Mongolia's Digital Trade Week:

25-28 March 2025, Ulaanbaatar

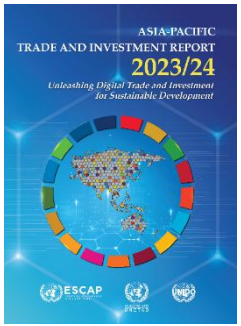
Session 5. Practices in digital trade policies: A comparative perspective for Mongolia



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Economic Affairs Officer, Trade Policy and Facilitation Section
United Nations Economic and Social Commission for Asia and the Pacific

When will digital trade work for sustainable development?

Growth	When digital trade allows businesses to expand domestically and internationally
Inclusivity	When digital trade provides opportunities to small businesses
Sustainability	When digital trade helps reduce carbon footprints and encourage eco-friendly practices



Digital trade can advance SDGs, but it is not guaranteed.

Source: APTIR 2023/24 available at https://www.unescap.org/kp/APTIR2023

What conditions are needed?

Seamless

Interoperability of systems

Harmonized regulations

Efficient infrastructure

Trust

Consumer protection

Robust data handling

Cybersecurity

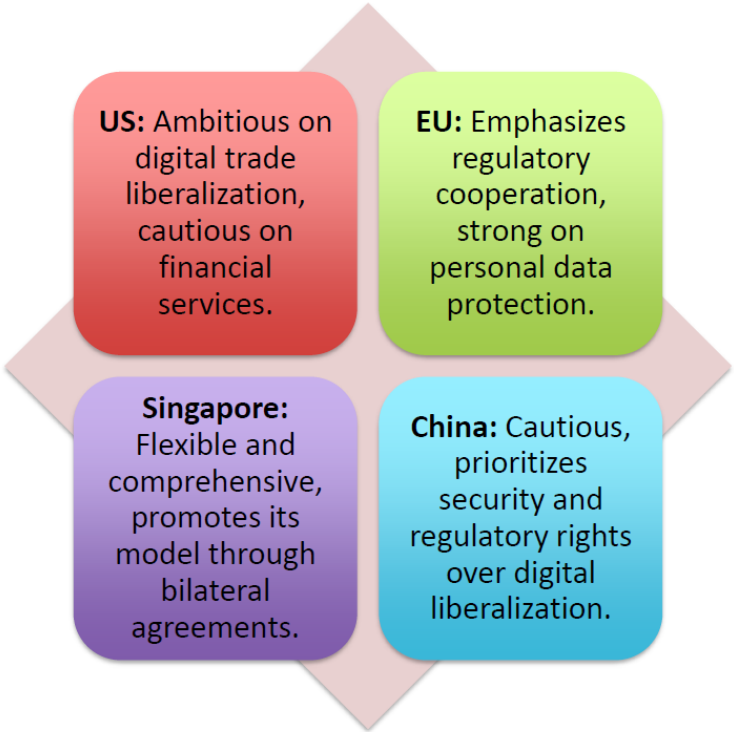
Fair regulations for all sizes

Addressing Tax Challenges

Digital trade requires **updated tax policies and enforcement tools**

- VAT/GST registration for foreign sellers
- Digital services taxes (DST)
- OECD Pillar 1 & 2 participation
- E-invoicing & transaction tracking
- Legal reform for digital economy

Global trend setters



Module 3: comparing approaches to e-commerce provisions using Legal TINA (min 1.20 – 5.10)

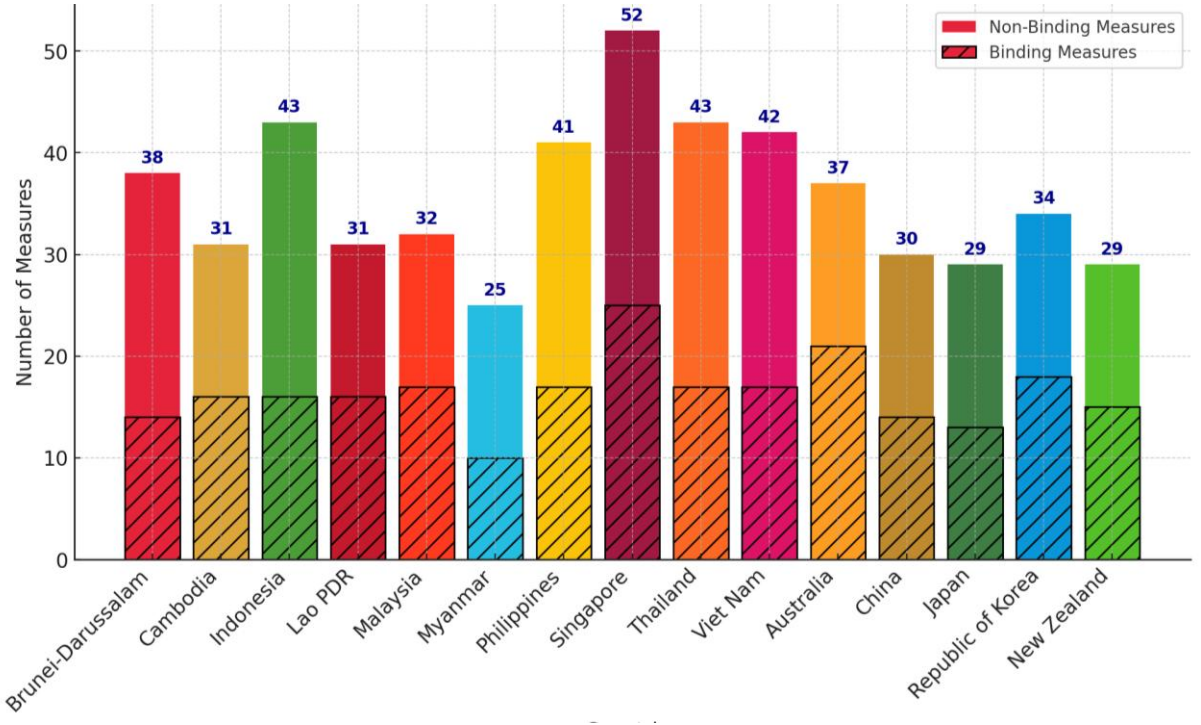
Regional trend

Trend setter:
Singapore, Australia, ROK, New Zealand, Japan

Key players: ASEAN

Unique player: China

Number of digital trade integration measures between RCEP members



Source: ESCAP's compilation
Note: 'Measures' refers to any formal initiatives or agreement related to digital trade.

