

Digital Trade Integration and ASEAN Perspectives

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Digital Trade Integration through Economic Integration

- Digital integration is a key component of economic integration
- Degree of integration can be of varying degrees:
 - Strong: uniform laws and regulations; single market initiative.
 - Mixed/Intermediate: mutually compatible legal and regulatory frameworks; increased market connectivity.
 - Weak: no common regulatory frameworks; disjointed markets.
- Various examples: APEC, OECD, EU, African Union, ASEAN
- Other Frameworks: International Trade Agreements with Comprehensive Electronic Commerce Chapters (eg, CPTPP, USMCA, DEPA); Mutual Recognition Schemes (eg, EU-US Privacy Shield)

Institutional Frameworks for Digital Trade Integration in ASEAN

- Digital Integration Framework
- ASEAN Agreement on Electronic Commerce
- ASEAN Economic Community Blueprint
- ASEAN Framework for Digital Data Governance
- ASEAN ICT Masterplan
- ASEAN Framework on Personal Data Protection
- Masterplan on ASEAN Connectivity
- Other ongoing initiatives on data flows, data classification and digital innovation.

ASEAN Agreement on Electronic Commerce: Key Aspects

- Objectives of the agreement: facilitate cross-border e-commerce; contribute to develop and trust in ASEAN e-commerce market; deepen cooperation on e-commerce.
- Inapplicable to government procurement
- Relationship with trade in services framework in ASEAN
- Aligning domestic laws and regulations with international principles, guidelines and criteria of relevant international bodies
- Main thrust of provisions: Develop consistent regulatory frameworks on e-commerce in ASEAN, remove digital trade barriers and resolve cross-border consumer concerns.

Digital Trade Integration through ASEAN Agreement on Electronic Commerce

- Strong obligations on paperless trading and electronic signatures/authentication;
- Adopt online consumer protection laws;
- Adopt or maintain personal data protection frameworks;
- Weak provision on cross-border data flows;
- Weak provision on cybersecurity;
- Strong obligation on data localisation;
- Binding provision on transparency;
- Broad scope for cooperation in electronic commerce, non-binding.

Innovations in ASEAN Agreement on Electronic Commerce

- Single coordinating body: ASEAN Co-ordinating Committee on Electronic Commerce (ACCEC)
- Recognising high-level principles:
 - Technology neutrality
 - Regulatory alignment/interoperability
- New areas
 - Electronic Payments and Settlement
 - Logistics
 - Stakeholder Engagement

Contribution of ASEAN Framework to Regional Digital Trade Integration

- ASEAN digital trade integration approach is holistic and comprehensive
- Complemented by various regulatory frameworks, which however remain non-binding
- Digital Integration in ASEAN will depend on the effectiveness of ACCEC:
 - Enforcement and monitoring
 - Regulatory coordination and cooperation
 - External stakeholder engagement
- Inadequate focus on digital development and inclusion
- Stronger focus on issues affecting MSMEs in ASEAN: logistics, e-payments
- No dispute settlement mechanism in ASEAN

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