



**Asia-Pacific
Economic Cooperation**

Advancing Free Trade
for Asia-Pacific **Prosperity**

APEC Regional Consumer Protection Framework Workshop

APEC Committee on Trade and Investment

December 2021



**Asia-Pacific
Economic Cooperation**

APEC Regional Consumer Protection Framework Workshop

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SUMMARY REPORT

APEC Committee on Trade and Investment

December 2021

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I. INTRODUCTION

The APEC Regional Consumer Protection Workshop was held on August 4, 2021 in a hybrid in-person and virtual manner. This workshop was a follow-up to the previous workshop themed “Consumer Protection in Digital Trade: Challenges and Opportunities” held in Chile in 2019. In 2021, the workshop was aimed to share information and have a more in-depth discussion on building a consumer protection framework based on the 2019 workshop discussions.

This workshop was hosted by the Ministry of Foreign Affairs of the Republic of Korea, and attended by 65 people from 15 economies including the Fair Trade Commission (FTC) and the Korea Consumer Agency (KCA), the Institute of Industrial Property of Chile, the Department of Trade & Industry (DTI) of the Philippines, the Competition and Consumer Commission of Singapore, the Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing of Russia, the Office of the Consumer Protection Board (OCPB) of Thailand, Peru, and Canada, etc.

- (Nature) Discussion topics of the APEC Electronic Commerce Study Group (ECSG). A deeper look at the topics following the previous workshop.
- (Theme) APEC Regional Consumer Protection Framework Workshop
- (Date and location) Aug. 4, 2021, Zoom (Online)/Seoul (Offline)
- (Host) Regional Economic Organizations Division in International Economic Affairs Bureau for the Ministry of Foreign Affairs (MOFA) of the Republic of Korea
- (Attendees) 65 people from 15 economies

II. BACKGROUND

The COVID-19 pandemic has facilitated contact-free transactions, and cross-border transactions are thriving more than ever. Accordingly, consumers are purchasing goods from diverse areas. While such expansion in trading areas is a growth engine for the digital market, it can pose dangers to the consumer’s side. Some cases in point are delivery failure, loss of products, and purchase of products with safety issues. It is particularly difficult to solve these problems when it causes cross-border transaction disputes. Therefore, creating a market trusted by consumers and increasing consumer convenience are critical policy issues for the international community in revitalizing the economy in the digital age.

In APEC 2019, the host economy, Chile, set four key agendas under the theme of “Connecting People, Building the Future.” The four agendas were Digital Society; Integration 4.0; Women, SMEs, and Inclusive Growth; and Sustainable Growth. As a follow-up, a workshop titled “Consumer Protection, Opportunities and Challenges in Digital Trade” was held on Sept. 22,

2019 to contribute to the digital society agenda and explore ways of cooperation to protect consumers in the digital economy. The discussion was about (a) reviewing international rules for protecting consumers in digital trade; (b) examining how to strengthen the enforcement of consumer protection laws in digital trade; (c) new trends in consumer protection: self-regulatory mechanisms and cases; (d) the possibility of establishing an APEC-wide framework for consumer protection. This allowed member economies to look into major examples of each topic and confirm the importance of consumer protection together. In particular, member economies shared the view that there needed to be a minimum set of principles on consumer protection that apply to all global companies and business owners. They also agreed on the need to work together for an international consumer protection network as well as for strengthening multilateral networks within international organizations to ensure strict enforcement of these principles. Furthermore, member economies discussed the importance of having staff in charge of consumer complaints and dispute settlements, and informing the results thereof, as well as the importance of sharing consumer safety issues and risk information in increasing cooperation.

In the 2021 APEC Regional Consumer Protection Framework, member economies had discussions on ways to make progress in creating APEC's consumer protection framework, given the importance of consumer protection in promoting digital trade and e-commerce. They shared ideas on the systems and policies for each discussion topic and sought ways to step up cooperation between member economies.

Details of each presentation are as follows.

III. OPENING REMARKS

In the opening remarks, Korea's Deputy Minister for Economic Affairs Lee Seong-ho from MOFA (APEC SOM) emphasized that creating a reliable and convenient digital market for consumer transactions was vital in promoting the digital economy. Among others, he said, consumer protection in the digital market should be urgently discussed given the situation where contactless cross-border transactions were more active than ever due to the COVID-19 pandemic.

This workshop was held as a follow-up to the workshop titled "Consumer Protection in Digital Trade: Challenges and Opportunities" held in Chile in August 2019. To further the discussions, participants raised the need to draw a minimum set of common principles for consumer protection that is applicable to the APEC region and cooperate to effectively address increasing consumer disputes in the growing digital economy.

Based on this, the deputy minister mentioned that the meeting was to (a) (Session 1) introduce

discussion trends in APEC; (b) (Session 2) share the latest discussion trends in consumer protection laws and legal enforcement of economies; and (c) (Session 3) have an in-depth discussion to build a consumer protection framework.