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

- Significance: A key trade agreement among 11 Asia-Pacific nations that set high standards for digital trade and e-commerce.
- Scope: CPTPP includes comprehensive digital trade provisions, such as cross-border data flows, data localization ban, and protection of source code.
- Digital Provisions: The agreement promotes data privacy, consumer protection, and paperless trading, serving as a template for other agreements.
- Influence: CPTPP's digital trade rules have influenced subsequent trade agreements like RCEP, USMCA, and various DEAs in the region.

Regional Comprehensive Economic Partnership (RCEP)

- Significance: The largest trade agreement globally, covering 15 Asia-Pacific countries including China, Japan, and South Korea.
- Scope: RCEP includes an e-commerce chapter that addresses digital trade, though it is less comprehensive than CPTPP.
- Digital Provisions: Focuses on electronic signatures, paperless trading, and consumer protection, but excludes strong commitments on data localization.
- Challenges: RCEP's digital trade provisions are not subject to dispute settlement, reflecting a cautious approach by key members like China.

ASEAN Digital Economy Framework Agreement (DEFA)

Significance: DEFA is ASEAN's initiative to create a cohesive digital economy in the region, aimed at boosting digital trade and economic growth.

Scope: The agreement seeks to harmonize digital policies, facilitate cross-border data flows, and enhance cybersecurity across ASEAN member states.

Digital Provisions: Focuses on digital payments, data governance, e-commerce, and digital identity verification, promoting regional integration.

Challenges: Aligning the diverse digital regulatory frameworks of ASEAN countries and addressing varying levels of digital infrastructure development.

Digital Economy Partnership Agreement (DEPA)

Significance: DEPA, signed by Singapore, New Zealand, and Chile, is the world's first digital-only trade agreement, focusing exclusively on digital economy issues.

Scope: The agreement covers a wide range of digital economy aspects, including data flows, AI governance, fintech, and e-commerce.

Digital Provisions: DEPA includes innovative provisions on digital identity, data innovation, and MSME participation, setting a high standard for future digital agreements.

Flexibility: DEPA's modular structure allows other countries to join by committing to specific digital trade provisions that align with their own policies.

Digital Economy Agreement (DEA)

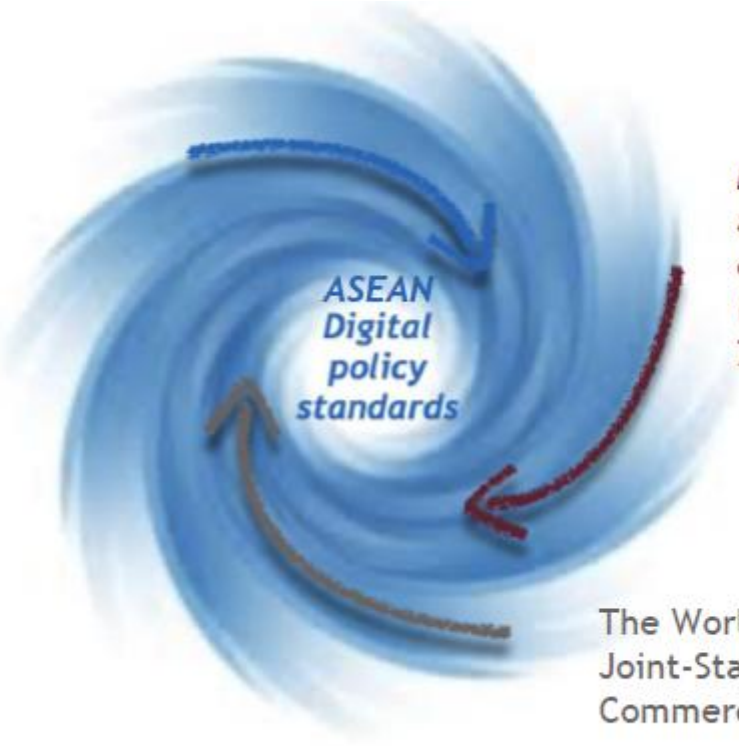
DEAs are dedicated 'digital-only' agreements with broad digital economy topics.

Include new approaches to data governance, emerging technologies, and inclusive digital economy.

DEAs offer flexibility with modular commitments and emphasize MSMEs and sustainable development.

