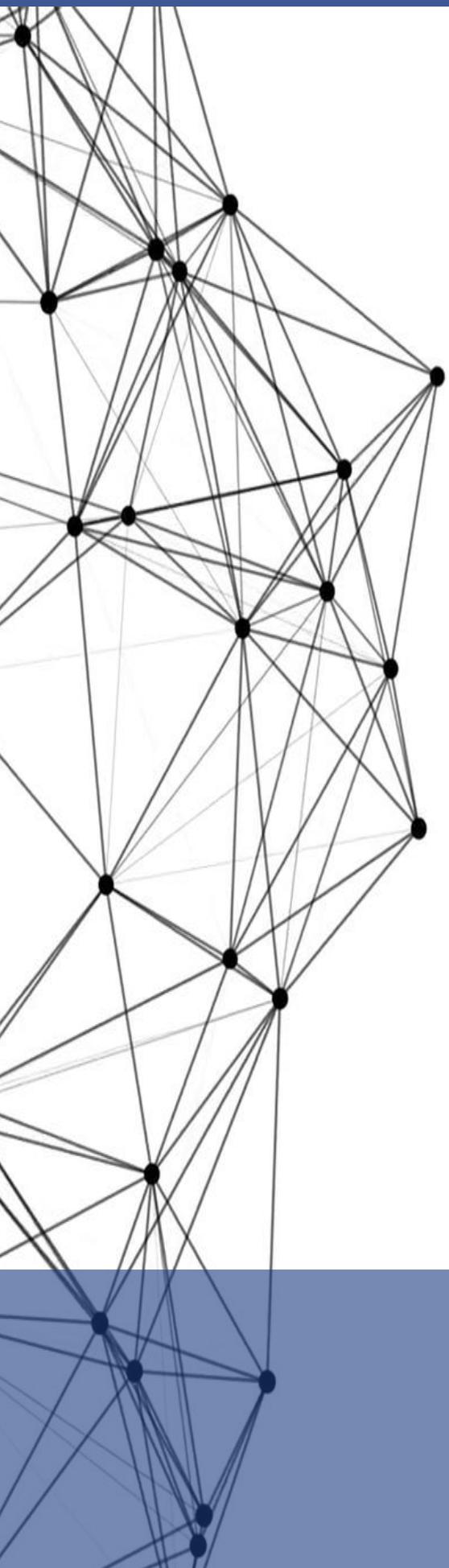


SEPTEMBER 2018



# APAC BYTES

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### No Big Cabinet [Shifts](#) in Morrison Administration

The Department of Home Affairs (DHA), under Peter Dutton who narrowly lost a leadership race to Scott Morrison, will take over cybersecurity policy responsibilities. Angus Taylor who was the Minister for Law Enforcement and Cybersecurity has become the new head of the Department of Energy. Mitch Fifield remains as the Communications minister.

- Technology has been added to the Science portfolio, which is now headed by Karen Andrews a politician with an engineering background, while Innovation has been removed from the list of ministries.

 **Impact Analysis:** The more things change the more they stay the same?

### ACMA [Institutes](#) New Reporting Obligations for Foreign Media Owners

Starting 1 Sep, any foreigner who owns a 2.5% stake or greater in an Australian media company is required by the Broadcasting Legislation Amendment (Foreign Media Ownership, Community Radio and Other Measures) Act 2018 to notify the ACMA.

- Foreign stakeholders must make their initial notifications to the ACMA by 28 Feb 2019.

 **Impact Analysis:** Increased scrutiny of foreign ownership of Australian media firms is aimed at ostensibly thwarting foreign attempts to sway things like elections. But that could be more wishful thinking on the part of authorities.

### Digital Divide in Australia Not [Constricting](#)

Swinburne University and RMIT University have released the [third](#) annual “Australian Digital Inclusion Index (ADII)” which finds that 2.5 million Australians are still not online. With essential public services moving online, the [divide](#) is growing as poor and vulnerable communities are digitally excluded. Households are spending a greater portion of their disposable income on Internet connectivity.

### Healthcare Information and Management Systems Society [Obtains](#) My Health Record Docs

The leaked documents are from the My Health Record Expansion Program steering group and lay out a number of concerns about the system’s viability and the Australian Digital Health Agency (ADHA) ability to handle the concerns. Cybersecurity and data privacy remain at the top of the list of concerns.

- A new My Health Records Amendment (Strengthening Privacy) [Bill](#) 2018 is currently being referred to committee in parliament, with a report due 8 Oct. The bill would require ADHA to get a court order or a consumer’s consent before it could divulge information to law enforcement agencies.

 **Impact Analysis:** This is a complicated and ambitious IT project, and the ADHA has its work cut out as it deals with making it easy for doctors to sign up, securing the details of children in care, and devising a communications strategy that reaches out to vulnerable groups.

