Association for Competitive Technology

Asia-Pacific at the Crossroads

How the Region's Digital Platform Regulation Choices Will Shape the Future of the Digital Economy

APAC COMPETITION REGULATION BRIEF | JULY 2026

The Digital Economy's Pivotal Moment

The Asia-Pacific (APAC) region has become one of the most consequential arenas in the global digital policy debates surrounding emerging technology markets and curated online marketplaces (COMs), including digital platforms. Home to some of the world's fastest-growing internet populations and mobile device penetration ecosystems,[1] the regulatory choices made across APAC will profoundly shape whether the region becomes a beacon for innovation-friendly governance or whether it imports the restrictive ex-ante frameworks that have hobbled other jurisdictions in this "race to regulate" technology.

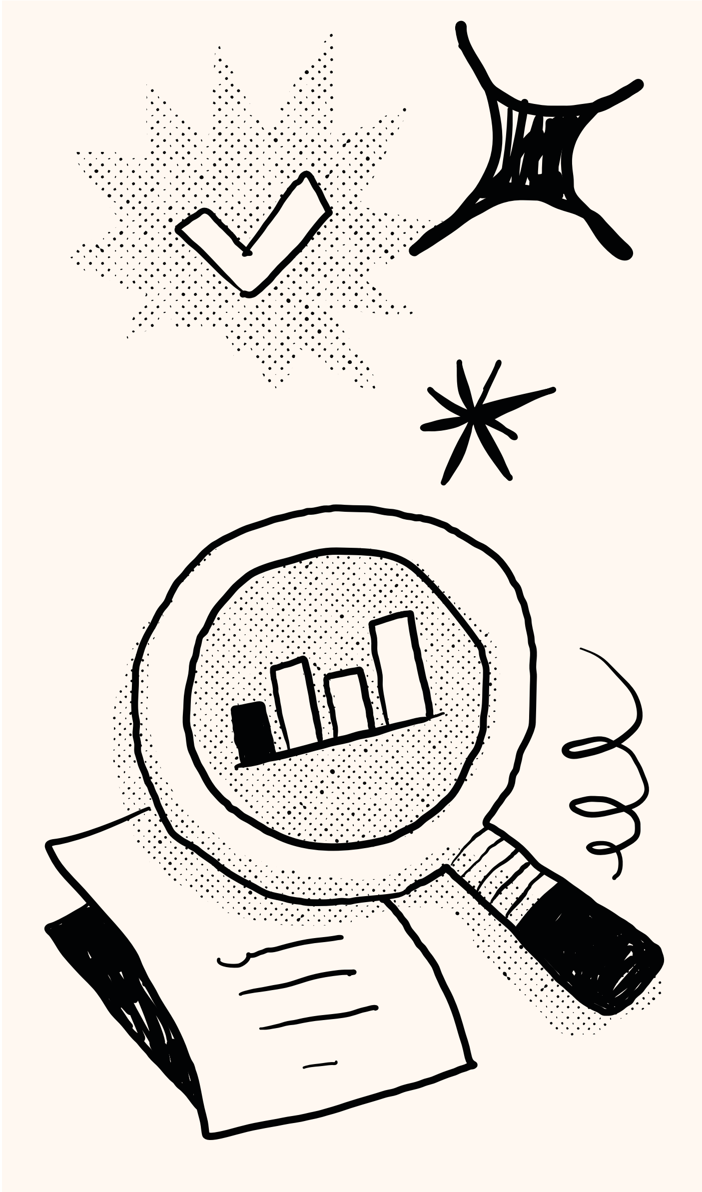
The stakes are particularly high for micro, small, and medium-sized enterprises (MSMEs) in the fight between policymakers and large incumbents to "correct" competition in these markets. Moreover, the divergence in approach between jurisdictions has become starker. As of July 2026, APAC digital competition governance frameworks are presenting four distinct risk profiles:

1. Those that have moved into active enforcement of ex-ante styled rules or approaches with a preexisting, sustained enforcement focus that tends to single out foreign—especially U.S.-based—firms (very high risk level)

2. Those that have moved into active enforcement of ex-ante styled rules or approaches without the backdrop of sustained targeting of certain foreign entities (high risk level)

3. Those that are advancing legislation but have not yet enacted it (medium risk level)

4. Those where geopolitical and trade pressures have constrained the most aggressive proposals (low risk level)



No two countries present the same picture, and the Republic of Korea stands alone as presenting a very high-risk level.

This brief examines the regulatory trajectories of 11 jurisdictions across the APAC region, highlighting the critical risks posed by DMA-styled approaches, including the unintended consequences to user experiences and intellectual property (IP) protections for developers.
The brief will then explain how choices made in these individual markets may have unintended consequences for the global digital economy far beyond just the region.

Before examining individual jurisdictions, it is worth grounding this analysis in what platforms actually provide and what is put at risk when regulation disrupts them. Platforms provide three foundational advantages to the MSMEs and independent developers who build on them.

1. Platforms dramatically reduce overhead costs. Platforms act as data stewards, handling data governance, enforcing terms of service, and building the operational backbone of a compliant digital product that would otherwise require legal, technical, and administrative resources that small developers do not have.

2. Platforms provide instantaneous consumer trust. System-wide cybersecurity screening, fraud detection, and malware prevention create a layer of assurance that no individual developer could replicate and that users rely on without thinking about it.

3. Platforms enable cost-effective access to a global market. By vetting distribution channels and protecting against counterfeiting, cloning, and IP infringement, they allow an MSME in Southeast Asia or Eastern Europe to reach hundreds of millions of users with confidence that their IP is well protected.

These are not incidental features of COMs; they are structural conditions that make the digital economy global.