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1 ASEAN's digital economy and free trade agreements; RCEP provisions on e-commerce, and digital economy and infrastructure development masterplans



Multilateral digital economy agreements (DEA) or digital economy partnership agreements (DEPA) with UK, Australia, New Zealand, Chile, South Korea

The World Trade Organization's Joint-Statement Initiative on E-Commerce

Source: Sven Callebuat's presentation (2024)

How to get ready for digital trade

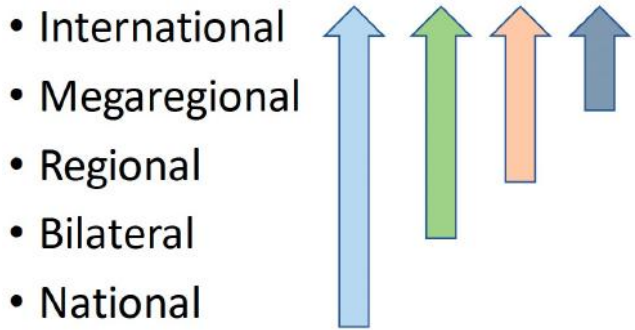
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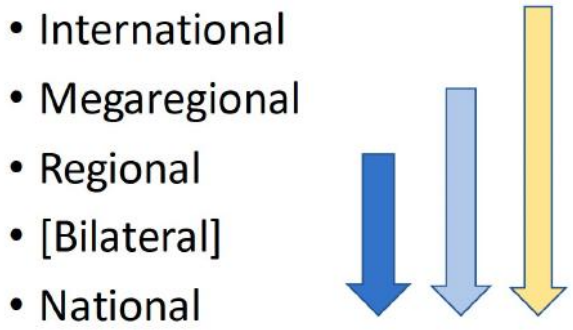
Standard recommendations

- Invest in digital infrastructure
- Prioritize capacity building
- Develop robust legal frameworks
- Public-private partnerships

Policy Tips

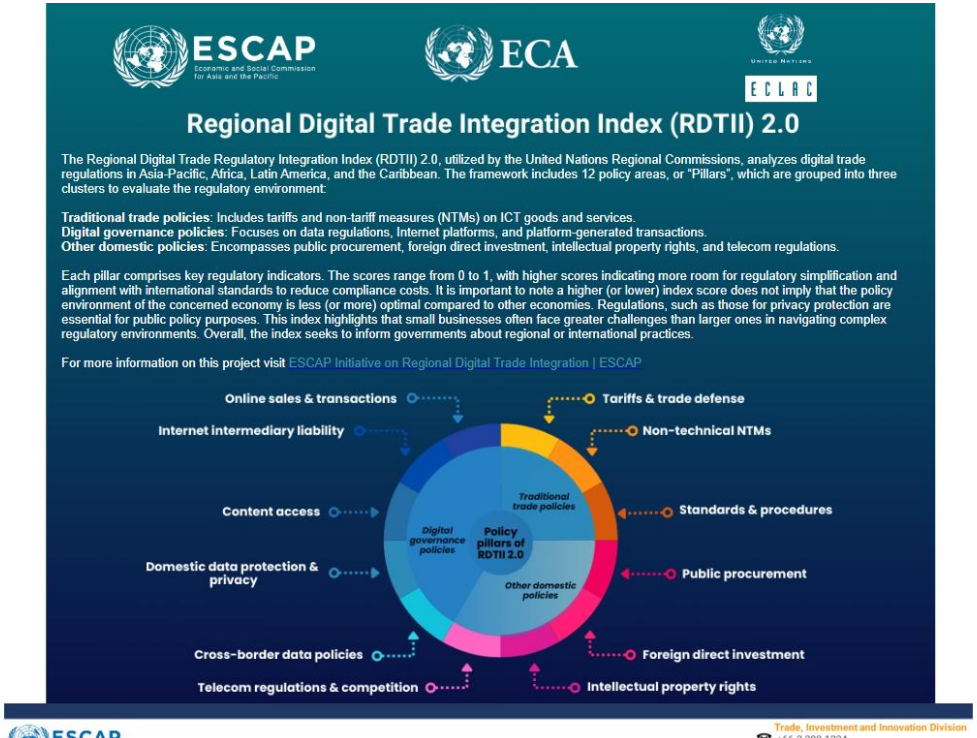
- Early mover advantage
- Be pragmatic
- Unilateral, regional, global
- Work closely with business sector, including SMEs