### DTA [Unveils](#) New Innovation Hub

The DTA is opening a new co-Lab in Sydney that will be home to cross-govt teams to work with the DTA and private sector specialists, with the hopes of creating new partnerships and conversations. The Department of Human Services (DHS) will be the first govt agency to participate in the co-Lab.

### Online Content Providers to [Adhere](#) to New Gambling Ad Rules

New rules from the ACMA prohibit online content service providers from showing gambling adverts during live sports streams between 5AM and 8:30PM. The new rules will apply from 28 Sep onwards.

### NBN Co [Unveils](#) 2019-2022 Corporate Plan

By 2020 the NBN Co plans to reach 11.7 million premises and make them Ready to Connect (RTC), while 8.1 million of them will have an active NBN service. By 2022 there will be 8.7 million active

premises. The company is juggling what to do with its hybrid fibre-coaxial (HFC) network and expanding fixed-wireless capacity in regional Australia.

- The NBN Co will kick off a “Check, Select, Connect” [campaign](#) to help people select the right broadband speed tier for their domestic household consumption needs. NBN Co research reveals that two-thirds of Australians do not know how to choose a plan based on their Internet usage.

**Impact Analysis:** The NBN Co has been struggling with its plans for the HFC portion of its network, fixed wireless expansion, setting a wholesale price that drives higher speed adoption while insuring a decent rate of return and improving customer service experience. It has a lot of challenges on its plate.

### Public [Review](#) of TPG and Vodafone Hutchison Merger to Begin Soon

The ACCC will examine the competitive impacts of the merger on mobile, fixed line services, and related markets such as spectrum acquisition, wholesale, and mobile roaming. The merged entity would have an enterprise value of AUD15bn (USD11bn), 50.1% owned by Vodafone Australia shareholders, the rest by TPG shareholders. The ACCC has said the timeline for the review is expected to be twelve weeks.

- The new company would have 20% of Australia’s mobile market and 22% of its fixed-line market. TPG has 1.9 million fixed line customers and Vodafone 6 million mobile subscribers.

**Impact Analysis:** The new company would take on the two stalwarts of the Australia telecoms industry, Telstra and Optus. Telstra is still the “market behemoth”.

### Huawei, ZTE [Prohibited](#) from Supplying 5G Technologies in Australia

While not specifying any vendor names, the Australian Ministry for Communications and Ministry for Home Affairs confirms that they have given carriers new security guidance not to procure from 5G technology providers who are likely to be subject to extrajudicial directions from a foreign govt. The govt believes this will safeguard Australian networks from unauthorised access or interference.

- In [response](#) to the ban, Huawei criticizes the decision as politically motivated and ungrounded as the Chinese govt would not mandate companies to cooperate with state security agencies, and Huawei has never carried out any intelligence work on the govt’s behalf.
- Huawei also points out that by denying them access to the Australia telecom market, the cost of 5G network rollout will increase and negatively impact development.

### MIIT [Sets](#) Tariff Regulations to Increase Transparency and Clarity

MIIT's [Notice](#) on "Further Regulating Marketing Practice on Telecommunication Tariff" requires telecommunication service providers to clearly specify the pricing structure, charging items, and service provision of their tariff schemes. Information provided should be accurate and easy to understand.

- The regulator also encourages telcos to offer tiered pricing schemes based on usage and launch at least one such pilot scheme in 2018, so as to meet customers' needs.
- To achieve the objective of tariff reduction, telecom service operators should provide preferential tariff plans to low-income users especially those with disabilities and living in remote areas. By offering SMEs a lower tariff on broadband products, it will drive more innovation and encourage entrepreneurship.

### E-commerce Legislation to [Take Effect](#) Jan 2019

China's first e-commerce law was passed on 31 Aug after the fourth reading. The legislation will not only apply to e-commerce platform operators, merchants on these third-party trading platforms, but also to those vendors using social media platforms to carry out e-commerce.

- The following [amendments](#) were made to the final draft to further enhance consumer protection: 1) E-commerce operators engaged in cross-border e-commerce shall abide by the laws and administrative regulations on imports and exports management; 2) When e-commerce platform operators do not fulfil their obligations to scrutinize the goods or services provided on their platform and cause damage to consumers, the platform operator will be subject to corresponding supplementary responsibility, instead of being jointly liable as specified in the previous draft; 3) Maximum penalty increased to CNY2m (USD0.29m) for e-commerce platform operators who unreasonably force the sellers or service providers to withdraw from other platforms or have failed to take necessary measures against sellers that violate intellectual property rights.
- The law will come into effect on 1 Jan 2019.

**Impact Analysis:** Given the proliferation of small vendors conducting e-commerce via their self-built websites or social media platforms such as WeChat, the adoption of a wider definition of e-commerce operators makes it more comprehensive and provides better protection to the customers regardless of the e-commerce channels used. The much stiffer fine for not taking appropriate measures will also be an effective deterrent to selling counterfeits or IP infringing goods online, especially now that the responsibilities are placed on the platform operators to hold them liable to damages caused to right holders and consumers.

