

31 October 2025

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RE: *ACT | The App Association Recommendations Supporting APEC Efforts to Empower MSMEs in the Digital Economy*

ACT | The App Association writes in support of the continued efforts by the Asia-Pacific Economic Cooperation (APEC) member economies to strengthen and secure the digital trade environment across the region. We urge APEC leaders to prioritize support for micro, small, and medium-sized entities (MSMEs) as it works to accelerate digital transformation and prosperity across APEC member economies.

The App Association represents small business innovators and startups in the software development and high-tech space around the globe.¹ As the world has embraced mobile technologies, our members have created innovative products and services that drive the global digital economy by improving workplace productivity, accelerating academic achievement, and helping people lead more efficient and healthier lives. For MSMEs, a predictable, modern digital governance framework is not simply a policy preference, but a prerequisite for innovation, investment, and expansion.

APEC member economies are well-positioned to lead the world in unlocking digital transformation opportunities across diverse consumer and enterprise sectors. Ensuring broad MSME participation in, and access to, the global digital economy must remain a core pillar of APEC's strategy. By advancing clear and proactive-focused digital trade commitments, such as maintaining tariff-free treatment of electronic submissions, enabling trusted cross-border data flows, safeguarding commercial privacy and intellectual property, applying non-discriminatory and evidence-based regulatory approaches, and relying on internationally recognized technical standards, APEC will empower MSMEs and accelerate investment, spur innovation, enhance competition, and expand job growth throughout the region. Key opportunities for APEC member states include artificial intelligence (AI), the internet of things, and quantum computing, among others. With fewer legacy constraints and a strong foundation of entrepreneurial creativity, APEC member economies are well-positioned to seize these opportunities and deliver a dynamic digital future.

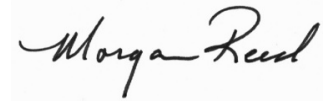
Core digital platforms, data mobility, and interoperable technologies have allowed even the smallest firms to scale participation in a global market with unprecedented speed. The App Association urges member economies to reaffirm policy commitments and approaches that empower MSMEs to continue to grow, hire, and expand their operations across the region. Specifically, APEC member economy leaders should:

¹ ACT | The App Association, *About*, available at <http://actonline.org/about>.

- (1) Establish a moratorium on tariffs and customs formalities on electronic transmissions, including content;
- (2) Prohibit restrictions on the cross-border flow of data (allowing only for narrowly tailored exceptions) and forced localization of computing facilities, including for financial services data;
- (3) Preserve the ability to use technical protection mechanisms, including commercial encryption, to secure data transactions;
- (4) Prohibit governments' ability to require forced local partnerships or the disclosure of proprietary source code and algorithms as a condition of market entry or conducting business in-country, or duty-free treatment;
- (5) Provide for the adequate and effective protection and enforcement of intellectual property rights, including that all parties join and fully implement the WIPO Digital Treaties;
- (6) Commit to consistent and strict adherence to non-discriminatory treatment and good regulatory practices if considering regulation of nascent and emerging technologies and industries, including but not limited to *ex post* remedies based on demonstrated and systemic harms, transparency, consultation, and sufficient timelines for implementation;
- (7) Require that all parties join and enforce the 1996 World Trade Organization Informational Technology Agreement and its 2015 expansion;
- (8) Develop and promote transparent, accountable, and evidence-driven good regulatory practices for digital trade, which include public transparency in the regulatory process, the opportunity for input from the public, experts, and interested stakeholders, analysis of evidence according to sound, objective, and verifiable methods, and provision of procedural safeguards and due process;
- (9) Further reliance on globally-accepted international technical standards for the satisfaction of domestic regulatory requirements; and
- (10) Promote risk-based approaches to cybersecurity regulation, cooperate on cybersecurity and incident response, and to share information and best practices.

We welcome the leadership APEC has shown in prioritizing digital transformation and stand ready to support the continued development of policies that strengthen market access, improve consumer trust, and expand opportunities for MSMEs across all 21 member economies. With thoughtful and forward-looking digital trade commitments, APEC will lead global technological development and ensure MSMEs remain central to that success.

Sincerely,

A handwritten signature in black ink that reads "Morgan Reed". The signature is fluid and cursive, with the first name "Morgan" and the last name "Reed" clearly distinguishable.

Morgan Reed
President

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