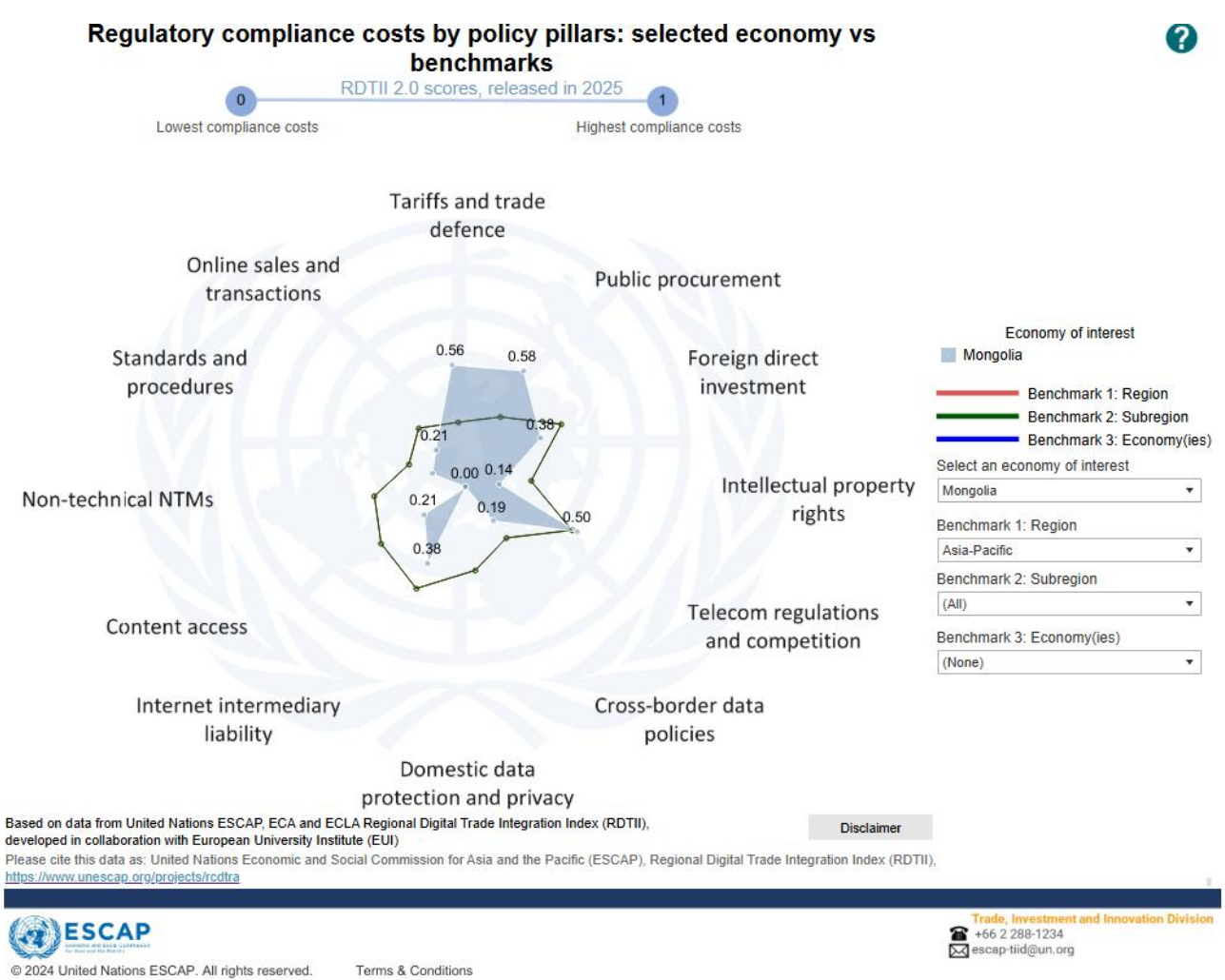


ESCAP RDTII Dashboard

About Regional Digital Trade Integration Index (RDTII) 2.0	RDTII 2.0 indicators	1. Overview of the regulatory compliance costs	2. Comparisons of regulatory compliance costs across economies	3. Comparisons of regulatory compliance costs across policy pillars	4. Breakdown of regulatory compliance costs	5. ind



https://www.unescap.org/projects/rcdtra/databases-kp



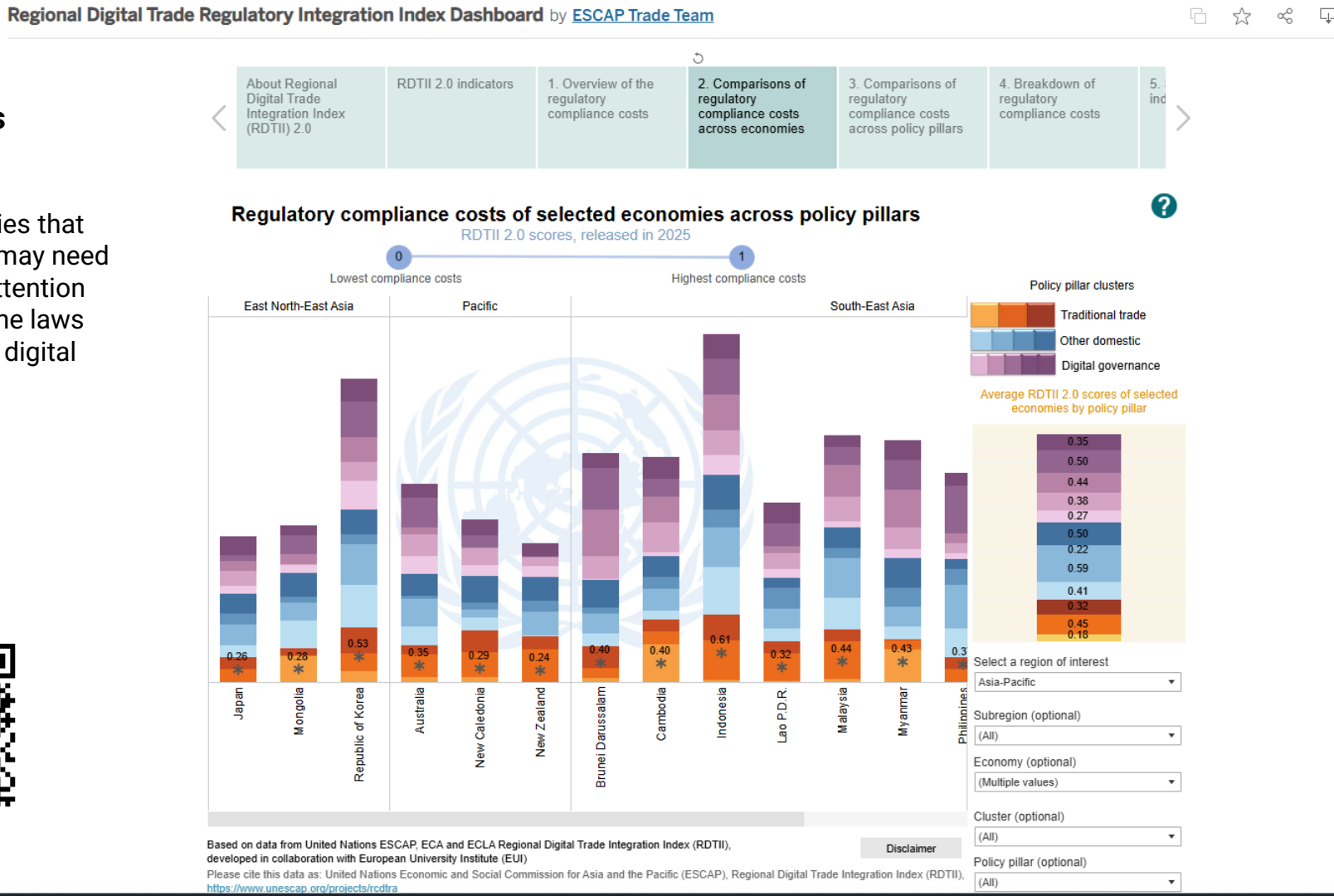
Compare Mongolia with benchmark group average