### Hackers [Target](#) Telecom Operators for Data Theft

According to the enforcement authorities in Shaoxing, Zhejiang province, the hackers installed malicious software on the networks of China Mobile, China Telecom, and China Unicom after becoming their marketing system service provider. Three billion data items were intercepted and used for precision marketing on major Internet platforms. As many as 96 platforms were involved, including Baidu, Tencent, and Alibaba.

- Other than telcos, the largest hotel chain in China, HuaZhu, also [reported](#) to the police that the personal information of 130 million hotel guests, including their name, ID, and mobile number, have been leaked and sold online for CNY320,000 (USD47,000). It is suspected the information was released by its employees. Heavier penalties are being called to deter data theft.

**Impact Analysis:** These massive data leaks reveal serious oversights and a lack of data security measures implemented by the telecom operators and service providers who possess large volumes of personal data. They should perform due diligence on their system contractors, strengthen internal and access control on information security system to reduce the vulnerability of sensitive data and counteract insider threat.

### World's First Service Robot Platform [Unveiled](#) in Hong Kong

The blockchain-based robot platform was initially designed by Robotou in partnership with Higgs Dynamics to provide a catering service. Upon completion, targeted towards the end of Q4, the platform will have 3,000 service robots for lease or for purchase, and 300,000 active users.

- Apart from performing repetitive and labour-intensive tasks such as food delivery, the robots can display advertisements, and recommend food or products to customers. Developed with blockchain technology, operational data and work history of the robots will be traceable.

### 29 Financial Institutions and Fintechs [Submit](#) Virtual Bank Licence Applications

According to HKMA, 29 applications were received as of 31 Aug and applicants ranged from large banking groups such as Standard Chartered, China Citic Bank, fintech startups like WeLab, to telecom companies.

- A number of consortiums are formed to bid for the licence. For example, CASH Financial Service partnered with IT company Forms Syntron Information (HK) and QFPay Haojin FinTech which specializes in mobile payment. Airwallex, financially backed by Tencent, also submitted a joint application with Bank of East Asia and Sequoia Capital China.

**Impact Analysis:** Despite the need to fulfil the high capital requirement of HKD300m (USD38m) for a virtual banking licence, it has still attracted a fairly large number of applicants from a wide range of business backgrounds, other than traditional banks currently operated in Hong Kong. Online-only banking offers a good opportunity for cash-rich financial service providers or digital payment operators from China to swiftly enter the financial sector in Hong Kong and compete with incumbent banks for market share in retail banking without the hassle of setting up physical branches.

### Telecom Commission **Approves** TRAI's Norms for Network Testing while Capping Trials at 180 Days

The Telecom Commission has accepted TRAI's recommendations for telcos to conduct network testing before the commercial launch of mobile services but have capped the testing period for trials at 180 days.

- Norms proposed by TRAI: 1) Capping the number of test subscribers to 5% of installed network capacity for a service area; 2) Not extending number porting facility to the network in the test period; and 3) observing all licensing provisions related to security and privacy during the period.
- The issue of network testing came to the forefront after Reliance Jio accumulated over 1.5 million users during its test phase before the commercial launch of its services in Sep 2016.

### National Digital Communications Policy to be **Placed** before the Cabinet for Approval

The DoT has completed inter-ministerial consultation on the new telecom policy and is likely to submit it to the cabinet for approval in Sep. The National Communications Policy aims to adopt "Optimal Pricing of Spectrum", provide broadband access to all and 5G services, and to create four million jobs in the digital communications sector by 2022.

### DoT in **Discussion** with Telcos Regarding Rollout Model for Public Wi-Fi Hotspots

Telcos are to submit to the DoT a new rollout model for 1 million Wi-Fi hotspots by 10 Sep. This was decided after telcos opposed the model recommended by TRAI, which proposed a new set of players called Public Data Office Aggregator (PDOA) to be allowed to resell Internet services through a PCOs type of set-up that will be called Public Data Offices. COAI argued against this proposition saying that Internet services can be provided only by telecom licence holders and the scope of PDOA recommended by TRAI is similar to that of ISP license holders.

### Warren Buffett's Berkshire **Buys** Stake in Paytm

Warren Buffet's Berkshire Hathaway is buying 3-4% stake in Paytm. This would potentially value Paytm at USD10-12 bn, making it the country's most valuable consumer Internet start-up.

**Impact Analysis:** India is witnessing the world's biggest firms trying to establish their dominance in its digital payments market. Paytm's near-monopoly status has, in recent times, been challenged by Google Pay, Amazon Pay, PhonePe, and BHIM. New entrants such as WhatsApp payments service may also pose significant competition. An endorsement from Buffet could help boost Paytm's standing in this market.

### WhatsApp to **Train** People Across India on Fake News

Ahead of the upcoming assembly and general elections, WhatsApp has partnered with New Delhi-based Digital Empowerment Foundation (DEF) to host 40 training sessions in ten states to educate community leaders, govt officials, civil society organisations, and students about simple methods of verifying information before sharing it with others. This move comes after circulation of false information and provocative content in the past led to incidents of mob lynching and violence in the country.