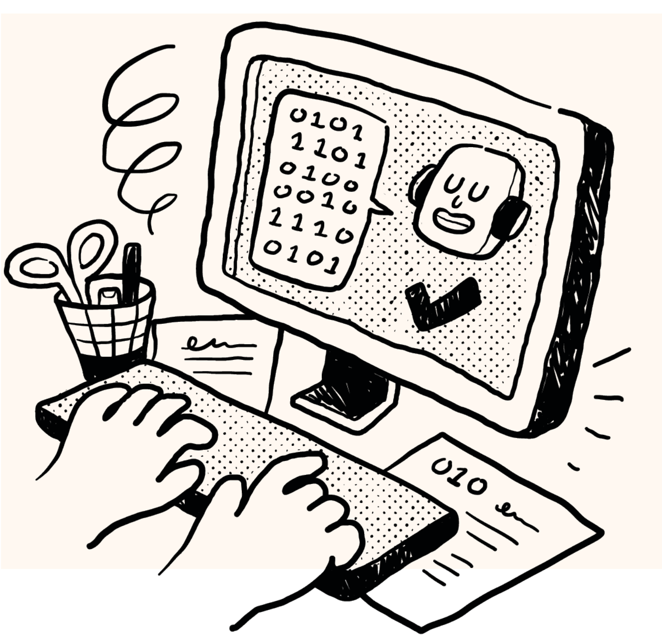
The DMA's Troubled Track Record: The EU's Cautionary Tale

The European Union's Digital Markets Act (DMA) is the most consequential natural experiment in ex-ante platform regulation anywhere in the world, and APAC policymakers have much to learn from it. The lessons are not abstract.

They can be measured along the three dimensions that matter most to the region: (1) economic competitiveness, (2) the ability of startups and MSMEs to grow and create jobs, and (3) the experience and satisfaction of end users, both consumers and enterprises. On each dimension, the early European evidence counsels caution rather than imitation.

Before turning to the APAC regulatory landscape, the evidence and costs of DMA-style regulation in practice warrant attention. Rather than empowering MSMEs and start-up developers, the DMA further fragments the critical distribution channels, removes long-established security guardrails, and upends the trust ecosystem that both developers and consumers rely on in a COM. Beyond app distribution and trusted guardrails, the broader consequences of the DMA are already materializing. In late 2024, leading platform providers delayed the launch of new artificial intelligence (AI)-powered features in the EU,[2] limiting startups' access to cutting-edge tools that would help them compete. At the same time, compliance costs are shifted onto developers, who are forced to adapt to different digital marketplace rules, submission processes, and legal requirements across multiple app stores. The evolving nature of DMA enforcement has also created uncertainties. Startups that once relied on a straightforward submission process to reach global markets now face a patchwork of shifting regulations that slow down product launches and increase overhead.

The rising costs of compliance, reduced access to capital, and fragmented digital ecosystems created by DMA enforcement are widening the gap between European developers and their global competitors. This investment gap was already a concern under the EU's Digital Decade goals, which aimed to strengthen Europe's digital sovereignty and create a more competitive digital market.[3] However, rather than unlocking new opportunities, the DMA's rigid regulatory framework threatens to further constrain growth by forcing curated online marketplaces to overhaul their business models in ways that disrupt existing developer ecosystems. The financial toll is substantial. A 2025 Association for Competitive Technology (ACT) survey of over 1,000 MSMEs across the EU, United Kingdom (UK), and United States found that tech firms lose between EUR 109,000 and EUR 375,000 annually per firm from regulatory-driven delays in accessing frontier AI models. For the directly affected subset of firms, losses rise to between EUR 186,000 and EUR 528,000 per year.[4] Meanwhile, U.S. firms, operating without the DMA's structural barriers, are adopting AI faster, integrating it more deeply, and reinvesting savings at higher rates. Nearly two-thirds of U.S. tech MSMEs actively use AI, compared to just half of their EU and UK counterparts.



Two years into the DMA's enforcement, there is still no measurable evidence that the regime has delivered the gains for small developers that its architects promised. Enforcement has instead advanced the interests of a small number of large third-party firms seeking to disintegrate established distribution systems, leaving the broader developer ecosystem to absorb new fees, more complex and costly distribution services, new compliance steps, and persistent uncertainty. High-profile enforcement actions are reshaping platform business models without a corresponding benefit to the MSMEs the rules were meant to help, and the open-ended structure of the regime has allowed its obligations to expand into services, such as artificial intelligence and cloud computing, that were never part of the original evidentiary record.

When EU authorities reviewed the framework in the spring of 2026 and pronounced it sound, the assessment focused on competition at the top of the market and did not grapple with outcomes for smaller firms, with the security and privacy tradeoffs the rules create, or with the widening international gap in access to frontier technology. Substituting process metrics for outcomes is a weak basis on which to recommend the model to others. By collapsing the rivalry that once led platforms to compete for developer business into a single uniform template and by weakening the curated distribution that screens for malware, fraud, and IP infringement, the DMA has eroded the very protections that give an unknown MSME a credible path to a global audience.

Taken together, the DMA's record gives APAC governments a rare advantage: the chance to observe, before committing, how ex-ante rules actually affect competitiveness, small business growth and job creation, and the quality of the services that consumers and enterprises depend on. This brief aims to showcase the variety of approaches to competition law across the APAC area. The lesson is not that platform conduct should go unexamined; it is that the cost of getting the design wrong falls hardest on the small firms these rules claim to protect.