Q1.1: How Mongolia's digital trade environment compared to RCEP

Q1.2: Suggest areas that deserves immediate policy attentions

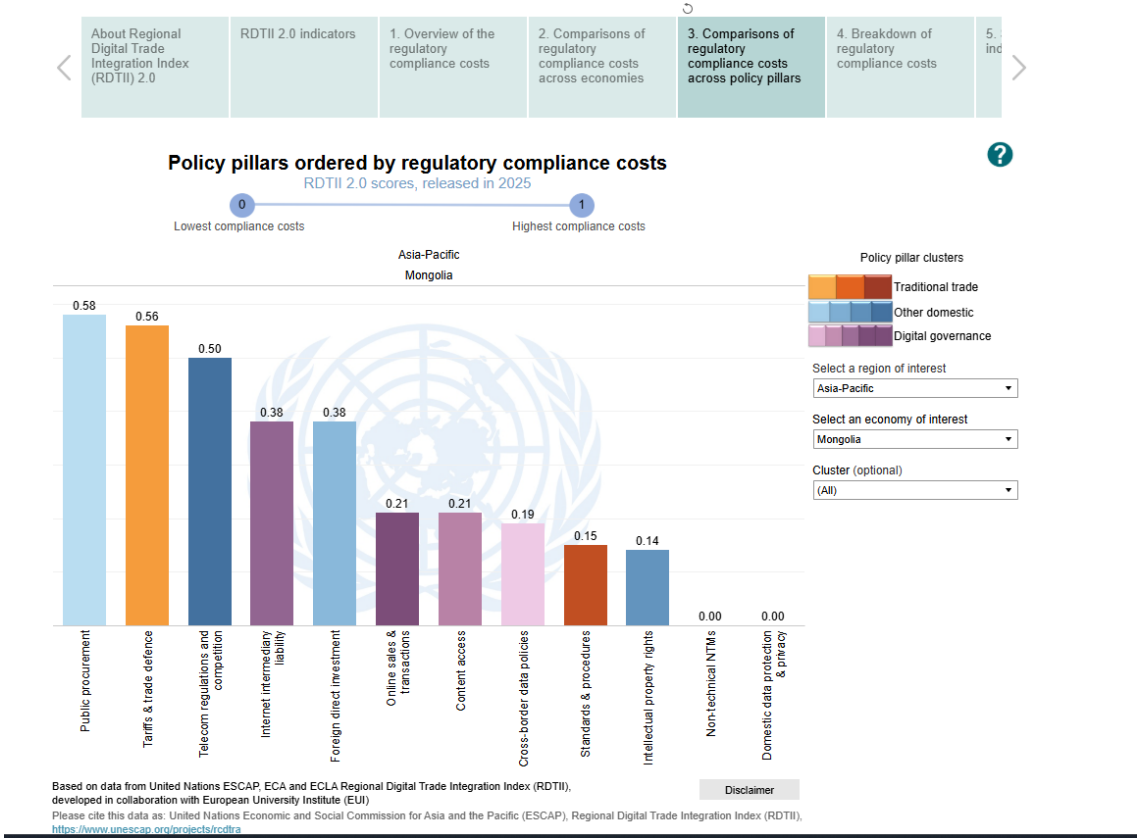
Compare across countries

Q2: Which countries that Mongolian firms may need to pay stronger attention requirements in the laws when negotiating digital trade with?



Compare within a country

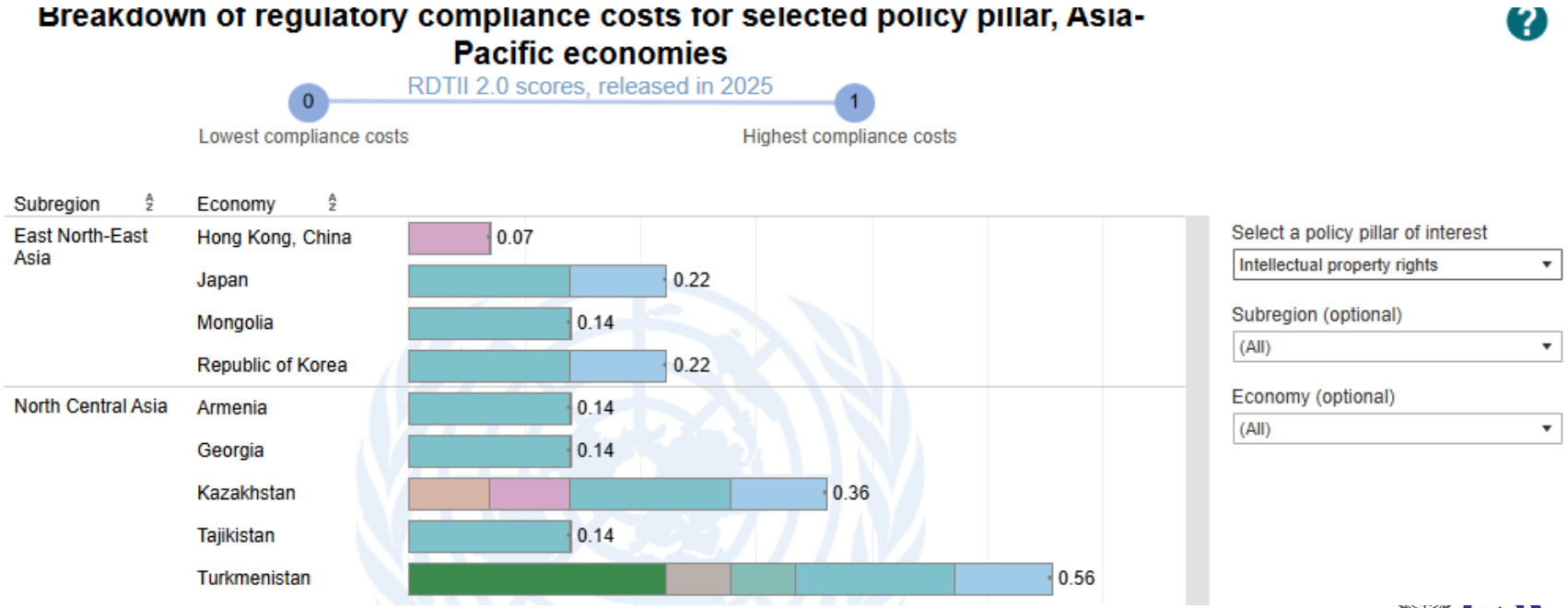
Q3: Identify areas where there is significant room for legal reforms