IV. KEY ISSUES

1. (Session 1) Briefing on related projects

In Session 1 moderated by Professor Yoon Seung-young of Hankuk University of Foreign Studies, two speakers introduced APEC's past discussions on consumer protection in the digital economy. First of all, Bae Soon-young, Head of the KCA Policy Research Department, who participated as a research contractor in the 2019 workshop, introduced the main outcomes of the workshop. And Abelardo ARAMAYO and Andrea VEGA from the Institute for the Defense of Competition and Protection of Intellectual Property (INDECOPI) of Peru, who presided over a workshop titled "Outlines of Public-Private Dialogue on Promoting Consumer Protection in the Dispute Resolution and Redress Mechanisms in e-commerce," presented what was discussed at the workshop.

(Bae Soon-young, Korea)

- Bae Soon-young from the KCA made a presentation focusing on what was presented at the Consumer Protection Workshop in 2019. At the workshop, participants shared principles and guidelines related to consumer protection that were put in place in international organizations such as the UN and the OECD. According to Bae, the UN Consumer Protection Guidelines provide standards for preparing consumer protection guidelines for each member, and the OECD e-commerce guidelines encourage each member to establish consumer protection guidelines for e-commerce. ASEAN was also mentioned for their work to formulate active action plans.
- Specific cooperation plans for consumer protection were discussed at the workshop, as well. The need for common principles for consumer protection, for resolution of consumer complaints in cross-border transactions, and for self-regulation of businesses were discussed. Based on these discussions, attendees agreed on the importance of arranging consumer protection guidelines and continuous cooperation between APEC economies, and the Online Dispute Resolution (ODR) platform was suggested as a way to resolve consumer disputes.
- Bae Soon-young concluded the presentation by hoping that this workshop

would be an opportunity for APEC to come up with effective measures for consumer protection based on what was discussed in the 2019 workshop, against the backdrop of the past two years of the rapidly changing environment due to COVID-19.

(Abelardo Aramayo & Andrea Vega, Peru)

- Abelardo ARAMAYO of Peru's INDECOPI started by introducing the background of the workshop. The digital economy has led to the spread of e-commerce, but at the same time, consumers' lack of ability to resolve complaints in the changing environment resulted in undermined confidence in e-commerce. Accordingly, Peru's INDECOPI, a consumer rights protection institution, set three goals for their project to enhance consumer trust in e-commerce. The three goals are (a) restoring consumer confidence in e-commerce, (b) establishing fair, affordable and timely mechanisms to address consumer complaints, and (c) strengthening self-regulation and discovering more best practices. As part of the effort to achieve these goals, the institution hosted a three-day public-private international dialogue (PPD) conference on Zoom.
- The main topics were (a) protecting consumers in transboundary transactions in the digital market, (b) mechanisms to resolve disputes caused by transboundary digital transactions, (c) the need for restoring consumer confidence and self-regulation in digital transactions, and (d) dispute settlement and future measures to protect consumers in digital economy mechanisms.
- Andrea VEGA said the following consensus was formed among speakers as a result of workshop discussions: APEC should establish consumer protection principles and ODR standards, including ethical aspects, that can be interoperated between economies. For that purpose, APEC can play an important role in providing a foundation for the development, implementation, and maintenance of ODR systems.
- Notably, regarding the construction of ODR, Andrea VEGA shared the following: ODR is essential to restoring consumer confidence in e-commerce and it helps SMEs expand their markets. ODR should be based on the ethical principles of fairness, accessibility and transparency. It should be arranged under the fundamental consumer protection principles of accountability and dispute resolution. Therefore, Artificial Intelligence (AI)

can help develop ODR, but it must be based on ethical principles and used after eliminating the possibility of bias and unfair decisions. Finally, ODR should be administered by the government and implemented in accordance with relevant legislation to give consumers confidence that the mechanism is fair.

- Andrea VEGA finally noted that Peru's INDECOPI would issue a summary report containing voluntary recommendations to promote best practices in settling consumer disputes and would circulate this to members; and that INDECOPI expected the report would be published on the APEC website after the approval of the Committee on Trade and Investment (CTI). It is important to highlight that, up to today, the Summary Report containing voluntary recommendations has been approved by the CTI and published on the APEC website in the following link: <https://www.apec.org/Publications/2021/09/PPD-on-Promoting-Consumer-Protection-in-the-Dispute-Resolution-and-Redress-Mechanisms-of-eCommerce>

2. Information sharing (6 economies)

In Session 2, officials and professors from related ministries of the six economies of Korea, Peru, the Philippines, Thailand, Singapore, and Russia presented laws on consumer protection in the digital economy and their enforcement trends in APEC economies.

(Lee Min-hyung, Fair Trade Commission (FTC), Korea)

- Lee Min-hyung from the FTC of Korea presented cases about user reviews. Korea bans businesses from delivering distorted information to consumers through the means of manipulating the orders of reviews and deleting negative reviews, under the Act on the Consumer Protection in Electronic Commerce, Etc. Consumers have to rely on information provided by sellers when purchasing products online, unlike in the offline setting. Hence, they cannot avoid information asymmetry. One of the main issues for Korean consumers is the delivery of distorted information through manipulated review orders. In such manipulation cases, friendly reviews are placed at the top and negative reviews are deleted. The FTC has been working to uncover cases violating the Act on the Consumer Protection in Electronic Commerce, Etc. In one case in 2016, the agency took corrective action against a famous lodging reservation app because it was found to have deleted negative reviews.

