

28 June 2025

Dr. Kao Kim Hourn
Secretary-General
Association of Southeast Asian Nations
70A Jalan Sisingamangaraja
Jakarta 12110
Indonesia

RE: *ACT | The App Association Recommendations Supporting the Development of the Association of South East Asian Nations Digital Economy Framework Agreement*

ACT | The App Association writes in support of the development of a modern and comprehensive Digital Economy Framework Agreement (DEFA) to strengthen the Association of South East Asian Nations (ASEAN) digital economy. We are pleased at ASEAN's stated intention to finalize DEFA by the end of 2025, and wish to provide you with our perspectives as its development continues.

The App Association represents countless 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 create the 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.

ASEAN nations are poised to lead the globe in unlocking digital transformation opportunities across countless consumer and enterprise sectors and verticals. Enhancing participation in, and access to, the global digital economy across the continent must be a cornerstone of any strategy that aims to sustainably and equitably create opportunities, particularly for micro/small/medium-sized enterprises (MSMEs). A successful DEFA for ASEAN will speed investment and innovation, enhance competition, create jobs, reduce poverty, and generally improve the availability of goods and services. Notably, there are enormous opportunities for ASEAN in both existing and emerging technology markets including artificial intelligence (AI), the internet of things (IoT), and quantum computing, among others. ASEAN is well positioned to seize these openings with leapfrogging opportunities that exist due to having fewer legacy physical and governance infrastructure challenges.

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

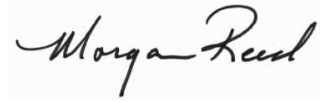
Building on ASEAN's focused efforts to achieve and sustain growth through digital transformation, we strongly support the development of a modern and comprehensive Digital Economy Framework Agreement (DEFA) to ensure ASEAN is at the forefront of the fourth industrial revolution.

Specifically, the ASEAN DEFA should:

- (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 encourage proactive efforts by ASEAN to support growth and innovation through the region through the envisioned DEFA, and commit to assisting in the development and implementation of such rules moving forward.

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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