

I. Background and Objectives

ASEAN and East Asia is one of the most dynamic and rapidly growing regions in the world. In the wake of the economic meltdown in 2008, the region appears to be showing economic resilience. The expansion of cross border trade is one of the important elements to ensure sustainable growth of the economy in the region.

With the region's continuing improvement of the Internet infrastructure under the leadership of each government, the number of Internet users has been steadily increasing. Along with the development of the e-commerce market in the region, e-commerce businesses can sell goods and services directly to consumers across borders without making hefty investment. Small-and-medium sized businesses in particular have a keen interest in entering Business to Consumer (B2C) e-commerce to seize this moment. Also, consumers in many ASEAN and East Asian nations are willing to reap the benefits from such development of e-commerce. If there is an environment where consumers can purchase attractive products at home or abroad in an easy fashion, strong consumer demand and further economic growth in the entire region can be expected. ASEAN and East Asian countries should not miss this opportunity, but rather turn the advantages of e-commerce into economic development of the entire region. To stimulate a cross-border e-commerce market in consideration of the future economic integration of this region, there are two challenges; one is to share information and the second is to build a safe and trustworthy e-commerce environment within the region.

In order to address these challenges, the first objective of the working group is to strengthen mutual understanding through examining consumer protection laws relating to e-commerce, creating a visualized legal comparison chart as well as understanding the e-commerce market situation in the respective member countries. The reason for the objective is that the scope or the contents of the laws and regulations of each country differ significantly depending on the regulation policy although the improvement of the legal systems concerning e-commerce has been underway in many member countries.

The second objective is to establish a reliable e-commerce market in this region. The 2008 research results revealed each member state has made efforts such as establishing the complaint handling system and the trustmark program to build

confidence in the domestic e-commerce market as a part of infrastructure improvement, but the policies regarding international e-commerce transactions have not been sufficiently implemented. In terms of e-commerce complaint handling, the European Union has already developed a complaint handling network with its aim of “A single market,” and the network is functioning very well in Europe. In some regions, there is a bilateral cooperation between complaint handling organizations. However, a comprehensive network for cross-border e-commerce dispute resolution has not yet been well-established in ASEAN and East Asia.

Most complaints are due to misunderstanding stemming from the differences of languages, laws, regulations and business practices. Of course, arbitration and litigation are possible measures for solving e-commerce disputes as a last resort; however, they are unrealistic considering the relatively small value of e-commerce transactions. In addition, determining applicable laws is difficult in the case of cross-border e-commerce problems.

To build a reliable e-commerce market and to further expand the e-commerce market in the entire ASEAN and East Asia region, the working group shares an understanding of the necessity of establishing an effective international complaints handling framework to protect consumers as a first step. With this in mind, the working group proposes the introduction of the International Consumer Advisory Network (ICA-Net) in the region whereby complaint handling organizations work together to resolve cross-border e-commerce disputes and share information. Through handling individual real cases as a pilot project, the working group attempted to highlight the significance, effectiveness and challenges of ICA-Net.