Asia-Pacific Digital Platform Regulatory Snapshot

Jurisdiction	Primary Instrument	Status	Risk Level
Australia	Digital Competition Regime (draft); Competition and Consumer Amendment (Unfair Trading Practices) Bill 2026	Active ACCC study on competition; new ex ante legislation imminent; Epic v. Apple/Google remedies hearing Apr 2026	**HIGH**
China	Anti-Monopoly Law (amended 2022); Platform Economy Guidelines; SAMR enforcement regime	SAMR enforcement active; Alibaba, Tencent, Meituan under ongoing scrutiny; data security and VIE restrictions create parallel compliance pressures for foreign platforms	**HIGH**
India	Digital Competition Bill (paused; market study underway)	MCA market study commissioned Nov 2025; no timeline for re-introduction; CCI ex-post enforcement active	**MEDIUM**
Indonesia	KPPU Platform Economy Guidelines; Draft Digital Market Law; Personal Data Protection Law (eff. Oct 2024)	KPPU reviewing platform dominance; draft digital market legislation in early consultation; PDPL enforcement ramp-up underway	**MEDIUM**
Japan	Mobile Software Competition Act (in force Dec 18, 2025)	ACTIVE ENFORCEMENT — Compliance reports Feb 2026; fee structures under JFTC scrutiny; developer security concerns mounting	**HIGH**
Malaysia	MyCC Digital Economy Market Review (18 recommendations); Competition Act amendments due mid-2026	ESCALATING — Final review report Feb 2026; centralization of competition powers imminent; MCMC licensing in force Jan 2026	**MEDIUM**
Republic of Korea	Online Platform Fairness Act (proposed); MRFTA amendments, bilateral investigations	KFTC expanding 237 officials; Section 301 probe launched; tariffs raised to 25%; geopolitical standoff; ongoing ex-ante debates in National Assembly; cases against foreign firms	**VERY HIGH**
Singapore	Competition Act; CCCS digital economy guidelines; no sector-specific platform designation regime	CCCS active on case-by-case enforcement; pro-innovation regulatory posture; no ex-ante gatekeeper framework enacted or proposed	**LOW**
Chinese Tapai	Fair Trade Act; FTC platform guidelines; no standalone digital markets act	Chinese Tapai FTC relies on ex-post enforcement; no DMA-style ex-ante regime proposed; close U.S. alignment constrains legislative appetite	**LOW**
Thailand	TCCT Multi-Sided Platform Guidelines (in force Mar 25, 2026); ETDA Royal Decree; Draft Digital Platform Act pending	TCCT guidelines live; 21 platforms designated high-risk; social commerce notification imminent; dual track enforcement active	**HIGH**
Vietnam	Law on Digital Technology Industry (eff. Jan 1, 2026); Law on E-Commerce (eff. Jul 1, 2026); Digital Transformation Law	Three major laws active or imminent; dominant platform threshold 10% of population; enforcement signals accelerating	**HIGH**

LEGEND

VERY HIGH	Active enforcement or investigations/debates
HIGH	Pending enforcement or imminent legislation
MEDIUM	Advancing policy, consultation underway
LOW	Ex-post only, no ex-ante framework proposed

Country Profiles: 11 Paths

Republic of Korea

Risk level: Very High

The Republic of Korea's (RoK) digital platform regulatory debate has transitioned from a domestic market policy dispute into a geopolitical flashpoint. Home to international technology leaders, the country's digital economy holds a strong reputation globally. Its digital economy policy approach will influence how digital trade conversations unfold across the APAC region.

The underlying legislative dynamic has not been resolved. Despite President Lee Jae-myung's November 2025 commitment in the Korea Strategic Trade and Investment Deal to ensure that U.S. companies "are not discriminated against and do not face unnecessary barriers" in digital services[5], the National Assembly, in which Lee's Democratic Party maintains a sizable majority, proceeded to advance the Online Platform Fairness Act.[6] Critics across the U.S. government and technology industry argue the Act would disproportionately target American firms while structurally exempting Chinese platforms from equivalent scrutiny.

A November 2025 data breach at Coupang, a leading U.S.-headquartered marketplace operator, along with the Korean government's harsh response, exacerbated this already tense dynamic. The company's investors filed a formal Section 301 petition with the U.S. Trade Representative (USTR) in January 2026, alleging discriminatory regulatory treatment.[7] Although that petition was subsequently withdrawn after USTR announced broader Section 301 investigations across 16 economies in March 2026,[8] the situation had already catalyzed congressional action: in February 2026, House Judiciary Committee Chairman Jim Jordan launched a formal investigation into Korea's alleged discriminatory targeting of American technology companies.[9] President Trump subsequently raised tariffs on Korean goods from 15 to 25 percent, citing Seoul's failure to honor its trade commitments.[10]

The regulatory pressure from the Korea Fair Trade Commission (KFTC) itself has simultaneously intensified. In late May 2026, marking one year of the Lee administration, KFTC Chair Ju Biung-ghi announced a sweeping organizational expansion: 237 new officials, dedicated digital market investigation units, and new economic analysis capacity.[11] Chairman Ju framed the expansion in explicitly activist terms: "Platform cases are not simple anymore." The KFTC has imposed or decided on more than two trillion won (USD 1.33 billion) in penalties across all sectors since June 2025, and organizational rules are expected to be revised by June 2026 with new personnel deployed in Q4.[12]

The evidentiary record on KFTC enforcement is no longer circumstantial. According to data provided to the National Assembly, whereas several large domestic

conglomerates recorded the highest number of antitrust violations from 2022 to the first half of 2025, the American-headquartered marketplace operator paid the most in fines during this period despite far fewer overall violations.[13] This disparity is not a statistical anomaly. A National Bureau of Asian Research (NBR) report found that KFTC enforcement has resulted in disproportionate scrutiny of U.S. firms, raising questions about de facto discrimination and the politicization of competition policy, including through unnecessarily aggressive investigative tactics and raids and the frequent use of, or threats to use, criminal sanctions.[14] In July 2026, the House Judiciary Committee released a report outlining the troubling patterns of discriminatory and targeted enforcements against American technology companies, specifically Coupang, by the RoK government. For ACT members, curated online marketplaces (COMs) like Coupang serve functions that are often overlooked by consumers and in many cases policymakers. For the tens of thousands of small sellers, including foreign MSMEs, who use the platform's marketplace to access Korean consumers, the platform's regulatory stability is not an abstraction. It is their distribution channel. This single company alone faced scrutiny from the Ministry of Employment and Labor, the KFTC, the Financial Supervisory Service, and the National Tax Service simultaneously. A small developer or app company does not have the legal infrastructure, the political relationships, or the balance sheet to absorb a multi-agency investigation.