- Lee Min-hyung said the FTC issued a legislation notice of an amendment to the Act on the Consumer Protection in Electronic Commerce, Etc in 2021 to enhance consumer confidence in e-commerce. When the amendment is passed, businesses must disclose actual and exact reviews. He expected this move would restore overall confidence in e-commerce.

(Wendy Ledesma Orbegozo, Law Professor of Pontifical Catholic University of Peru, Peru)

- Prof. Wendy Ledesma Orbegozo shared Peru's consumer protection status with attendees. Peru enacted the Consumer Protection Act 20 years ago, but the growth of the digital economy required its revision. Therefore, Peru revised the Consumer Protection Law in 2009. This law was made in reference to the UN Guidelines for Consumer Protection. So, it is considered to have reinforced consumer protection and enabled cooperation between various government agencies and civil society.
- About 10 years after the revision, Peru voluntarily reviewed the law and related policies. In the process, more than 50 comments were received. The major comments were: there was a need for a consumer protection system accredited at home and abroad; legal and public policy frameworks should be integrated with comprehensive and balanced UN guidelines; and it was necessary to strengthen the system for protecting consumer rights such as transparent damage redress procedures and class action.
- Meanwhile, Peru's INDECOPI prepared a proposal for the following recommendations by referring to the OECD, EU Directive, and UNCTAD: taking immediate action against a crisis triggered by hazardous products, providing minimal standard information on e-commerce, solidifying accountability of intermediate sellers, authenticating consumer ages, guaranteeing consumers' right to withdrawal of subscription, and simplifying the process in which SMEs file complaints (this is significant given that SMEs account for a large portion of the Peruvian economy).
- Prof. Orbegozo finally stated Mexico, Columbia, Chile, and Peru planned to build a digital platform for jointly addressing consumer complaints.

(Atty Ann Claire C. Cabochan, Assistant Secretary of the Department of Trade and Industry (DTI), the Philippines)

- Though the Philippines is one of the first ASEAN economies to have passed a consumer protection law, it did not distinguish offline and online stores.

Mentioning this, Atty. Ann Claire C. Cabochan introduced the latest status of consumer protection in online transactions in the Philippines. According to Atty. Ann Claire C. Cabochan, the Philippines has consumer-related laws e.g. the Price Act (banning price fixing, price increases in the case of an emergency), Standardization Law (standardizing quality safety of manufacturing and imported products), and Electronic Commerce Act. The economy has the Alternative Dispute Resolution Act, Data Privacy Act, and Cybercrime Prevention Act, too. It also has non-compulsory standards: the E-commerce Guidelines and the Online Consumer Review Standards. The economy, she said, was taking steps to encourage businesses to voluntarily adopt those standards so that they could enhance consumer and seller experience.

- The DTI announced in April this year the E-Commerce Philippines 2022 Roadmap with a view to enhancing trust in e-commerce and promote e-commerce and the AI Roadmap to improve consumer experience. As for the ODR establishment in the Philippines, it completed phase 1 in June this year and wished to link the system with the ASEAN ODR for the phase 2 project. She said the economy was also striving to pass the Internet Transaction Law (including an e-commerce trust mark), revise the Consumer Act, and ratify the UN E-Commerce Convention.
- Atty Ann Claire C. Cabochan went on to introduce ASEAN's consumer protection. ASEAN is working to create a high level of consumer protection principles through regular reviews of laws and practices. Through the ASEAN Strategic Action Plan on Consumer Protection, the region conducts voluntary safety checks under the ASEAN Committee on Consumer Protection. The Philippines was selected as the first subject economy. Furthermore, ASEAN is pushing to establish an ODR system for each ASEAN member. The attorney noted that ASEAN was negotiating over a competitive chapter that includes consumer protection provisions and planning to hold ASEAN Online Sale Day and create an ASEAN trust market.

(Wimonrat Rukkhaworakul Teriyapriorn, Office of Consumer Protection Board (OCPB), Thailand)

- Wimonrat Rukkhaworakul Teriyapriorn made a presentation under the title of "Consumer protection in the COVID-19 situation." According to her, the OCPB of Thailand handles all consumer disputes and transfers those cases over which they do not have jurisdiction to a relevant agency. She said the top seven areas

of consumer complaints since June last year had been products, telecommunications, finance, transportation, e-commerce, services, and contracts. In particular, COVID-19 has brought on surging disputes in the travel market. The number of annual disputes filed in the first half of 2021 already exceeded nearly half of that of last year, she said.

- The OCPB is operated pursuant to the Consumer Protection Act, Direct Sales Act and Direct Marketing Act. All online sellers must be registered as direct sellers and respond to consumer requests to withdraw their subscription within 7 days. Consumers can also raise complaints using ODR. However, it is difficult to solve issues uniformly through ODR when purchasing products from overseas. For example, air tickets purchased through an overseas travel agency in Thailand cannot be protected by the Consumer Protection Act. In this case, Thailand solves the problem through international cooperation, and Korea and Hong Kong, China provide cooperation on such matters very actively. Businesses, consumers, and the OCPB participate in the Thai ODR system. After dispute resolution, the seller must compensate the consumer within the agreed time frame. At the end of the presentation, Wimonrat Rukkhaworakul Teriyapriorn added that, since some foreign companies did not comply with the system, the OCPB was working to improve the situation.