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Compare across countries by pillar and indicators

Q3: Based on RDTII information, compare Mongolia and North and Central Asia in terms of Intellectual property rights protection in their digital economy.



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Country comparison by indicators

Q4: Describe the data governance environment in Mongolia compared to RCEP countires

Policy indicators by pillars, Asia-Pacific economies

RDTII 2.0 scores, released in 2025

0 Lowest compliance costs — 1 Highest compliance costs

Name / Policy indicator

Cross-border data policies

Economy	Ban & local processing requirements	Conditional flow regimes	Infrastructure requirements	Local storage requirements	Not in agreement with binding commitments on data transfer	Data Protection Impact Assessment or Data Protection Officer requirements	L comp legal for dat
Australia	■	■		■			
Brunei Darussalam							■
Cambodia					■		■
Indonesia	■	■		■		■	
Japan		■		■			
Lao P.D.R.		■			■	■	■
Malaysia		■				■	■
Mongolia		■			■		
Myanmar		■			■		■
New Zealand		■		■		■	

Score based on scoring criteria

Cluster (optional): Digital governance policies

Select policy pillar(s) of interest: (Multiple values)

Subregion (optional): (All)

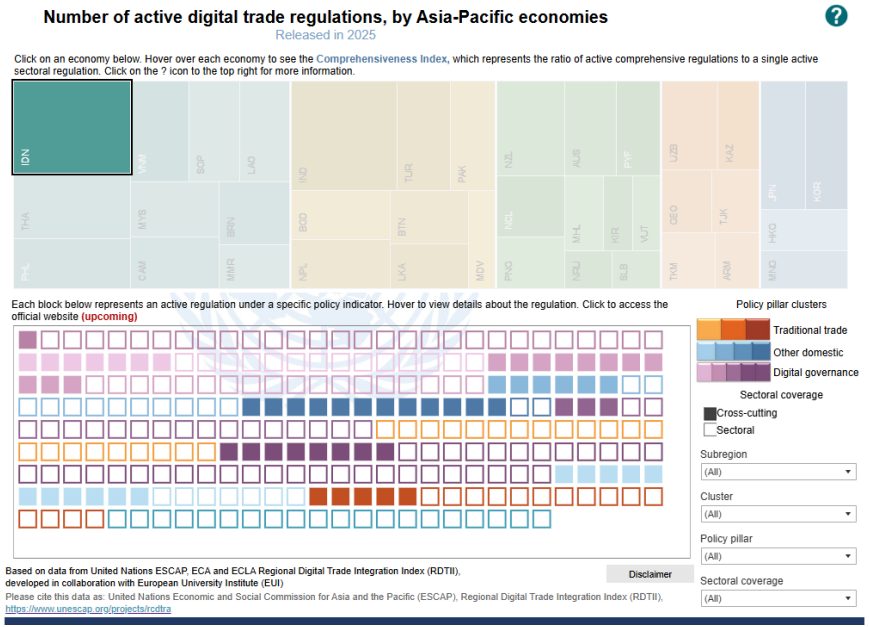
Economy (optional): (Multiple values)

Based on data from United Nations ESCAP, ECA and ECLA Regional Digital Trade Integration Index (RDTII), developed in collaboration with European University Institute (EUI)

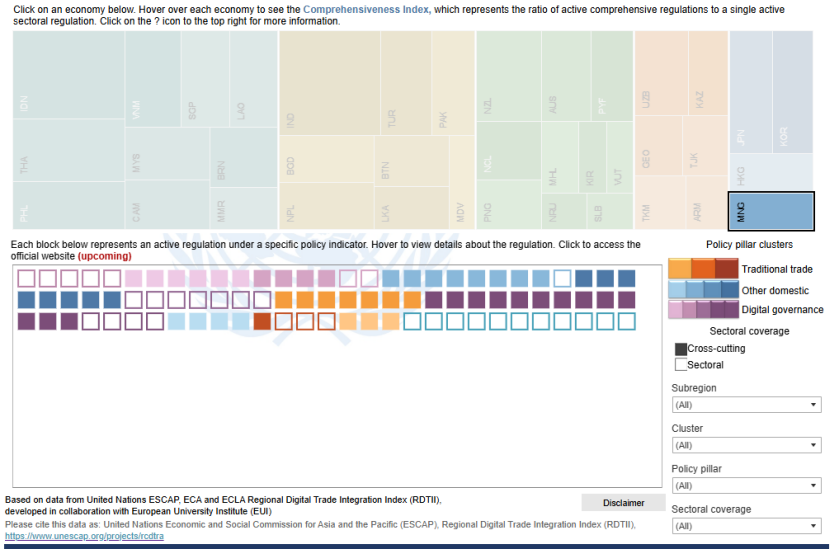
Disclaimer

Please cite this data as: United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), Regional Digital Trade Integration Index (RDTII), https://www.unescap.org/projects/rcdtra