The net effect for small developers and app ecosystem participants is a market operating under compounding uncertainties: the prospect of new ex-ante legislation not fully reconciled with the Korea-U.S. Strategic Trade and Investment Deal, heightened KFTC enforcement capacity and appetite, and an ongoing U.S. Section 301 investigation that could produce further trade measures. This situation is not simply a cautionary tale about one company's experience with one regulator. It is a live demonstration of what happens when a high-profile enforcement action, politically motivated or not, disrupts a platform ecosystem on which thousands of MSMEs depend. The uncertainty that the platform's sellers now face in managing their Korean market channel is precisely the uncertainty that potential entrants will weigh when deciding whether to engage with the Republic of Korea's digital economy at all. The reality for the Korean tech MSME community is that in order to compete globally, they must be able to reach international customers, deploy emerging technologies like AI, and operate within predictable regulatory environments.

However, KFTC Chair Ju has publicly signaled that RoK will strengthen its existing enforcement mechanisms rather than pursue a new platform-specific framework. That signal is telling. If existing competition law, already enforced as vigorously as the record above demonstrates, reaches the platform conduct that concerns Korean regulators, the competition rationale for adopting the Online Platform Fairness Act is difficult to sustain. What remains is a measure whose principal effect would be to add trade friction and compliance uncertainty for the small developers and sellers who depend on stable access to RoK's platforms.

Australia

Risk level: High

Australia has emerged as one of the most significant and consequential digital platform enforcement environments in the APAC. Since this paper was first drafted, two major developments have substantially accelerated the country's regulatory trajectory.

On August 12, 2025, Australia's Federal Court delivered a judgment finding that the operators of the two dominant mobile app stores had engaged in a misuse of market power under Section 46 of the Competition and Consumer Act 2010 by restricting alternative app distribution methods and in-app payment systems since 2017.[15] The Australian Competition and Consumer Commission (ACCC) subsequently obtained leave to intervene in the remedies phase, which resumed on April 28, 2026.[16] The Federal Court reached it under Section 46 of the existing Competition and Consumer Act of 2010, addressing the very conduct that a new ex-ante designation regime would target. Australia's own courts have now shown that existing competition law is capable of disciplining platform conduct through ex-post enforcement, which raises a fair question about why an additional designation framework is needed at all, and at what cost to the small developers who would bear its compliance burden.

In February 2026, the Australian Government tabled the Competition and Consumer Amendment (Unfair Trading Practices) Bill 2026,[17] which amends the Australian Consumer Law to prohibit a range of unfair trading practices in the digital economy, with prohibitions operative from July 2027. Separately, the Government's ex-ante digital competition regime, a hybrid of the EU's DMA and the UK's Digital Markets, Competition and Consumers Act, with app marketplaces and advertising technology prioritized for designation, is expected to be introduced as primary legislation in the summer of 2026 or early 2027.[18]

For small developers and app ecosystem participants, Australia's trajectory presents a genuinely difficult picture. The combination of a Federal Court finding of anti-competitive conduct, active ACCC intervention in remedies proceedings, a new unfair trading practices regime, and pending ex-ante designation legislation creates a multi-layered compliance environment of unusual complexity. The IP vetting consequences of any designation regime that mandates third-party app store access remain inadequately addressed in Australia's current policy frameworks.

China

Risk level: High

China presents the region's most aggressive and most cautionary model of platform regulation. Its Anti-Monopoly Law, amended in 2022, is reinforced by the State Council's 2021 Anti-Monopoly Guidelines for the Platform Economy and a growing body of e-commerce and online-trading rules, and the State Administration for Market Regulation (SAMR) enforces them with an intensity unmatched elsewhere in the APAC. Independent commentators have nonetheless characterized that enforcement as movement-style rather than principled, with dominance frequently presumed from market share and little assessment of actual competitive effects.[19]

Enforcement accelerated sharply through 2025 and into 2026. SAMR summoned seven of the largest platform operators over their promotional practices in February 2026, opened an antitrust investigation into a major online travel platform in January 2026, and cited a major live-commerce platform for wide-ranging violations that included inadequate handling of IP infringement on its platform. In April 2026, it fined seven e-commerce platforms a combined RMB 3.6 billion for licensing and product-verification failures, and the National Development and Reform Commission separately blocked the foreign acquisition of an AI startup.[20]

In November 2025, SAMR issued draft antitrust compliance guidelines for internet platforms addressing algorithms, pricing, search ranking, and the treatment of merchants,[21] the latest entry in a pipeline of platform, live-commerce, and online-trading measures slated for 2026.[22] For the small, internationally mobile developers this brief is concerned with, the lesson is sobering. China couples pervasive and unpredictable state direction with data-localization and foreign-investment barriers that leave little room for outside participation. It is less a competition-policy template for the APAC than a demonstration of how quickly platform rules become instruments of industrial policy. For the small, internationally mobile developer, the practical takeaway is not the severity of any single fine but the unpredictability of the system as a whole. A framework in which obligations shift with policy priorities, and in which enforcement can be turned to industrial ends, offers little of the stable footing that lets a small firm commit to a market and plan beyond the next directive.