(Herbert Fung, Competition and Consumer Commission of Singapore (CCCS), Singapore)

- According to Herbert Fung, the Consumer Protection Act and the Fair Trade Act have been in place in Singapore, and the CCCS resumed responsibility for protecting consumers in 2018 under the consumer protection law. The CCCS is in charge of both the competition law and consumer law. The CCCS is collaborating with private and government agencies. It deals with not only general (offline) consumer transactions but online transactions as a whole (the Consumer Protection Act of Singapore does not clearly distinguish general consumer transactions and online transactions). To do so, it conducts market research, makes legislation and guidelines, and analyzes data, etc.
- Herbert Fung stated that, prior to COVID-19, online travel reservations represented 61% of ASEAN online transactions. And even after COVID-19 began in full swing and the number of travelers nosedived, consumer disputes in the travel industry, especially refunds and cancellations, continued to occur. In 2019,

the top four online travel disputes were (a) drip pricing,¹ (b) forced sales of options, (c) Strike through Pricing (STP)², and (d) giving purchase pressure by falsely stating the product is about to sell out. Based on these results, the CCCS published the 2020 Price Transparency Guidelines, which applies to all online and offline stores. The guidelines define drip pricing, price comparison, and discount and prescribe that, in using the term “free,” the product should be really free of charge.

- The Singapore CCCS conducted more comprehensive research on e-commerce platforms in 2020, investigating both competition and consumer issues. Results concerning consumer protection are summarized as follow: (a) Consumer confidence is key to successful e-commerce; and (b) Although e-commerce platforms have policies to protect consumers, consumers are still experiencing unfair practices from sellers — e.g. advertising that discounts are limited in time and quantity, and falsely advertising benefits. Based on this, the CCCS requested the platforms to raise awareness of consumer protection and advised consumers to be careful.
- Herbert Fung finished his presentation by introducing how the CCCS works with domestic and foreign institutions, including the Personal Data Protection Commission in Singapore, the Digital Citizen and Consumer Working Group of the Global Privacy Assembly, the International Competition Network, and the International Consumer Protection Enforcement Network, etc.

(Puchkovskiy Andrey, Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing, Russia)

- Puchkovskiy Andrey made a presentation under the theme of “Consumer Protection in the Digital Economy.” He said that, in a cut-throat market environment, consumer protection standards tend to be greatly enhanced and therefore the consumer protection issue was becoming more important in the digital economy. In Russia, the number of digital transactions has doubled recently.
- In response, Russia is formulating the Federal Program for the Period up to 2024.

¹ a method for exposing the disclosed (advertised) price to apparently be lower than the final price

² methods including exposing a price to look lower through visual effects by displaying the discount with a slash, etc.

This is to 1) create a new legal environment; 2) train human resources and set up new training standards; 3) modernize and build networks and digital platforms to manage data; 4) automate processes and reduce business costs; and 5) increase consumer confidence in digital services. In addition, new regulations for the online trade of goods and services were adopted between 2020 and 2021. They oblige online platforms to disclose all information about its sellers within 10 days.

- Puchkovskiy Andrey also said that the draft of the Law on Online Dispute Settlement was under parliamentary review. But its approval had been delayed, he said, because operators wanted minimal trade and service regulations and the legal provisions were being prepared by hundreds of experts in light of technological newness. Puchkovskiy Andrey also introduced e-mark and mobile apps for consumers. The app is called “Honest SIGN app” and it ensures the authenticity and quality of products and enhances transparency in the product market. It allows consumers to obtain reliable information about products (name, type and quality, manufacturer, production date and place), expiration date (if applicable), and product movement across the retail chain.

A question-and-answer session followed. A question was raised asking for a detailed explanation of Peru’s consumer arbitration agency, and the Thai speaker was asked if there were any difficulties in revising the ODR system. In response to the above questions, the Peruvian side said that arbitration was being provided by the Consumer Protection Authority and the Regional Chamber of Commerce but was not active due to cost issues. It was added that, as businesses using the arbitration system can get certified, the COVID-19 situation was presenting a promotional opportunity for them. The Thai side said that Thailand needed to persuade businesses and consumers to use ODR because the former group, in particular, was reluctant to use ODR. In this vein, the law needed to be revised so that it could reasonably enforce the use of ODR for registered businesses.

3. Discussion on the APEC Regional Consumer Protection Framework

The moderator of Session 3 was Lee Byeong-jun, Professor of Hankuk University of Foreign Studies and Chief of the Korea Consumer Law Society. The session was largely divided into three parts: first, the establishment of a consumer protection framework (guidelines); second, the use of ODR as a solution to disputes between businesses and consumers; and third, the use of trust marks to secure reliability. The panel included Dr. Genevieve Saumier, Professor of McGill University in Canada, Dr. Wendy Ledesma from Pontifical Catholic University of Peru,

Atty. Ann Claire C. Cabochan, Assistant Secretary of the Department of Trade and Industry of the Philippines, and Dr. Wimonrat Rukkhaworakul Teriyapirom, Director of International Cooperation from the Office of the Consumer Protection Board of Thailand.