**Impact Analysis:** As vulnerable sections of society get exposed to social media, it is of paramount importance for them to know how and when to choose and interpret information.

### Internet Society and ISPAI **Sign** MoU to Secure Internet Infrastructure in India

The Internet Society (ISOC), a US-based non-profit, and the Internet Service Providers Association of India (ISPAI) signed an MoU to look into securing routers to make the Internet safe and secure in India. This MoU would promote the Mutually Agreed Norms for Routing Security (MANRS) while safeguarding enterprises and the govt from cyber threats. MANRS will also be imparted to the elderly, youth, and those living in rural areas.

### OTT Draft Regulation [Progresses](#)

A workshop was held in Yogyakarta on 28 Aug to progress the formulation of the over-the-top (OTT) regulation.

- The workshop included: Kominfo; the telecoms regulatory authority, BRTI; representatives of eight telecommunications operators; and six associations relating to operators and digital platforms, including: ATSI, APJII, APJATEL, MASTEL, IMOCA, and ATSINDO.

**Impact Analysis:** Outcomes from the workshop indicate foreign OTT players will be required to form partnerships with domestic players. Further discussions signify that Kominfo has scaled back onerous requirements present in previous iterations of the OTT draft regulation and have opted for a 'light-touch' approach.

### OJK [Issues](#) Fintech Regulation

OJK issued regulation [POJK No. 13/POJK.02/2018, which is](#) focused on innovation in digital technology for the financial sector. The regulation covers a lot of ground regulating fintech players, with key articles including:

- Article 6 requires organizers (parties who engage in digital financial innovation) to 'record' themselves with OJK;
- Chapter IV (Articles 7-12) set out the basic principles and requirements for participation in OJK's regulatory sandbox;
- Article 29 requires organizers to put a data centre and disaster recovery centre in Indonesia.

**Impact Analysis:** OJK's regulatory sandbox, separate from Bank Indonesia's regulatory sandbox, furthers the turf war between the central bank and the financial services authority in regulating the fintech space.

### Jack Ma Institute [Proposed](#)

In order to prepare and provide human resources education and training for online businesses and start-ups, Rudiantara, Minister for Communications and Informatics, proposed the establishment of a 'Jack Ma Institute' in Indonesia. The educational institute will [aim](#) to be a centre for talent and entrepreneurship development.

- The proposal follows a recent meeting between President Jokowi and Jack Ma, co-founder of Alibaba and [Advisor](#) to Indonesia's ecommerce steering committee, where President Jokowi [requested](#) further investment from Alibaba in Indonesia; and Jack Ma [stated](#) he would help facilitate Indonesian exports to China.

### Go-Jek [Partners](#) with P2P Lenders

Go-Jek recently partnered with three Indonesian P2P lenders: Findaya, Dana Cita, and Aktivaku. These partnerships follow on from the recent investment in insurance tech start-up, PasarPolis.

- Go-Jek also confirmed investment in Kumparan, a digital media start-up.

**Impact Analysis:** Go-Jek has the userbase in Indonesia but is solidifying its payment service, Go-Pay, by collaborating with financial services players for their tech or licence status. Go-Jek has collaborated with traditional financial providers, such as BTN, BNI, and Bank Permata, as well as fintech start-ups, such as Kartuku, Midtrans, and Mapan, and most recently insurance start-ups to expand its offerings. Go-Jek's investment in Kumparan is also further diversifies its services by complementing its recent foray into subscription-based streaming and the building out of its Go-Play service through a partnership with Vice Media.

### Kominfo [Permits](#) IoT Unlicensed Frequency Trial

Kominfo stated it will allow IoT services to be tested on unlicensed frequencies in order to understand the technical aspects and business models required for further roll out and full utilisation.

 **Impact Analysis:** Koinfo has begun socialising its draft IoT roadmap with industry stakeholders. The IoT roadmap will focus on [connectivity](#), and allocation of spectrum frequencies.

**Koinfo [Confirms](#) Natural Disaster Infrastructure Sharing**

Koinfo and telecommunications stakeholders have agreed upon Standard Operating Procedures for Disaster Management, which require sharing of infrastructure during natural disasters.

- Infrastructure sharing includes: tower sharing, backhaul sharing access, generator sharing, fuel pooling, and battery sharing.

### **MoU on Digital and ICT Field with the Republic of Ecuador**

A MoU has been signed between the MIC and the Ministry of Ecuadorian Communication and Information Society to further cooperation between the two nations on matters related to digital and ICT fields. Included in the memorandum are:

- Exchange on information and training for transition to terrestrial digital broadcasting;
- Increased digitisation in priority sectors such as tourism, agriculture, medical care, education, transportation, etc;
- Providing ICT initiatives to improve digital networks, including optical fibre submarine cables; and
- The establishment of a new Joint Working Group to promote implementation and cooperation.