Japan

Risk level: High

Japan's Mobile Software Competition Act (MSCA) has been in full force since December 18, 2025,[23] and is now generating its first real-world enforcement signals. It remains early in the Act's implementation, and the full implications of these signals for the global platform ecosystem are not yet clear. Japan's implementation of the MSCA takes a narrower, more targeted approach focused specifically on mobile ecosystems while incorporating flexible exceptions for cybersecurity and user safety. However, while the MSCA and its implementing guidelines limit the security and review measures a platform may impose to those that are narrowly tailored and demonstrably necessary, the Act does not give platforms an adequate basis to vet third-party stores and distribution channels for IP infringement, counterfeiting, and malware. That vetting is exactly the function developers rely on in leading platforms today.

The Japan Fair Trade Commission (JFTC) published compliance reports for the two designated platform operators on February 17, 2026, disclosing how each company has responded to the Act's obligations.[24] The JFTC has sought further explanation and clarifications, and is expected to issue further information orders and potentially surcharge decisions in the months ahead.

Japan's enforcement culture, which is scaled and measured, may serve as a moderating force. Whether the JFTC will escalate to surcharge orders when dialogue proves insufficient remains an important open question as the MSCA's enforcement approach takes shape.

Thailand

Risk level: High

Thailand's regulatory posture toward digital platforms has shifted definitively from deliberation to active enforcement. On March 24, 2026, the Trade Competition Commission of Thailand (TCCT) published its Guidelines on Multi-Sided Platforms and E-Commerce Businesses in the Government Gazette, with the guidelines entering force on March 25, 2026.[25] Issued under the Trade Competition Act B.E. 2560, these guidelines expand the application of Thai competition law to digital platform ecosystems, introducing targeted restrictions on price-ranking algorithms, tying and bundling that leverage network effects, self-preferencing, and data-driven exclusionary conduct.[26] These restrictions affect not only platform operators but also platform participants, including sellers, logistics providers, advertisers, and payment service providers operating on or alongside such platforms.

The Electronic Transactions Development Agency (ETDA) framework under the Royal Decree operates in parallel with the TCCT guidelines and imposes a distinct set of obligations through a designation mechanism that is actively expanding. The Notification on Additional Measures for Online Marketplace Platforms under Section 18(2) came into force on December 31, 2025, designating 21 marketplace platforms that must verify products and merchants and maintain notice-and-takedown systems for substandard goods.

Thailand's 2026 regulatory approach is formally guided by three ETDA principles: "practicable, verifiable, shared responsibility." The ETDA is also conducting a review of e-commerce platform fee structures to assess cost transparency and minimum returns for sellers, with draft guidelines expected to be presented to the Joint Committee under the Royal Decree.[27]

A draft Digital Platform Act, introduced through public hearings in early 2025, remains under active development.[28] If enacted, it would introduce formal gatekeeper designations for very large online platforms (VLOPs) providing core platform services in Thailand, with ETDA and TCCT sharing jurisdictional authority. This structural overlay would significantly deepen the compliance burden above what the existing TCCT guidelines and Royal Decree already impose. Notably, the TCCT reached platform conduct by applying Thailand's existing Trade Competition Act B.E. 2560, not a bespoke digital statute. That existing authority now actively used suggests the proposed Digital Platform Act would add a redundant layer rather than fill a genuine enforcement gap, while multiplying the compliance burden that falls hardest on small Thai developers.

Thailand's original motivation for heightened regulation, the influx of low-cost cross-border goods undercutting local merchants, is a legitimate policy concern. But the TCCT guidelines sweep more broadly than that specific market failure, reaching conduct standards across all multi-sided platform ecosystems. Small Thai developers and app economy participants need a regulatory environment that protects against genuine abuse while preserving the platform access that allows them to reach global markets.

Vietnam

Risk level: High

Vietnam has assembled the most comprehensive new platform regulatory framework in the APAC in the shortest period of time, and enforcement signals are already visible. Vietnamese banks have reportedly rejected fund transfers related to digital goods connected to non-compliant distributor agreements.[29] For small developers and platforms serving Vietnamese users from outside the country, the compliance picture is urgent: operating a Vietnamese-language interface, accepting Vietnamese Dong, or maintaining Vietnam-based customer support without appropriate registration can expose overseas operators to regulatory risk and payment disruption. [30] The country now has four major pieces of digital legislation either active or imminent.

First, the Law on Digital Technology Industry, passed by the National Assembly on June 14, 2025, with 441 of 445 deputies voting in favor, took effect on January 1, 2026.[31] This landmark legislation established Vietnam's first comprehensive legal framework for digital assets, AI governance, and the digital economy. It requires large foreign platforms to establish a legal entity or representative office in Vietnam, subjects AI developers to governance principles, and introduces a regulatory sandbox for testing new digital business models.[32]

Second, the Law on Digital Transformation, which passed in late 2025 and went into effect on January 1, 2026, introduced a gatekeeper-style framework for dominant digital platforms.[33] Dominance is defined as any platform with a user base surpassing 10 percent of Vietnam's population (approximately 10 million users as of 2024).[34] Dominant platforms face obligations drawn explicitly from the EU Digital Services Act (DSA) and DMA, including prohibitions on using platform business data for competitive advantage, interoperability requirements, and algorithmic transparency mandates. This threshold is dramatically lower than the DMA's own designation criteria.

The downstream consequence for ACT members is not hypothetical. ACT has consistently opposed regulatory regimes that unduly discriminate against digital products and services. In our 2024 letter to the Ministry of Information and Communications on the draft version of the law, ACT detailed how data localization requirements, entity establishment mandates, and discriminatory platform rules each impose significant costs on precisely the small businesses that can least absorb them.[35] A digital company serving Vietnamese users that crosses the 10 million user threshold now faces obligations drawn from a legal framework designed for entities of vastly greater market power and organizational capacity.

Third, the Law on E-Commerce, passed on December 10, 2025, and effective July 1, 2026, establishes Vietnam's first comprehensive statutory framework for platform governance in e-commerce.[36] Vietnam's e-commerce market is currently valued at USD 26 to 28 billion and projected to double to USD 60 billion by 2030, making the regulatory stakes correspondingly high.