- First, Ms Sarah Ahn, Deputy Director General of the Ministry of Foreign Affairs, set forth the following opinions regarding the establishment of a consumer protection framework (guidelines). The global digital economy and e-commerce have drastically expanded amid the COVID-19 crisis. Therefore, consumers need an environment where transparent information on products and services are accessible. Several member economies established principles about which information should be disclosed to consumers, including dispute resolution. They are based on recommendations and guidelines from various international organizations such as the OECD and United Nations Commission on International Trade Law (UNCITRAL). Meanwhile, regulations need to continue to be revisited in a rapidly changing environment. Issues such as consumer rights infringement by taking advantage of customized advertising and the superior position of online platforms in the market need to be discussed. Therefore, members must establish common principles for consumer protection within the APEC region and establish an APEC consumer protection framework. Ms. Ahn stressed that domestic regulations alone was not enough to cope with changing problems in the cross-border transaction market.
- Dr Genevieve Saumier, Professor of McGill University in Canada, presented opinions about information provision, emphasizing that consumer protection was a very complex issue in e-commerce. The professor echoed what the Singapore presenter mentioned, that there were very complicated issues in consumer transactions: proper prices, product stability, false reviews, personal information issues, credit card theft, etc. She said information to be provided to consumers had been discussed over the past decades and there were advantages and disadvantages concerning its sufficient provision. For instance, providing a lot of information may overwhelm consumers. In this sense, she said it might be desirable to focus on the core elements when delivering information. In the context of transboundary trade, it is of utmost importance to provide consumers with information about sellers.
- Atty Ann Claire C. Cabochan, Assistant Secretary of the Department of Trade and Industry of the Philippines, noted that she supported the establishment of APEC consumer protection guidelines regarding the overall aspect of the consumer protection framework. As mentioned in her presentation earlier, she

shared once again ASEAN's action guidelines and the situation of preparing the ODR system. She stressed that, in digital trade, consumer protection involved complex elements so a broad set of principles must be established. The attorney said that webinars for consumer education were necessary to secure consumer rights.

- Dr. Wimonrat Rukkhaworakul Teriyapirom, Director of International Cooperation from the Office of the Consumer Protection Board of Thailand, agreed in general with opinions shared by Korea, Canada, and the Philippines and with the need for e-commerce guidelines and frameworks. She stated that it was significant to encourage all online platforms in member economies to follow APEC guidelines.

The discussions on the second topic, the introduction of the APEC ODR procedure, proceeded as follows.

- Ms Sarah Ahn, Deputy Director General of the Ministry of Foreign Affairs, reminded participants of the increasing international consumer disputes as a result of surging global e-commerce transactions. Given the nature of consumer damage, which mostly involves small amounts of money, the introduction of ODR procedures that can resolve disputes quickly and at low cost was drawing attention. Therefore, Korea recommended the establishment of an ODR integration center in APEC. She asked participants' opinions on concluding a bilateral or multilateral agreement on ODR system among economies.
- Regarding this discussion, Dr. Genevieve Saumier, Professor of McGill University in Canada, said that she saw an integrated ODR center ideal and that it would be successful enough if ODR could bring both parties to the negotiating table. Taking Canada's ODR case as an example, Dr. Saumier said that Canada established a voluntary system similar to ODR in Quebec, which was very successful despite a small number (150) of subscriber companies. It helped resolve cases that took one to three years in lawsuits within 30 days, satisfied 85% of participants, and introduced AI to provide an effective automatic translation service. She added that EU or ASEAN cases needed to be referred to in establishing an APEC ODR center.
- Atty Ann Claire C. Cabochan, Assistant Secretary of the Department of Trade and Industry of the Philippines, noted that the economy was very interested in building ODR and that there was a great need for ODR in securing means of receiving consumer complaints. According to her, the Philippines mandates

arbitration before litigation, so legal disputes are rare. Further, a dispute resolution system for consensus or mutually acceptable conditions between the parties is considered very important in resolving consumer disputes. Thus, the attorney supported APEC's setup of ODR and hoped to refer to other international organization models regarding establishing a common ODR system in the region.

- Dr Wimonrat Rukkhaworakul Teriyapirom, Director of International Cooperation from the Office of the Consumer Protection Board of Thailand, said that Thailand also supported APEC ODR and that in Thailand consumer courts handled consumer disputes but there was a limitation in handling cross-border dispute cases. The director mentioned that the APEC ODR system would offer consumers easy access and allow them to shorten the time spent on disputes.

One participant asked the panel whether they thought the B2B APEC ODR initiative could apply to resolve B2C disputes and what kind of difficulty remained in adopting the B2C ODR system.

- In response, the panelists cited international law as the biggest challenge and answered that the greatest difference between B2B and B2C was in setting a governing law for application. That is, most economies have international laws that hold jurisdiction in favor of their own consumers. The panelists said this was a challenging point in B2B and B2C.

