an ASEAN framework agreement on e-commerce	ASEAN agreement on e-commerce developed	2018	ACCEC
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