Lastly, the Vietnam Competition Committee (VCC) under the Ministry of Industry and Trade (MOIT) released a public consultation on its new draft Law on June 2, 2026, seeking to amend the Law on Competition.[37] ACT submitted comments to MOIT on the draft law earlier this year and will prepare to engage with MOIT again to foster best practices for MSME innovation. [38]

What Vietnam's framework currently lacks is the sequencing, proportionality, and procedural coherence that would allow it to achieve its goals without closing the market to the small, internationally mobile developers that Vietnam needs to attract to realize its USD 60 billion e-commerce potential.[39] In Southeast Asia alone, the digital app economy has grown from USD 200 billion in 2023 to a projected USD 300 billion in 2025, with MSMEs making up 98 percent of all businesses in the region, making a pro-innovation and risk-based policy environment critical to supercharging the region's economic growth.[40] With its recent regulatory trajectory, Vietnam is currently building the opposite of that environment.

India

Risk level: Medium

India continues to stand out in the Asia-Pacific region as exhibiting a thoughtful and evidence-based approach, choosing to pause its adoption of a proposed Digital Competition Bill (DCB) and declining to move forward with DMA-style ex-ante regulation.

The Ministry of Corporate Affairs (MCA) issued a Request for Proposals in November 2025, commissioning an independent market study to examine whether the DCB's qualitative and quantitative thresholds for Systemically Significant Digital Enterprises (SSDEs) are empirically justified.[41] The bidding process concluded in January 2026, and results are expected to inform any future redraft of the Bill.[42]

One particular technical flaw in the original DCB deserves continued attention: unlike the DMA, which requires companies to meet both end-user and business-user thresholds before designation, the DCB's "spread test" would have designated a platform if it met either threshold, a significantly broader net that would capture platforms with no demonstrated gatekeeper characteristics.[43] That over-inclusivity was a central critique from both the Standing Committee and MCA's own oral evidence to Parliament.[44]

India's ex-post competition enforcement has continued actively in parallel. The Competition Commission of India (CCI) is expected to decide on several ongoing tech investigations and settlement applications through 2026.[45] The Parliamentary Standing Committee on Finance has also continued to scrutinize the CCI's role in digital markets,[46] but continues to consider the 2024 DCB.[47]

This active ex-post enforcement matters for the legislative debate. It demonstrates that India's existing competition law, the Competition Act of 2002, already reaches the platform conduct that most concerns regulators, as the CCI's earlier decision against a dominant mobile platform illustrates. Where existing law is already doing the work, layering an untested ex-ante regime on top of it adds duplication and uncertainty without a demonstrated gap to fill. That is a further reason the evidentiary pause India has chosen is the sounder course.

We believe CCI, under its existing authority, should prioritize maintaining a competitive environment that supports small companies and startups. India should take great care to avoid jeopardizing the existing relationship between online platforms and small developers, undermining the very foundation of digital platforms and their demonstrated pro-business and pro-consumer impacts. In situations where market definition and market failure are unclear, and the risk of overregulation is greater, choosing competition and innovation over unprecedented and excessive regulatory approaches would reflect an appropriate direction in India's approach to digital competition.

India's approach to digital platforms thus far reflects precisely the kind of evidence-based, innovation-conscious policymaking the global technology community needs more of. By insisting on a rigorous evidentiary foundation before enacting structural regulation, India has given itself the opportunity to develop a framework that draws on international experience without simply copying its failures.

Indonesia

Risk level: Medium

Indonesia anchors its platform oversight in ex-post competition enforcement rather than a bespoke ex-ante regime. In January 2025, the Business Competition Supervisory Commission (KPPU) found that a dominant app store operator had abused its position in mobile app distribution by requiring developers to use its proprietary billing system, in violation of Indonesia's existing competition law, Law Number 5 of 1999.[48] The KPPU fined that operator IDR 202.5 billion, ordered it to stop mandating its proprietary billing system, and required it to open a user-choice billing option with a service-fee reduction of at least 5 percent. The operator's challenge failed at the Central Jakarta Commercial Court, and Indonesia's Supreme Court rejected its final appeal, leaving the decision binding.[49]

For ACT's members the Indonesian experience cuts both ways. It confirms, as Australia and India do, that existing competition law can reach app store conduct without a new ex-ante designation regime, which is the better path. At the same time, the prescriptive remedy, capping fees and mandating a billing model, shows how ex-post enforcement can drift toward the same micromanagement of platform terms that an ex-ante regime would impose. The lesson for the region is that the question is not only ex ante versus ex post, but whether any intervention stays tethered to demonstrated harm and proportionate relief.

Malaysia

Risk level: Medium

On February 10, 2026, the Malaysia Competition Commission (MyCC) published the final report of its 18-month Market Review on the Digital Economy Ecosystem, issuing 18 policy recommendations across four segments: mobile operating systems, digital advertising, e-commerce, and online travel.[50]

In March 2026, MyCC Chief Executive Iskandar Ismail announced that competition law amendments are expected to be tabled in Parliament in June 2026, linked to Malaysia's 13th Five-Year Development Plan (2026–2030).[51] The reforms would centralize competition enforcement powers under the MyCC, stripping sectoral regulators of overlapping competition jurisdiction, and introduce a hybrid merger control regime with mandatory and voluntary notification thresholds and fines of up to 10 percent of transaction value for non-notification.

Malaysia's digital markets are complex adaptive systems. The country's instinct to proceed through evidence-gathering before committing to structural intervention has been sound, and ACT continues to encourage

that discipline. The critical question now is how the 18 recommendations are translated into binding obligations, and whether those obligations are calibrated to demonstrated market failures or drafted more broadly in a manner that would replicate the DMA's overreach. Because the MyCC already holds enforcement authority under the existing Competition Act of 2010, the threshold question is whether new binding obligations add anything that vigorous enforcement of existing law cannot already achieve.