Finally, a discussion was held on the possibility of using trust marks.

- Ms Sarah Ahn, Deputy Director General of the Ministry of Foreign Affairs, said APEC-wide trust marks for e-commerce businesses trusted by consumers should be introduced to expand and foster opportunities for SMEs struggling to provide consumer protection information. She said that, since it was very difficult for APEC to give trust marks directly to individual companies considering its function and size, it could be an option to have APEC certify certification agencies in each economy, such as the Cross Border Privacy Rules system (CBPR). In closing, Ms. Ahn asked the panel for their opinions on this matter.
- Dr Wimonrat Rukkhaworakul Teriyapirom, Director of International Cooperation from the Office of the Consumer Protection Board of Thailand, proposed a step-by-step promotion. In other words, APEC economies could promote trust marks to consumers, hold workshops, and prepare a trust mark.
- Dr Genevieve Saumier, Professor of McGill University in Canada, noted that

there was more interest in product tracking and that the trust mark system was a great initiative. She suggested that it should be implemented in consideration of cases of other international organizations.

- Atty Ann Claire C. Cabochan, Assistant Secretary of the Department of Trade and Industry of the Philippines, introduced that the economy did not have a trust mark yet; but, as presented, the economy included the very content in the Internet Transaction Act and a mark was expected to be instituted soon. She stated that the participating economies first needed to include their own principles for trust marks in the discussion paper and that it should be shared with other APEC economies. She thought the trust mark made it possible to have trust in using online platforms.

One participant asked the following question to the panel: Other international organizations already have consumer protection guidelines. What do you think is the most important thing in APEC's consumer protection framework?

- The discussants responded that they supported the UN Consumer Protection Guidelines, reiterating the importance of having wide-ranging guidelines. They emphasized that the core of consumer protection was the access to information and the guarantee of rights to resolve disputes. They added that, in this regard, it was necessary to derive a common approach by sharing laws and policies among members and that APEC should understand each economy's consumer protection regulations and laws to establish standards among its members.

V. CONCLUSIONS

(APEC Consumer Protection Framework) To establish a consumer protection framework, extensive principles should be formulated. In digital trade, as consumer protection has complicated factors such as jurisdiction and safety, it is important to enhance inclusiveness by establishing wide-ranging principles. To this end, a place for information exchange between member economies is needed so that they can periodically exchange opinions. In addition, establishing principles in reference to the guidelines of other international organizations will be meaningful in increasing mutual acceptance.

(ODR) ODR is a necessary factor for restoring consumer confidence in e-commerce and resolving consumer complaints fairly, quickly and at a low cost. It is in the same context that international organizations seek to settle consumer disputes through ODR. Moreover, it is necessary to establish an APEC-wide ODR system since this is expected to help SMEs expand cross-border e-commerce business.

(Trust Mark) An APEC-wide trust mark also needs to be introduced in an effort to provide information to consumers and strengthen trust as well as to increase and foster opportunities for SMEs in APEC economies. An APEC-wide trust mark system is evaluated as a superb initiative to revitalize digital trade. What counts is that the system can be implemented in connection with prevention of the distribution of hazardous product.

Through this workshop, APEC participants once again shared principles and guidelines of international organizations such as the UN and the OECD for consumer protection and reconfirmed the growing need for consumer protection caused by the expansion of digital trade. Based on various information shared at the last workshop, they exchanged opinions through discussions on the necessity of an APEC consumer protection framework, including the importance of providing information in cross-border trade and the importance of cooperation among international organizations. Above all, this workshop enabled members to hear diverse opinions on the necessity and direction to build ODR and trust mark systems. Hopefully, the workshop results will serve as a cornerstone for discussions on APEC ODR and trust mark systems and on cooperation plans for them.

Annex 1

AGENDA

Thursday, August 4 (Singapore time)

<p>10:00am-10:10am (Korea time) / 9:00am-9:10am (Singapore time)</p>	<p>Welcome & Introduction:</p> <p><i>By Seong-ho Lee, The Ministry of Foreign Affairs of Korea</i></p> <p>Facilitator: Seung-young Yoon, Hankuk University of Foreign Studies</p>
<p>10:10am-10:30am (Korea time) / 9:10am-9:30am (Singapore time)</p>	<p>Session 1: Briefing related projects</p> <p>10 minute presentations from each speaker</p> <p>Outlines of the first stage discussions on promoting consumer protection in digital trade (<i>ECSG 03 2018A</i>) by <i>Soon-young Bae, Korea Consumer Agency, Korea</i></p> <p>Outlines of Peru's project, the Public-Private Dialogue (PPD) on Promoting Consumer Protection in the Dispute Resolution and Redress Mechanisms in e-commerce (CTI 09 2019T), by <i>Andrea Vega & Abelardo Aramayo, Indecopi, Peru</i></p> <p>Facilitator: Seung-young Yoon, Hankuk University of Foreign Studies, Korea</p>
<p>10:35am-12:05pm (Korea time) / 9:35am-11:05am (Singapore time)</p>	<p>Session 2: Information sharing (6 economies)</p> <p><i>Speakers will share information on each economy's recent changes and discussions surrounding consumer protection law and law enforcement in digital trade, and ODR best practices. For instance, they can explain online platform regulations, monitoring hazardous goods online, damage redress systems, consumer dispute settlement, and trust mark systems.</i></p> <p>10 minute presentations from 6 economies followed by 30-minute Q&A session</p>

