

## FACTSHEET

### ASEAN AGREEMENT ON ELECTRONIC COMMERCE

- **The ASEAN Economic Ministers signed the ASEAN Agreement on e-Commerce on 12 Nov 2018, on the sidelines of the 33<sup>rd</sup> ASEAN Summit and Related Meetings.**
  - The Agreement was previously endorsed by the ASEAN Economic Ministers at the 50<sup>th</sup> ASEAN Economic Ministers Meeting on 29 Aug 2018.
- ASEAN now has 330 million internet users – the third largest number of internet users in the world – and on average spend 3.6 hours on the mobile internet daily – more than anyone else in the world.<sup>1</sup> More than 50% of ASEAN’s population is under 30 years old and have greater affinity for technology and internet-based transactions.<sup>2</sup> More than USD12 billion was raised by Southeast Asian start-ups since 2016, and the ASEAN internet economy is estimated to reach USD200 billion by 2025.<sup>3</sup>
- The ASEAN Agreement on e-Commerce recognises the potential of the digital economy, and will help develop the e-Commerce industry by creating a conducive environment for the growth of e-Commerce through, among others, advancing trade rules in e-Commerce and building up greater digital connectivity in the region.

### Benefits of the ASEAN Agreement on e-Commerce

#### *Domestic Regulatory Framework*

- ASEAN Member States (AMS) commit to maintain, or adopt as soon as practicable, laws and regulations governing electronic transactions taking into account applicable international conventions or model laws relating to e-Commerce. This will contribute to the development of a conducive regulatory environment for e-Commerce to flourish in each AMS and in the ASEAN region.

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<sup>1</sup> **Source:** Google-Temasek e-Conomy Southeast Asia Spotlight 2017 Report, 2017.

<sup>2</sup> **Source:** Institute of Southeast Asian Studies, 2018.

<sup>3</sup> **Source:** Google-Temasek e-Conomy Southeast Asia Spotlight 2017 Report, 2017.

### *Transparency*

- The Agreement requires each AMS to publish, as promptly as possible, all relevant measures affecting e-Commerce that will increase trust and certainty for businesses operating in the region.

### *Cooperation*

- The Agreement encourages cooperation amongst AMS to help businesses, especially small and medium-sized enterprises, overcome obstacles and take advantage of e-Commerce. It encourages cooperation on policies regarding (i) Information and Communication Technology (ICT) infrastructure; (ii) education and technology competency; (iii) online consumer protection; (iv) e-Commerce legal and regulatory frameworks; (v) electronic transaction security – including protection of online personal information; (vi) electronic payment and settlement; (vii) trade facilitation; (viii) intellectual property rights; (ix) competition; (x) cybersecurity; and (xi) logistics to facilitate e-Commerce.

### *Facilitating Electronic Transactions and Trading*

- To facilitate digital trade, the Agreement includes provisions encouraging AMS to promote paperless trading between businesses and government, such as electronic-format customs forms. These changes will generate quicker and more efficient transactions in the ASEAN region.

### *Cross-Border Data and Information Flows and Location of Computing Facilities*

- The Agreement includes provisions on accessing and moving data across borders with greater ease, subject to appropriate safeguards. This will facilitate the free flow of information and data that drive the internet and the digital economy.

### *Logistics*

- AMS reaffirm the need to lower costs and improve the speed and reliability of supply chains in cross-border e-Commerce.

### *Consumer Protection and Privacy*

- For the ASEAN consumer, the agreement contains provisions on online consumer protection and personal information protection. AMS recognise the importance of adopting and maintaining transparent and effective consumer protection measures for e-Commerce. AMS are also encouraged to use alternative dispute resolution, including online dispute resolution to facilitate the resolution of claims over e-Commerce transactions. These commitments will help bolster the trust and confidence of ASEAN consumers in such transactions.

### *Technology Neutrality*

- The Agreement recognises the concept of technology neutrality, according greater room for ASEAN businesses to freely choose the technology that best suit their needs – for different uses, interactions or to access certain services. This will allow for a wider scope for innovation and harnessing market forces to select the most economically-efficient solutions.

### *Review of the Agreement*

- The Agreement includes a Review clause to allow AMS to consider further developments and to amend the Agreement, so as to ensure that it continues to stay relevant given the rapidly evolving nature of digitalisation and the digital economy.

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