Chinese Taipai

Risk level: Low

Chinese Taipai offers a constructive counterpoint. When the National Communications Commission proposed a Digital Intermediary Services Act in 2022, modeled on the EU's Digital Services Act, the draft drew intense public opposition and was withdrawn before it ever reached the legislature.[52]

In its place, Chinese Taipai has relied on ex-post enforcement under the existing Fair Trade Act, administered by the Chinese Taipai Fair Trade Commission (TFTC) and guided by study rather than preemptive designation. The TFTC's White Paper on Competition Policy in the Digital Economy maps platform concerns without committing Chinese Taipai to DMA-style obligations, and no successor to the withdrawn intermediary-services bill has advanced or been given a timeline.[53] The Commission carried that evidence-based posture into 2026, publishing a public consultation report and competition policy statement on generative AI in March 2026 rather than rushing to legislate.[54]

For ACT's members, Chinese Taipai demonstrates that a sophisticated digital economy can decline the ex-ante path without leaving genuine abuses unaddressed. Existing competition law remains available for conduct that warrants intervention, while small developers are spared the compliance overhead and fragmentation risk a designation regime would impose. Chinese Taipai shows that the evidence-first approach is not merely theoretical caution. Where a designation regime asks small developers to absorb new compliance duties before any harm has been shown, the study-first posture keeps those costs off the table until a concrete problem is identified, which is precisely the calibration that lets a smaller developer plan with confidence.

Singapore

Risk level: Low

Singapore offers the region's clearest example of a measured, pro-innovation posture toward digital platform competition. The Competition and Consumer Commission of Singapore (CCCS) regulates digital platforms under the existing Competition Act rather than through ex-ante designation, and it has built dedicated digital and data capacity to do so.

Its conclusions have been notably restrained. After a market study of e-commerce platforms, the CCCS found no major competition concerns and chose to update its competition guidelines to clarify how existing law applies to digital platforms, including self-preferencing and the role of data, rather than impose structural obligations.[55] Asked in 2024 whether super apps warranted new supervisory measures, the government reiterated that such platforms remain subject to competition from specialized providers and are adequately addressed by existing competition law.[56]

Singapore demonstrates that a leading digital hub can keep its markets open and its developers confident without importing DMA-style rules. Its approach pairs naturally with India and Chinese Taipai as proof that evidence-led, ex-post competition policy is a credible alternative to the race to regulate, and it is the posture ACT encourages across the APAC. For a small developer weighing where to build, that predictability is itself a competitive draw. A clear and stable rulebook lowers the fixed legal and compliance costs that fall hardest on firms without dedicated regulatory staff, and it lets a small team spend its scarce resources on product rather than on bracing for the next structural mandate.

What APAC Should Take from the Evidence

The tendency to race to regulate first is a real phenomenon and has informed an evidence base that offers direct case studies of its costs and limitations. ACT's survey data indicates that six in 10 EU and UK tech MSMEs report delayed access to frontier AI models due to early government interventions into developing technology markets, with nearly 60 percent reporting regulation-driven product launch delays and more than a third have been forced to strip or downgrade features.[57]

Digital markets in APAC are not homogeneous. As showcased in a leading report from the Southeast Asia Public Policy Institute (SEAPPI),[58] the platform ecosystem in Japan is different from that of India. The Republic of Korea's competitive dynamics differ from Thailand's. Vietnam's e-commerce growth trajectory is unlike Malaysia's. Effective competition policy must be grounded in analysis of the specific markets being regulated, not imported wholesale from a framework designed for a different economic context. SEAPPI's groundbreaking study modeled the annual compliance costs that result from the imposition of overly-broad ex-ante conduct rules in developing digital markets across nine APEC economies, focusing on e-commerce, digital advertising, and app distribution. The findings are stark: An astonishing **70 percent of the USD 3.07 billion annual compliance burdens**, or approximately **USD 2.15 billion**, would fall directly onto MSMEs.[59]

Data stewardship under enforceable terms of service

Equal weight belongs on a function that receives far less attention in regulatory debates: data stewardship. Leading platforms hold every participant, developer and user alike, to enforceable terms of service that govern how data is collected, used, shared, and secured. ACT has written at length about why this matters for small developers who rely on the platform to set and police baseline data-protection commitments they could never negotiate or enforce on their own. Mandated interoperability and data-access obligations, of the kind now appearing in Vietnam's framework and elsewhere in the region, can override those commitments by forcing data to flow to third parties the developer never vetted, and the user never trusted. Regulation that compels data sharing without preserving the stewardship layer does not advance competition. It dismantles a protection that small firms and their customers depend on.

System-wide cybersecurity assurance

The same logic applies to cybersecurity. A curated platform screens for malware, fraud, and abuse across its entire ecosystem, delivering a level of system-wide assurance that no individual MSME could afford to build alone. Japan's experience is again instructive, with 79 percent of developers there expressing concern about the security risks of distributing through channels outside the major stores. Regulation that forces apps into fragmented, under-supervised distribution shifts the cybersecurity burden onto the smallest participants and exposes consumers and enterprises alike to threats the platform previously absorbed. ACT has urged regulators across the region to treat platform security capacity as an asset to be preserved, not an obstacle to be engineered away.

IP protection rights in digital platform frameworks

Any digital platform regulation adopted in APAC must include robust protections for the ability of platforms to vet third-party stores and distribution channels for IP infringement. Japan's MSCA compliance experience, with 79 percent of developers expressing concern about security risks in alternative channels, is a real-time case study in what happens when IP vetting capacity is structurally constrained. Australia's pending designation regime must grapple with this problem explicitly before legislation is finalized. For a small developer, this vetting is the only practical defense against having an app cloned, tampered with, or wrapped in malware once it leaves a curated store. A framework that strips platforms of the authority to perform this function does not protect developers.