### **Establishment of Japan-ASEAN Cybersecurity Capability Building Centre**

The opening ceremony of the newly established “Japan-ASEAN Cybersecurity Capability Building Centre” will take place on 14 Sep. The centre, which is based in Bangkok, is an initiative by the MIC to boost cooperation amongst ASEAN nations in building the capacity of cybersecurity within the region.

- The project was funded by the Japan-ASEAN Integration Fund (JAIF) with contributions by the Japanese govt and the Electronic Transactions Development Agency (ETDA), a subsidiary of the Thailand Digital Economy and Society Trade and Development Organisation.

### **Japan Post [Stakes](#) Survival on Community Support Ventures**

The three-year project will utilise post offices for services such as videophone links for administrative services or to chat with municipal offices, delivery of goods from local shops, and the use of electronic devices to locate elderly people and children. Targeted at low-population areas, this project is an initiative by the MIC and is expected to kick start in 2019.

**Impact Analysis:** An interesting take on how the govt is working to ensure that more traditional services do not go entirely obsolete, while ensuring that new technologies can somehow be woven in to the new digital infrastructure to cater to the growing aging population.

### **Japan Wants Airborne Vehicles To [Take Off](#)**

The govt has drawn up a roadmap to make commercial flying cars a reality. While the concept remains largely theoretical thus far, the govt will be partnering with companies such as Boeing, Airbus, All Nippon Airways, Japan Airlines, NEC, and Toyota-backed Cartivator.

- Cartivator hopes to launch a three-wheeled car prototype when Japan hosts the Olympic Games in 2020.

### **Line to [Launch](#) Cryptocurrency**

Line has announced that it will be launching a cryptocurrency service in Sep. The digital coin called “LINK”, will be given out as rewards to users of its services. Users can also trade it with other cryptocurrencies at its crypto exchange, BITBOX. This feature is currently only available in Japan.

### **TNB [Runs](#) Pilot to Access Viability of Offering Broadband Services**

TNB will offer broadband services to 1,100 households by end-2018 in Jasin, marking its entry as a broadband service provider.

**Impact Analysis:** TNB's entry as a broadband service provider would encourage other companies such as TIME dotcom and Axiata to invest more resources in its network. This will hopefully drive down wholesale and retail broadband prices.

### **Extreme Broadband [Launches](#) Second Internet Exchange**

Extreme Broadband, a licensed ISP, launched the Johor Bahru Internet Exchange to provide peering services for all types of businesses, including ISPs and non-ISPs from Malaysia and abroad.

- It expects to facilitate peering for organisations in the education and financial sector, OTT content providers, hosting companies, and others.

### Myanmar [Urged](#) to Let Data Flow Freely

Govt officials and industry representatives have recently urged the govt to adopt cybersecurity policies that not only offer strong data protection for citizens but would also enable data to flow freely across borders.

- Participants of a data privacy workshop hosted by Telenor Myanmar discussed how govt, business, and consumers in Myanmar could benefit from a modern comprehensive data protection and cybersecurity regulatory framework.
- Industry speakers highlighted the need for Myanmar to develop a comprehensive people-centred cybersecurity framework, including an effective and modern data protection law. They also argued that allowing data to flow freely across borders will benefit govts, traditional and digital industries, and boost economic growth and innovation.

### Facebook's Accountability [Comes](#) Into Light in Myanmar

UN investigators have published a [report](#) calling for a number of senior military figures, including the head of the armed forces, to be prosecuted by the International Criminal Court. The report highlights the role of soldiers in murdering, torturing, and raping members of the Rohingya minority as part of a widespread and systematic attack on a civilian population.

- The report also highlighted the role of social media – namely the lack of action taken by Facebook – in the spread of fear and hate leading to real-world discrimination and violence.

**Impact Analysis:** For years, influential spokespeople in Myanmar have posted hateful anti-Muslim content on Facebook and, in some cases, explicitly call for violence. Facebook was [slow](#) to act against hateful content on its platform, leading to escalating violence against the Rohingya minority. Thus far, the UN report has led to Facebook banning 20 organisations and individuals in Myanmar, including the [head of the armed forces](#), in an effort to stop the spread of hate and misinformation. But the move may be “too little, too late”, as some are calling for the tech giant to be [condemned](#) alongside the war criminals using it as a publishing platform. Beyond Myanmar’s delicate situation, this episode raises a number of [questions](#) on tech companies’ liability and accountability for the content their users disseminate. These questions are set to linger as social platforms continue to grow in popularity in nascent digital societies.

### ComCom [Retains](#) National Mobile Roaming Regulating Powers

The commission has decided not to look into whether it should deregulate its mobile roaming regulating powers, but to continue maintaining them. 2degrees, Spark, and Vodafone are required to offer wholesale network access to any new mobile network operator. By law, ComCom is required to ponder deregulating certain services once every five years.

✎ **Impact Analysis:** Even in a technologically rapid changing market such as the mobile sector, the power of mobile roaming regulation is an essential power that a regulator should maintain and not relinquish.