Regulatory environment complexity



Indonesia



Mongolia

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Bilateral Digital Trade Regulatory Similarity (DTRS)

DTRS scores, released in 2025

0 Low similarity — 1 High similarity

DTRS score 0.0 — 1.0

Subregional benchmarks of similarity with selected partners

East North-East Asia	0.7
Pacific	0.6
South-East Asia	0.7

Partner subregion / Partner

Reporter subregion	Reporter	Australia	New Zealand	Vanuatu	Brunei Darussalam	Cambodia	Indonesia	Lao P.D.R.	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam
		Pacific			South-East Asia									
East North-East Asia	Japan	0.7	0.8	0.8	0.8	0.7	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.6
	Mongolia	0.6	0.7	0.7	0.7	0.7	0.5	0.7	0.6	0.7	0.7	0.7	0.6	0.5
	Republic of Korea	0.6	0.6	0.5	0.6	0.6	0.8	0.6	0.7	0.6	0.7	0.6	0.8	0.7
Pacific	Australia		0.7	0.6	0.7	0.6	0.6	0.7	0.6	0.6	0.6	0.6	0.7	0.6
	New Zealand			0.7	0.6	0.6	0.5	0.7	0.7	0.5	0.7	0.8	0.7	0.6
South-East Asia	Brunei Darussalam			0.7		0.8	0.6	0.7	0.8	0.7	0.7	0.8	0.7	0.6
	Cambodia				0.8		0.5	0.7	0.7	0.8	0.6	0.7	0.7	0.5
	Indonesia					0.5		0.6	0.7	0.5	0.7	0.7	0.7	0.8
	Lao P.D.R.						0.6		0.7	0.7	0.8	0.7	0.7	0.6
	Malaysia							0.7		0.7	0.7	0.8	0.8	0.7
	Myanmar								0.7		0.6	0.7	0.6	0.6
	Philippines									0.6		0.7	0.7	0.6
	Singapore										0.7		0.7	0.7
	Thailand											0.7		0.7
	Viet Nam												0.7	

Cluster: (All)

Policy pillar: (All)

Region: Reporter: Asia-Pacific

Subregion: Reporter: (All)

Reporter: (Multiple values)

Region: Partner: Asia-Pacific

Subregion: Partner: (All)

Partner: (Multiple values)

Based on data from United Nations ESCAP, ECA and ECLA Regional Digital Trade Integration Index (RDTII), developed in collaboration with European University Institute (EUI)

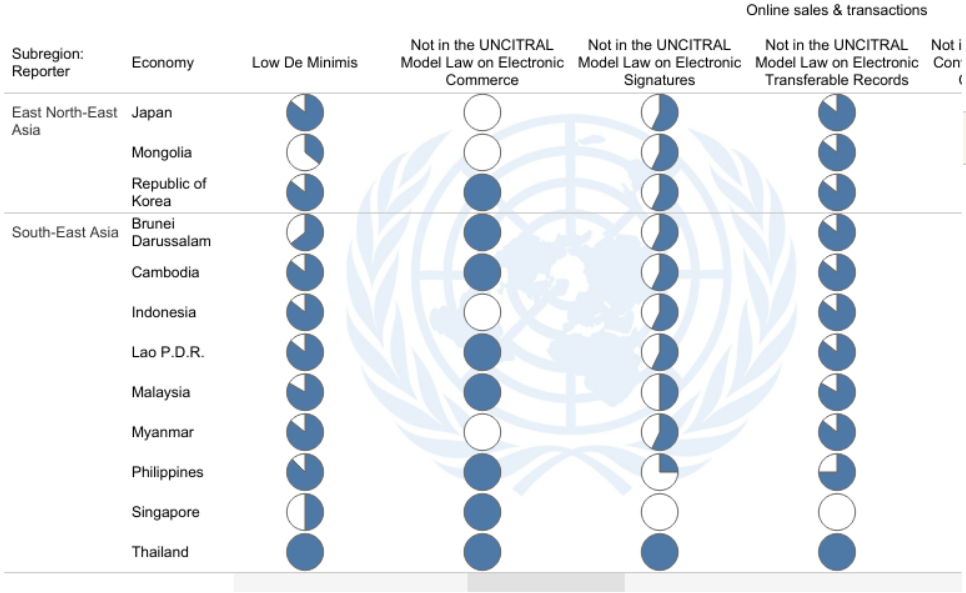
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Digital Trade Regulatory Similarity (DTRS) by policy indicators, Asia-Pacific economies

DTRS scores, released in 2025

0 Low similarity — 1 High similarity



Digital Trade Regulatory Similarit (DTRS) Score

Subregional benchmarks for pillar similarity with selected partner(s)

Online sales & transactions	0.73

Select a policy pillar of interest: Online sales & transactions

Subregion: Reporter (optional): (All)

Reporter: (Multiple values)

Subregion: Partner (optional): (All)

Partner: (Multiple values)

Based on data from United Nations ESCAP, ECA and ECLA Regional Digital Trade Integration Index (RDTII), developed in collaboration with European University Institute (EUI)

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Exercise 1. Pillar 12 De minimis

Mongolia: Law of Mongolia on Customs Tariffs and Customs Duties

Article 38 Goods exempted from customs duties and reduced in value

38.1.15. Interstate postal parcels sent to an individual with a value not exceeding ten times the minimum monthly wage and containing no more than two goods of the same type.