Market distortion and the erosion of MSME bargaining power

Rash digital platform interventions distort the very markets they are meant to fix. Digital platforms and other emerging-technology markets are defined by a pro-competitive dynamic that works in favor of small developers: platforms compete against one another for developers' business, and that rivalry is what gives an MSME the leverage to demand better terms, lower fees, and wider reach. Government interventions that freeze platform conduct, mandate uniform obligations, or push the market toward fragmented distribution blunt that rivalry. When every platform is forced into the same regulated posture, they stop competing for developers on the terms that matter, and the small developer's negotiating position collapses rather than improves. This is the central irony of the ex-ante approach. In intervening to help small businesses, regulators risk stripping away the bargaining power the competitive market was already delivering to them, in direct contradiction to the stated goals of every regulator surveyed in this brief.

Trade tensions and a fracturing digital economy

These interventions also do not stay within national borders. As the RoK experience makes plain, digital platform regulation now travels directly into trade policy, drawing Section 301 investigations, tariff threats, and bilateral friction in its wake. Each divergent national framework adds another layer of fragmentation to a global digital economy that, until recently, let a small developer in one APAC market reach users across all of them under a single set of platform rules. That integrated economy is precisely what empowers MSMEs and startups across the region, because it lets them scale internationally without negotiating a separate compliance regime in every country. A proliferation of conflicting ex-ante regimes fractures the seamless cross-border access that small firms depend on, and it invites the very trade retaliation that small exporters are least able to weather.

A Better Path Forward: Recommendations for APAC Policymakers

The evidence assembled above does not counsel regulatory passivity. Platform conduct can and sometimes does harm competition, and policymakers are right to keep watch. What the European experience shows is that the design of the response matters as much as the decision to respond, and that poorly calibrated ex-ante rules fall hardest on the small developers they are meant to protect. ACT offers the following principles to help APAC governments pursue genuine competition while preserving the platform functions that MSMEs depend on:

1. **Begin with evidence of actual harm rather than presumed harm.** The most durable competition policy continuously looks for demonstrated injury in the specific market at issue and pairs that finding with swift, proportionate remedies. An ex-post posture, grounded in conduct that has actually occurred, avoids freezing fast-moving markets into a template that is outdated within months of its adoption.

2. **Use existing competition law before building an ex-ante regime.** As the profiles show, authorities from Australia to India to Indonesia have reached platform conduct under the laws already on their books. Where existing law already does the work, layering a new designation regime on top of it adds duplication, cost, and uncertainty without filling a demonstrated gap.

3. **Tie any designation to genuine market power and durable gatekeeper characteristics.** A regime that designates platforms on the basis of low, population-based user thresholds, or without any finding of market power in a defined market, will sweep in firms that serve small businesses rather than constrain them. Thresholds should reflect demonstrated dominance, not raw reach.

4. **Preserve the platform functions that small developers cannot replicate on their own.** Effective frameworks protect the ability of platforms to vet third-party stores and distribution channels for IP infringement, counterfeiting, and malware, to screen the ecosystem for fraud and abuse, and to hold every participant to enforceable terms of service that govern how data is collected, used, and shared. Mandates that force fragmented distribution or compel data sharing without preserving these safeguards do not free small developers. They shift risk and cost onto the firms least able to bear them.

5. **Protect the inter-platform competition that gives MSMEs their leverage.** The rivalry among platforms for developer business, on revenue share, developer tools, payments, and reach, is itself a powerful pro-competitive force. Rules that push every platform into the same regulated posture blunt that rivalry and weaken, rather than strengthen, the bargaining position of the small firms the rules claim to help.

6. **Proceed with deliberate process and proportionality, and resist mission creep.** Obligations should be sequenced, tested against local market conditions, and confined to the services for which an evidentiary record exists. Extending platform rules into adjacent markets such as artificial intelligence and cloud computing, before any harm has been shown, repeats the open-ended drift that has generated so much uncertainty elsewhere. Frameworks should also avoid discriminatory designs that single out foreign firms, which invite the trade friction that small exporters are least able to weather.

Conclusion

The APAC is not a uniform policy landscape, and it should not be treated as one. What this brief has documented across 11 jurisdictions is something more specific and more consequential than a general trend toward digital regulation: it is a region in the middle of choosing, in real time, whether it will build a digital economy on evidence or on borrowed frameworks it did not design.

The costs of getting that choice wrong are materializing. The RoK's smaller sellers are already navigating the market deterrent effect of compounding enforcement uncertainty. Vietnam's developers face a compliance architecture built for platforms at vastly greater scale than their businesses will ever reach. Australia's startup community is absorbing the early tremors of a litigation and legislative environment whose final shape remains undecided. And across every jurisdiction where DMA-style obligations have taken root or are advancing, the bill is being paid not by the large incumbents the rules were designed to regulate but by the MSMEs who depend on stable platform ecosystems to access users, manage distribution, and grow.

APAC policymakers have an opportunity that their European counterparts missed: the chance to see the DMA's real-world consequences for competitiveness, for the growth and job creation of startups and MSMEs, and for the experience and satisfaction of consumers and enterprises, and choose differently. That means anchoring market failure analysis in local economic conditions, protecting the IP vetting and security capacities that developers depend on, and ensuring that any designation frameworks are proportionate to actual gatekeeper characteristics, not drafted broadly enough to capture platforms that serve small businesses rather than constrain them. ACT will continue to engage with policymakers across the APAC region to advocate for regulatory frameworks that protect genuine competition, safeguard IP, and above all, support the small technology companies and developers whose creativity and ambition are the true engine of the digital economy.

ACT
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