### ComCom [Issues](#) Call for Views on Mobile Market Performance

ComCom has published an issues paper outlining its initial assessment of how the mobile market is fairing. Views on any current or potential issues, such as technology changes that may prevent the market from providing the intended benefits to consumers, are welcome until 12 Oct.

- One point of focus will be on why MVNOs in New Zealand have not fared as well as their counterparts in other competitive markets.

✎ **Impact Analysis:** The call for submissions on how the mobile market in New Zealand is changing is an important tool for the regulator; to assess its own position and to be open to new potential conflicts. No one is quite certain how 5G will in actuality impact consumers and operators.

### Budget 2018 Information [Release](#) for Communications and Digital Media Portfolio

The Treasury has released documents related to the Budget 2018 and the Broadcasting, Communications and Digital Media portfolio.

- There is also an information [release](#) for the Research, Science, and Innovation portfolio and [one](#) for the Govt Digital Services portfolio.

### Govt Addresses Information Act [Request](#) on Cybersecurity

Among the answers provided were that no cyberattacks were reported in the last two years – so very little information was given out.

### InternetNZ at [Odds](#) with Five Eyes Ministerial Statements

InternetNZ says the [recommendations](#) made by the Five Eyes countries would hurt cybersecurity, not improve it, by breaking “end-to-end encryption”. InternetNZ is calling for a wider discussion of solutions to protect New Zealanders online.

- InternetNZ has put out two discussion papers, “Encryption: what it is and why it’s important” and “Encryption: ways forward that protect the Internet’s potential”.

### **NBP [Pushes](#) Forward with Digitalisation Plans**

The National Bank of Pakistan (NBP) signed two MoUs with Mobi Direct, to provide digital products and services to its consumers, and ultimately achieve complete e-governance.

- NBP will use Mobi Direct's services including the payment processing and transaction switching infrastructure; and an online payment gateway to promote branchless banking across the country.
- NBP will act as a settlement bank for Mobi Direct's digital payment system and for all its consortium members and stake holders.
- NBP is digitising the fee and payments process of several provincial and federal departments.

### **Govt in [Touch](#) with Twitter**

Official contact between the Govt and Twitter has been established through the PTA. Talks will be centred around the govt's request for removal of objectionable content from Twitter. This is encouraging, given there was a [threat](#) that Twitter may be banned in the country for not responding to govt requests.

- In the past, Facebook and YouTube have been banned in the country, the latter for over two years.

### SEC **Drafting** Virtual Currency Exchange Rules

The Securities and Exchange Commission (SEC) is drafting new guidelines on virtual currency exchanges, which includes proposing joint oversight with the Bangko Sentral ng Pilipinas (BSP) and rules on how they can operate as trading platforms.

- The new rules are set for public consultation in Sep and are targeted to be finalised by year end, will coincide with the release with the commission's rules for initial coin offerings and crowdfunding.
- The SEC also [supports](#) the BSP's plan to issue its own e-peso digital currency which is currently still under study and discussions with related agencies.

**Impact Analysis:** While a central bank backed digital currency may provide users better assurance that the currency can be used for legal tender, the large number of existing and upcoming digital currencies may lead to an increasingly fragmented market and inadvertently create more complexities and discourage regular use.

### DICT **Seeking** UNDP, Foreign Firms Assistance for Free Wi-Fi

The lack of govt capacity and business interest from local telcos has led the DICT to request assistance from the United Nations Development Program (UNDP) to help bring in foreign firms to help invest and rollout infrastructure for local Wi-Fi services as part of its National Free Wi-Fi Network.

### DICT Under Pressure to **Regulate** Fake News, Implement NBP

House ICT Chair Victor Yap has called on the DICT to better address complaints on the spread of fake news in the country, citing the lack of a policy by the DICT to combat the issue.

- Yap did cite the lack of budget and human capacity of the department which was created two years ago.
- He also urged the DICT to expedite the implementation of the National Broadband Program (NBP), such as by pushing through the Open Access Bill.

### MAS to **Tighten** Rules on Cybersecurity

MAS has issued a public consultation on six cybersecurity measures for financial institutions (FIs) and have plans to raise them into legally binding requirements.

- The six cybersecurity measures are to:
  1. Address system security flaws in a timely manner;
  2. Establish and implement robust security for systems;
  3. Deploy security devices to secure system connections;
  4. Install anti-virus software to mitigate the risk of malware infection;
  5. Restrict the use of system administrator accounts that can modify system configurations; and
  6. Strengthen user authentication for system administrator accounts on critical systems.
- The public consultation on the proposed measures will be open for feedback to 5 Oct.

### AISG Launches Two **New** Initiatives

AISG has partnered with IMDA to launch two new initiatives to strengthen local proficiency in AI and to develop AI talent for Singapore.