	<ul style="list-style-type: none"> · Lee Min-hyung, Korea Fair Trade Commission, Korea · Wendy Ledesma, Pontifical Catholic University of Peru, Peru · Atty Ann Claire C. Cabochan, Philippines' Department of Trade and Industry, Philippines · Wimonrat Rukkhaworakul Teriyapriorn, Consumer Protection Board, Thailand · Herbert Fung, Competition and Consumer Commission of Singapore, Singapore · Andrey Puchkovskiy, Department of Federal Public Oversight of Consumer Protection, Russia <p>Moderator/Facilitator: Seung-young Yoon, Hankuk University of Foreign Studies, Korea</p>
<p>12:15pm-13:35pm (Korea time) / 11:15am-12:35pm (Singapore time)</p>	<p>Session 3: Discussion on an APEC Regional Consumer Protection Framework</p> <p><i>Panelists will freely exchange their opinions based on the discussion paper provided by Korea. The discussion paper will be mainly about building an APEC consumer protection framework.</i></p> <p>80-minute discussion</p> <p>Moderator: Byung-jun Lee, Hankuk university of Foreign Studies, Korea</p> <p>Panelists:</p> <ul style="list-style-type: none"> · Sarah Ahn, Ministry of Foreign Affairs, Korea · Atty Ann Claire C. Cabochan, Philippines' Department of Trade and Industry, Philippines · Wimonrat Rukkhaworakul Teriyapriorn, Consumer Protection Board, Thailand · Genevieve Saumier, Mcgill University (Law), Canada
<p>13:35pm-13:40pm (Korea time)/ 12:35pm-12:40pm(Singapore time)</p>	<p>Closing</p> <p>Closing remarks by Seung-young Yoon, Hankuk University of Foreign Studies</p>

Annex 2

Discussion Document

Discussion Document: APEC Regional Consumer Protection Framework

I. Background

Due to the COVID-19 pandemic, contactless cross-border trade has become more active than ever before. This has led to the continual expansion of consumer trade. While this expansion is fueling growth and increasing the power of the digital market, it can sometimes cause damage to consumers in various aspects. One example is that disputes in the digital market can be especially difficult to resolve. Therefore, establishing a reliable market for consumers, and increasing their convenience, is an important policy task for the international community in supporting the digital economy.

In 2019, Chile, as host economy, chose Digital Society; Integration 4.0; Women, SMEs, and Inclusive Growth; and Sustainable Growth as its four priorities under the overarching theme of “Connect People, Building the Future.” On September 22, 2019, a workshop was held on “Consumer Protection in Digital Trade, Opportunity and Challenge” to contribute to making progress on the digital society priority and seek ways to work together for enhancing consumer protection in the digital economy. Workshop participants discussed international rules for protecting consumers in digital trade, strengthening the enforcement of consumer protection laws in digital trade, new trends in consumer protection, self-regulatory mechanisms and cases, and the possibility of establishing an APEC-wide framework for consumer protection. The workshop provided an opportunity for member economies to go over key cases in each of the topics and recognize the importance of consumer protection.

In particular, member economies shared the view that there needs to be a minimum set of principles on consumer protection that apply to all global companies and business owners (the need for consumer protection principles). They also agreed on the need to work together for an international consumer protection network as well as for strengthening multilateral networks within international organizations to ensure strict enforcement of these principles. Furthermore, member economies all recognized the importance of having a person in charge of consumer complaints and dispute settlements, and informing the results thereof, as well as the importance of sharing consumer safety issues and information in increasing cooperation.

II. Objective

Discussions on consumer protection in digital trade will become more and more important. Already, active discussions are taking place at various international organizations to find ways to solve consumer problems. Therefore, member economies need to have more discussions on ways to take APEC’s consumer protection framework to the next level, given the importance of consumer protection in promoting digital trade and e-commerce. The objective of the workshop is to share ideas with the enforcement authorities of member economies on the systems and policies for each discussion topic and identify ways to step up cooperation between member economies. We hope that the discussions at the workshop will serve as cornerstones for strengthening APEC’s framework on consumer protection in the digital economy.

III. Key Discussion Topics

Discussions at the workshop will revolve around key points that policymakers need to consider or use as a reference when designing policies for consumer protection in the digital economy. Participants will be discussing the status of consumer protection in member economies as well as the problems and solutions.

This document lays out the discussion topics of the workshop in a broader sense first and then goes into more detail. The main focus of the discussions at the workshop will be how APEC member economies can work together to improve their means of resolving consumer damage disputes. The discussions will provide a broader perspective on how we can develop APEC's framework on consumer protection in the digital economy in the longer term. Each topic will be thoroughly discussed at the workshop. Taking into account what was discussed at the previous workshop, below is what needs to be discussed as the main principles of APEC's consumer protection framework.

