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Headline: S'pore seeks clarity on tech impact before it legislates

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Janil Puthuchery says govt will take a "watch-and-see" approach for e-commerce and other disruptive technologies

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Singapore

THE Republic will take a "watch-and-see" approach to coming up with regulations for e-commerce and other disruptive technologies, said Janil Puthuchery, the new minister in charge of GovTech, the agency tasked with harnessing info-communications technology (ICT) for public-sector transformation.

He was speaking on Tuesday at the inaugural Dentons Rodyk Dialogue, a forum jointly organised by law firm Dentons Rodyk & Davidson and the Singapore Management University;

the event explored the legal and business challenges and opportunities in the e-commerce sector.

Asked how regulations in Singapore will keep up with the ever-emerging, diverse innovations globally, he replied: "Legislation is always going to be lagging behind."

He added that while Singapore wants its laws to be updated, it must first have "clarity" on the new technologies and where they are headed in order to draft fitting regulations – and this "will not be a short or neat process".

Regulatory sandboxes are thus a key way for the government to "give

space for innovation to occur", he added. (Regulatory sandboxes are "safe spaces" where startups can test innovative products or business models in a live environment, under more relaxed legal requirements. An example is the one that the Monetary Authority of Singapore set up for fintech.)

Dr Puthuchery said: "We want to institutionalise this process. We will then use the activities (of the regulatory sandboxes) to develop and inform regulation and legislation."

The Minister of State for Communications and Information and also for Education was joined at the dialogue by representatives from Lazada, the Singapore-based, Alibaba-controlled e-commerce platform, and Dentons Rodyk.

Lazada chief Maximilian Bittner lis-

ted the three biggest challenges faced by e-commerce players in South-east Asia – a growing marketplace and assortment of products; a complex, fragmented region with multiple regulations; and cross-border trade.

Gladys Chun, general counsel for Lazada, said regulations around taxes, data privacy and digital assets will affect e-commerce operators, and remarked that the Singapore government has been "proactive in involving industry players" in tackling such issues of the e-commerce space.

Dentons Rodyk senior partner Gilbert Leong noted, however, that there is now no single or monolithic piece of legislation in Singapore that addresses the e-commerce space.

He told *The Business Times*: "If e-commerce is defined as simply a

method which facilitates a buy-sell transaction online, there may not be any regulations at all."

Mr Leong, who deals with intellectual property and technology, said that if an e-commerce platform operates in Singapore, the platform must be registered to do business here, and would likely have to comply with the Personal Data Protection Act, Lemon Law and Consumer Protection Act.

Asked about legal areas here that needing more clarity, he cited that of the responsibility of a platform in cases of non-delivery of products or delivery of defective products, especially when the seller is outside Singapore; another area requiring clarity is that of the rules surrounding the transfer of data between countries.

Like Lazada's Ms Chun, he cited tax regulations as one area to be sor-

ted out. "We are aware that the Singapore government is looking into the issue of tax as it relates to e-commerce, in particular, that of GST (Goods & Services Tax)."

Mr Leong is upbeat about the growth prospects for e-commerce: "Consumers here are growing in affluence and more exposed to goods and services normally consumed in the West. The difficulty for e-commerce players is that they are playing in a fragmented market in terms of laws, language and culture."

He noted that a harmonisation of laws and regulations will be slow in coming, as South-east Asian countries hail from different legal traditions and have their own domestic concerns to address. But such harmonisation is desired, he said. "It will create a simplified playing field."

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