- The two new programs, titled AI for Everyone (AI4E) and AI for Industry (AI4I), are part of IMDA's TechSkills Accelerator (TeSA) initiative, which aims to develop skilled tech professionals in the AI space with the focus on educating Singaporeans about AI.
- AI4E program is an introduction on the use of AI technology, targeting at 10,000 Singaporeans ranging from secondary students to working adults.
- AI4I targets for 2,000 industry professionals with basic AI competency and on the application of AI technology so as to enhance their competitiveness in a digital economy.

### President Moon **Pledged** Greater Support for Data Industry

In a meeting with 120 officials and representatives from the data industry, President Moon vowed more govt support, starting with the quick removal of excessive govt regulations and an investment of KRW1tn (USD891m) into the data industry next year. President Moon emphasized the importance the data industry played in determining the country's future growth.

- President Moon also underscored the gravity of increased personal privacy protection amidst this drive to develop the data industry. He believes a clearly defined concept of personal information is critical to balance protection and utilization.

**Impact Analysis:** While principled, the success of President Moon's drive to develop South Korea's data industry, is largely contingent on the country's ability to agree upon and enforce the clearly defined concept of personal information. Otherwise, serious privacy and security issues could result, affecting the reputation of the country's data industry.

### First Tranche of FSC-MSS' Investment Fund **Released**

The first portion, USD2.8bn, of a USD9bn investment fund controlled by the Financial Services Commission (FSC) and the Ministry of SMEs and Start-ups (MSS), has been allocated. The fund, aimed at boosting startups in growth areas like drone technology, AI, and fintech, will release another USD3.3bn each in the next two years.

- While the fund is comparatively smaller than neighbouring countries China and Japan's, this willingness by the govt to invest in startups and SMEs could encourage stronger investments by Korean chaebols like Samsung and Hyundai who have deeper pockets for investment.
- For the first time in the history of South Korean govt funds, private fund managers, rather than bureaucrats, assess the potential of startups.
- While a promising development, the govt has been criticised for its choice of growth areas being limited to those of Samsung.

**Impact Analysis:** If an intention of the investment fund is to further entice private sector investment into SMEs and start-ups, then the govt's choice of growth areas being too similar to that of companies like Samsung is not necessarily unfavourable.

### Govt **Training** Future Blockchain Experts

The Ministry of Science, Technology and Communication (MoST) began its first-ever training of 42 students at the Walton Blockchain Institute in Seoul. This is part of the govt's USD90m investment to develop blockchain technology experts.

- Upon completion of training, the skills of these students are likely to be tested at cryptocurrency/blockchain firms.

**Impact Analysis:** The govt has often been criticised for being unresponsive to the market, especially with the recent restrictions on cryptocurrency. Perhaps it is more accurate to view the govt as taking a measured approach to the development of blockchain technology as it seeks to first institutionalise its knowledge on it.

### Blockchain Project Budget to **Double** in 2019

The Korea Internet Development Agency announced that it would invest at least KRW10b (USD8.9m) into the Blockchain Public Demonstration Project next year to revitalise the domestic blockchain market. Total investment in 2018 is thus far KRW4.8b (USD4.3m).

- In 2019 the number of selected public projects will increase from six to 12, and for the first time, three to four private-led projects will be chosen as well.
- At present, the blockchain projects have been carried out by the Ministry of Agriculture, Food and Rural Affairs; the Ministry of Land, Transport and Maritime; the Ministry of Foreign Affairs; and the Ministry of Maritime Affairs and Fisheries.

### Google Korea Under [Investigation](#) for Unfair Practice

Google Korea has been accused of compelling local game companies to release their games solely on the Google Play store. Google Korea has denied this allegation.

- The Fair Trade Commission (FTC) first interviewed local game developers and distributors in Apr. More recently, the FTC had been conducting on-site inquiries, for three weeks subsequent weeks, which industry sources say is an unusually long time.
- This is not the first time Google is accused of unfair business practices. In Jul, the European Union's Competition Commission fined Google USD5.1b for insisting that mobile manufacturers install the Google search engine and Chrome web browser on all Android devices.

### New 5G Policy Council to [Discuss](#) Direction of Telecom Policy

The Ministry of Science and ICT announced that it will organise a “5G Communication Policy Council” to deliberate on the direction of future telecommunication policy. The council, consisting of 10 industry experts, 13 academics, three representatives from civil society and two govt representatives; will convene monthly until Mar 2019. It is envisioned that the council will be a forum to examine critical issues like fair competition in the face of a changing market environment.

- Two subcommittees will also be established. The first will focus on issues like policy neutrality, zero rating, and network utilization, while the second will consider issues like number resource management and entry regulation.

### LG Uplus Urged to [Boycott](#) Huawei in 5G Network

There has been a significant amount of concern raised over LG Uplus' consideration of China's Huawei as a vendor for the building of the former's 5G network in South Korea. Hundreds of South Koreans have petitioned against having Huawei partake in their country's 5G network rollout. Some have threatened to avoid LG products if the partnership with Huawei proceeds.

