

NEWS DIGEST

RCEP Agreement To Enhance Data Protection in E-Commerce Sector

On 1 January 2022, the Regional Comprehensive Economic Partnership (RCEP) Agreement entered into force for selected ASEAN Member States, namely Brunei Darussalam, Cambodia, Lao PDR, Singapore, Thailand, and Viet Nam. The Agreement is a manifestation of the region's commitment to open markets and economic integration, among others by eliminating tariffs on goods traded among ratified parties. The Agreement further aims at establishing a more conducive digital trade environment and enhancing online consumer protection, online personal data protection, and cross-border electronic transfer of information. This includes regulating unsolicited commercial electronic messages, along with strengthening cybersecurity.

Vulnerability of Consumer Data in ASEAN

Consumers across ASEAN continue to be susceptible to frequent data breaches or leaks, be it by consumer-facing companies or even public entities. The end of 2021 marked another major data breach in Indonesia as millions of patient data, such as COVID-19 test results, were taken from the centralized server of the Ministry of Health and traded on the dark web.

Around the same time, cybercriminals attacked Vietnam's largest crypto trading company and demanded a ransom for 2 million exfiltrated customer data. Similarly in Singapore, two security incidents in early January 2022 involved breaches of customer databases in a cosmetic and a retail company.

BUYERS BEWARE

Data protection has become a topic of ongoing discussion and public concern across ASEAN as consumers become increasingly aware of the **importance of data privacy and security**.

With the risks of data leaks or breaches looming large, **consumers need to be selective and vigilant about what personal data they share with whom and how**. At the same time, clear rules are required on safeguarding consumer data and rights, also in cross-border transactions and transfers.

For Data Privacy Week 2022, our latest news collection from the ASEAN region focuses on data protection and related issues.

Happy reading!

Heightened Attention to Data Protection Regulations in ASEAN

According to a report by the Data Protection Excellence (DPEX) Center, Southeast Asia can expect [more privacy breaches](#) to occur during the continued COVID-19 pandemic in 2022, especially from contact tracing apps or businesses that have not improved their cybersecurity. This increases the urgency for up-to-date, comprehensive legal frameworks to govern data and consumer protection. In this regard, [the enforcement of the Thailand Personal Data Protection Act \(PDPA\)](#) is scheduled for June 1st, 2022. The Indonesian government also conveyed the target to [complete the Personal Data Protection Bill](#) this year after being delayed for two years.

Regulating Contractual Clauses for Cross-border Data Transfers in ASEAN

In 2021, the ASEAN digital ministers' meeting endorsed the [ASEAN Model Contractual Clauses \(MCCs\)](#) to safeguard cross-border data transfers within the region. The MCCs, which incorporate basic data protection principles and legal basis for responsibilities of parties involved in the transfer, can be adopted on a voluntary basis and adapted to suit specific national law requirements in the ASEAN Member States.

Metaverse Brings Concerns on Data Privacy

A survey by Mileu disclosed that Southeast Asian consumers are getting ready for the metaverse – i.e. the use of virtual reality (VR) and augmented reality (AR) technologies – and are excited about the prospect of advancing social interaction and collaboration, as well as enhancing the shopping experience. In Thailand, for example, an innovative land-buying platform was launched that enables consumers to develop virtual pieces of real estate. However, the survey also indicated that consumers [worry about data security and privacy](#). The risk of cyber-attacks remains [a crucial challenge for Thailand](#).

Protecting Financial Consumers in the Philippines against SIM-related Fraud

The Credit Card Association of the Philippines (CCAP), comprising 18 major credit card players, urges the telecommunications industry and the National Telecommunications Commission (NTC) to [tighten Know-Your-Customer \(KYC\) processes](#), especially when customers change their mobile phone number. As credit card scams through SIM card swaps (“virtual account takeover”) have increased since the pandemic, consumers are warned not to share personal information or PIN codes with anyone in order to protect themselves against unauthorized online transactions by criminals. The CCAP also sent a [letter to Congress](#) to accelerate the enactment of a bill on SIM card registration and monitoring.

MySejahtera App Uses Blockchain to Ensure Authenticity and Protect Personal Data

On 11 January 2022, the Minister of Science, Technology and Innovation (MOSTI) emphasized that MySejahtera – a contact-tracing app developed by the Malaysian government – [uses the latest blockchain technology](#) in order to prevent the forgery of COVID-19 vaccination certificates. New features were also introduced to enable [contact-tracing](#) using anonymized Unique User IDs (UUID) for which data can only be accessed by the health ministry and is stored in the user's device for 14 days. In October 2021, users had reported [unsolicited emails](#) and one-time password (OTP) messages were sent through the app, causing concerns of security and data breaches.

Telenor's Consumers in Myanmar Still Without Answers on Data Protection

The data of 18 million consumers in Myanmar, including call data records, is feared to have fallen into the wrong hands, as the Norwegian company Telenor sold its local operations amid an uncertain political and legal environment. The sale comes with questions on surveillance and potential human rights infringements. Civil society organizations have been pressuring the company to address this matter. Telenor is also reportedly planning to exit its mobile banking business in Myanmar by divesting Wave Money in what will be the largest fintech deal in the country since the military takeover in 2021.

CCF Met with Other Interested Parties to Discuss Data Protection

The 20th Law Talk was held in Siem Reap, Cambodia in December 2021, organized by the Konrad Adenauer Foundation and focusing on data protection. Representatives from the Consumer Protection, Competition and Fraud Repression Directorate General (CCF) under the Ministry of Commerce, academics and legal experts participated in the workshop which served to gather inputs for the development of data protection law. This is intended to account for international good practices for doing business in the digital age, including the protection and confidentiality of consumer data.

Last year's 19th Law Talk on Consumer Protection in the Digital Age was co-organized with GIZ and helped identify needs for expanding explanations on the 2019 Law on Consumer Protection. As a follow-up, CCF with support from GIZ is presently formulating a new implementing regulation (*prakas*) on cooling-off period.