1. Consumer Protection Guidelines

1.1. (Information provision) Guaranteeing access to accurate and sufficient information on products and services

1.2. (Online platform regulations) Sharing the current status of and changes in the laws of member economies for strengthening online platform regulation

1.3. (Facilitating the self-regulatory mechanisms of businesses) Encouraging businesses to follow the guidelines of APEC member economies and introduce self-regulatory mechanisms, such as monitoring and managing hazardous goods.

2. B2C Dispute Relief

Ensuring efficient and effective damage redress and establishing a consumer damage redress system that can be used in all member economies. This includes preparing and guaranteeing an effective dispute settlement system such as Online Dispute Resolution (ODR).

3. International Trust mark system

Searching possibilities of establishing an international trust mark system through international cooperation and working with international organizations.

Within this larger context, discussion and research will be focused on e-commerce information provision, online platform regulations of member economies, monitoring of hazardous goods, the practices of member economies in cross-border consumer dispute settlement and enforcement (especially, the usage of ODR), and the possibility of an international trust mark system.

1. Consumer Protection Guidelines

1.1. Information provision

Member economies should discuss standardizing and guaranteeing access to information

on products and services, including information on dispute settlement.

In e-commerce, it is of utmost importance that businesses provide necessary information to consumers. Therefore, standardizing and setting the minimum requirements for information that needs to be provided is pivotal.

Information provided online for customers can be largely divided into the following categories: information about the provider, product/service-related information, price information, and information about terms and conditions.

Each economy's regulations on search rankings, personalized advertisements, and sponsored reviews can also be discussed, as they can be important information for customers when buying products or services.

In Korea, while it may vary depending on the product, the following information must be provided in accordance with the Bulletin on the Provision of Information on Products, etc., in E-commerce, etc.

- Information about the product's material, type, color, size, and serial number
- For imported goods, information about the importer, the origin of manufacture, handling precautions, quality assurance standards, the name and phone number of the customer service representative, the phone number of the consumer counseling center
- For electronic products and furniture, information about whether the product has acquired Korea Certification
- For electronic products, information about rated voltage, power consumption, energy efficiency rating, the year and month in which the model was first released, etc.

In domestic transactions, providing the phone number of the consumer counseling center may be enough, but in global transactions, providing the email address or information about a dispute settlement organization will be more appropriate.

1.2. Current status of online platform regulations and changes

If an e-commerce legal system has already been put in place, there is a need to check the status of online platform regulations and whether the legal system contains elements on laying the foundation for international cooperation. Recently, due to the growing influence of online platform businesses, e-commerce trade has undergone restructuring and has become more pivoted towards online platforms. As a result, economies are seeking to introduce legislation to strengthen the responsibility of online platforms. Member economies need to discuss imposing obligations or recommendations about consumer protection onto online platform businesses as part of fulfilling their corporate digital responsibility (CDR) and securing the trust of consumers in international e-commerce.

1.3. Facilitating the self-regulatory mechanisms of businesses

Member economies need to discuss ways to boost the self-monitoring and self-regulation of businesses on hazardous goods.

Member economies may discuss preparing voluntary safety agreements or encouraging MOU dispute settlement organizations to share information in order to prevent hazardous

goods from being distributed within the APEC region through e-commerce. In this respect, using information from the Guidance Document for Use of APEC Product Safety Incidents Information Sharing System can be considered.

In Korea, hazardous goods do not pass through customs clearance so as to protect the safety of consumers buying goods through e-commerce. In the case of prohibited items, five major online open market businesses signed an MOU with the Korean government, and they autonomously prohibit distributing hazardous goods for consumer safety.

In June 2018, the European Union (EU) signed product safety agreements with Amazon, eBay, AliExpress, and Rakuten France on removing hazardous goods from their websites. The Australian Competition and Consumer Commission (ACCC) also signed a product safety agreement with Amazon Australia, eBay Australia & New Zealand, the Alibaba Group, and Catch Marketplace in November 2020.

The EU and the ACCC suggested establishing a set of guidelines to maintain consistency globally, which has led to the OECD preparing a draft of the Product Safety Pledge in April 2021. The Product Safety Pledge was officially announced on June 16, 2021.

2. Consumer redress in e-commerce

Member economies can work together to enhance consumer redress (i) by designating an organization as a contact point and strengthening the link between organizations (via bilateral and multilateral MOUs) and (ii) by establishing an integrated ODR center within APEC.

With regard to setting regulations, since APEC has its own B2B ODR regulations, expanding the scope of these regulations to cover B2C can be considered.

3. International trust marks

Member economies need to consider using a credible trust mark system to nurture MSMEs and give them more opportunities. When it comes to APEC cooperation on consumer protection trust marks, we have the following options: (i) APEC can establish its own trust mark certification organization and conduct the certification process on its own, (ii) APEC can establish shared rules on trust marks but let each economy's certification agency conduct the certification process (this method is similar to the CBPR), or (iii) member economies can maintain their own system and find ways to work together instead of introducing an APEC-wide trust mark system.