/This provision was added by the law of July 1, 2014, and shall be enforced from January 1, 2015/

Viet Nam: Law No.107/2016/QH13 on Export and Import duties; Decision No. 78/2010/QD-TTg on the value of imported goods via delivery service which are exempted from tax

- The de minimis value threshold of Viet Nam is 1,000,000 VND (approx.39 USD).

Singapore: Goods and Services Tax Act 1993

- The de minimis value threshold of Singapore is 400 SGD (approx. 298 USD).

Exercise 1. De minimis

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Exercise 2. Domain names

Mongolia: No official law on domain names registration.

- **Relevant law: Law of Mongolia on Communication. Article 3. Definition of legal terms.**

3.1.16. "domain name" means a combination of letters, numbers, and other identifying characters specifically assigned in a given country to identify an Internet resource address;

/This provision was added by the law of May 30, 2019./

Kazakhstan: Law No. 417-V on Informatization, Order No. 38/NK on approval of the rules for registration, use and distribution of domain names in the Kazakh segment of the Internet

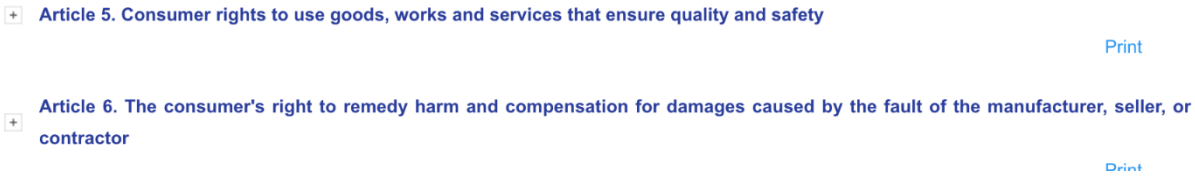
- According to Article 56-1 of Law No. 417-V on Informatization, internet resources with domain names ending in .kz and/or .қаz must be located within the Kazakhstan segment of the Internet. Additionally, when transmitting data, these resources must use security certificates.
- Article 16(6) of Order No. 38/NK further states that websites using .kz or .қаz domain names must be hosted on servers located in Kazakhstan.

New Zealand: Goods and Services Tax Act 1993

- InternetNZ sets the rules for .nz domain names and appointed the Domain Name Commission to manage a fair and competitive registration system. .nz domain names are available on a first come, first served basis. InternetNZ does not regulate how .nz domains are used or required local/ commercial presence to register for the .nz domain names.

Example 3. Online consumer protection law

Mongolia: Law on Consumer Protection*, for example, Chapter 2 Consumer Rights:*



Solomon Islands: Consumer Protection Act Cap.63

- Section 2 of the Consumer Protection Act, 1995 defines key terms like “consumer,” “goods,” “services,” “manufacturer,” and “trader,” mainly in the context of offline transactions.
- The definition of “goods” includes physical items such as gas, electricity, water, and telecommunications. Services” covers areas, such as: performing work, contracts for utilities (gas, water, etc.), access to entertainment or educational facilities, and right or benefits paid through royalties or similar fees.

Republic of Korea: Act on the Consumer Protection in Electronic Commerce

- The Republic of Republic of Korea has the Act on The Consumer Protection in Electronic Commerce to protect the rights and interests of consumers and enhance market confidence by prescribing matters relating to the fair trade of goods or services by means of electronic commerce transactions, mail orders, etc. (Article 1).
- The Republic of Korea Fair Trade Commission (KFTC) is the primary authority responsible for enforcing this Act. The KFTC monitors business practices, investigates violations, and imposes penalties to ensure compliance.

Example 4. Cross-border data flows

Mongolia: Law on Personal Data Protection

Article 14. Transfer of information to persons, legal entities and international organizations in foreign countries

Print

14.1. Except as provided for by law or international treaties of Mongolia, or with the consent of the owner of the information, it is prohibited to transfer information to persons, legal entities, or international organizations in foreign countries.

Japan: Act on the Protection of Personal Information

- The amended Act Article 24 prescribes three types of legitimate transfers of personal information to a third party in a foreign country:
  - **(1) transfers to a country that the Personal Information Protection Commission (PPC) has designated as having an acceptable level of data protection;** → *The PPC-recognized the APEC Cross-Border Privacy Rules System.*
  - (2) transfers to a third party in a foreign country in circumstances in which actions have been taken to ensure the same level of data protection as in Japan; or
  - (3) transfers with the data subject's consent.

Viet Nam: Decree No.13/2023/ND-CP on personal data protection:

- The Decree Article 25 states that personal data of Vietnamese citizens can be transferred out of Viet Nam only under certain conditions:
  - (1) The data subject/owner must consent to the transfer.
  - (2) Data processor must demonstrate that the recipient country or territory has personal data protection standards that are equal to or higher than those in Viet Nam.
  - **(3) The transfer must receive written approval from the Personal Data Protection Committee under Viet Nam's Ministry of Public Security.**

THANK YOU!



Comparable regulatory data

12 Policy areas in 100+ economies in Asia-Pacific, Africa, LAC

ESCAP-ECA-ECLAC Portal



Economy profiles

Overviews of regulatory environments in various economies

ESCAP Initiative on Regional Digital Trade Integration



Regional Digital Trade Integration Index (RDTII) 2.0 dashboard

Visualization summarizing RDTII main findings

RDTII Dashboard

THANK YOU

For more information:

ESCAP-ECA-ECLAC Initiative on Digital Trade Regulatory Integration

Regional Digital Trade Integration Index 2.0: A Guide

Digital Trade Regulatory Review for Asia-Pacific, Africa, and LAC 2024

Asia-Pacific Trade and Investment Report 2023/24
Unleashing Digital Trade and Investment for Sustainable Development

Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA)

Trade Digitalization Index 2024

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