- LG officials have maintained that Huawei, with its quality equipment and competitive pricing, remains a convincing candidate. However, industry sources believe it is unlikely that major 5G equipment by Huawei would be adopted. Huawei's reputation has since took a further hit when it was recently found to have cheated on benchmark tests.
- Huawei's ties to the Chinese govt, exacerbated by the fact that it is headed by Ren Zhengfei, a former engineer of the Chinese People's Liberation Army, has also been a point of concern for countries like the United States, the United Kingdom, and Australia.

 **Impact Analysis:** Seemingly credible security concerns about Huawei have been increasingly shared by other countries. It is interesting that LG Uplus has continued to maintain its consideration of Huawei, especially in the face of considerable public opposition. It would be valuable to examine possible reasons for LG Uplus' confidence in Huawei. It is unlikely that LG Uplus would unduly risk its reputation over serious concerns like security.

**NCC [Issues](#) Green Paper on Communication Policy**

The objective of the [green paper](#) is to solicit inputs on the governance structure and regulatory framework on communication policies in light of technological convergence. The scopes of the consultation not only cover radio, terrestrial and cable TV services, but also IPTV, OTT TV operators, and offshore content developers. The consultation period will end on 31 Oct.

- As IPTV and OTT TV operators are not currently regulated and do not require a license to deliver media content, a key focus of the consultation is to seek industry views on the appropriate regulatory approach that can create a level playing field, whilst enhancing service innovation for the broadcasting industry.
- NCC also requests stakeholders to provide feedback on regulations governing vertical market integration, ownership concentration measures, current licensing regime, channel reselling, and program access rules.

**Qualcomm to [Set up](#) Manufacturing and Operation Centre in Taiwan**

Qualcomm plans to open an Operation, Manufacturing, Engineering, and Testing (COMET) Centre in 2019, as part of its commitment to invest USD700m in Taiwan over the next five years. This move is also to boost wireless communications development. Other areas of partnership will focus on market expansion, startup, and university collaborations.

- The company and Taiwan's FTC reached a resolution on 10 Aug over an antitrust dispute where FTC drastically reduces the fine from TWD23.4bn (USD0.76bn) to TWD2.73bn (USD88.63m).

### Thailand [Announces](#) Second Round of Public Consultation for Personal Data Protection Bill

Thailand has released another draft of its Personal Data Protection Bill for public consultation until 20 Sep.

- As per the Bill, the data controller will be responsible for getting consent from the data owner for collection and use of personal information (Section/Article 21), and for complying with any requests from the data owner to gain access to a copy of their personal information (Section/Article 30).
- For transfer of data outside Thailand, the Bill states that destination countries or international organisations to which data is transferred, must have in place adequate privacy standards (Section/Article 28).
- A Data Protection Officer must be appointed. This person will be responsible for giving advice to personal information supervisors or personal information processors, verifying the operations of the data controller or processor, and ensuring compliance with the Act (Section/Article 40-41).

### ETDA [Bolsters](#) Cybersecurity Initiatives

ETDA has signed an agreement with the Ministry of Justice to create cybersecurity awareness, promote and maintain cybersecurity standards, and effectively respond to cyber threats.

- The ETDA has also [signed](#) an MoU with Cisco on Cybersecurity Cooperation, which will provide skills and training to security professionals and personnel of the Thailand Computer Emergency Response Team (ThaiCERT), the cyber-threat enforcement agency under the ETDA. This partnership aims to enhance training and knowledge sharing to pro-actively tackle cyber-threats.

**Impact Analysis:** A cybersecurity law is also currently pending Cabinet approval, and will see the formation of a National Cybersecurity Agency, which will [serve](#) as the communication centre and data hub for cybersecurity in Thailand. It is yet to be determined how these different agencies will work in conjunction with each other and whether their roles and responsibilities will overlap.

### TOT to Roll-out Fixed Wireless Broadband by Dec

State-owned operator, TOT, announced plans to offer affordable fixed wireless residential broadband service in Bangkok on the 2300MHz spectrum range for customers to access Internet via a connecting device called TOT 4G hotspot.

- Earlier in Apr, TOT partnered with DTAC (through subsidiary DTAC TriNet Co) to jointly provide 4G wireless services on TOT's 2300MHz spectrum range. In Jan, TOT also signed an agreement with AIS to provide 3G services on TOT's 2100MHz spectrum frequency. By Q3 2019, TOT plans to integrate the services on the two spectrum bands to provide wireless broadband access through a single sim card.

### **Vietnam [Discusses Open Data](#)**

In a recently-released report, the Vietnam Institute of Policy Studies and Media Development has recommended that six national data systems should be prioritised for Open Data policies: national database on inhabitants; land; business registration; general database on population; and finance and insurance.

### **AAG Cable [Breakdown](#)**

The Asia America Gateway (AAG) cable broke down on 23 Aug, the fourth time in 2018, due to a power leakage approximately 250km offshore from Vietnam's Vung Tau. Repairs are ongoing.



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