



September 14, 2022

**HON. MARK AGUILAR VILLAR**

Chairperson, Committee on Trade Commerce and Entrepreneurship  
Senate of the Republic of the Philippines

Dear Senator Villar:

We convey our warmest greetings to the House Committee on Trade and Industry on behalf of the Joint Foreign Chamber (JFC) composed of the American Chamber of Commerce of the Philippines (AmCham), the Canadian Chamber of Commerce of the Philippines (CanCham), the Japanese Chamber of Commerce and Industry of the Philippines (JCCIP), and The Korean Chamber of Commerce of the Philippines (KCCP).

The chambers above mentioned writes in relation to the proposed Internet Transactions Act. We share the objectives of the current administration to build consumer confidence in the digital economy. It is to the interest of the industry and of the consuming public, that we formulate safeguards to make online commerce safe and viable for both consumers and merchants.

However, we submit the following comments on the proposed legislation for the consideration of the Committee:

***A. Adopt international best practices***

Over regulation puts the Philippines out of step with global regulatory norms and standards that have allowed e-Commerce Platforms to flourish in many markets. Imposing overly rigid and onerous regulations in the Philippines--where e-commerce is still in its relative infancy--may actually prevent the progress that the proposed law intends to stimulate in the sector.

***B. Encourage private sector participation in the crafting of e-commerce regulation***

To ensure that any e-commerce regulation do not pose as a barrier to entry and innovation, we encourage the involvement of the private sector in the crafting of the same. We recommend the participation of industry participants who are more familiar



with the terrain and can respond to technological changes much quicker than legal regulation.

### ***C. Need to balance protection of consumers vs. promotion of e-commerce***

The JFC believes that any law to be crafted should aim not only to improve consumer protection, but also to unlock the vast potential of Philippine e-Commerce. We all acknowledge that the sector's growth remains sluggish in contrast to its regional neighbors. However, this is a challenge that could in fact worsen if any regulation proposed will fundamentally undercut the open, rapidly evolving nature of the internet. We recommend that the regulatory framework not be crafted in due haste and be carefully tailored without inadvertently hindering the growth of the digital economy, or stifling innovation in new solutions and technology. Both companies and individuals have benefitted from the safety, ease and convenience provided by online businesses especially during the pandemic. Jobs and businesses were also enabled by e-commerce. Without carefully balancing equally important interests, we run the risk of sacrificing one for the other.

There are provisions in the bills that could unintentionally impair the growth of the Philippine e-commerce market - a result that is the exact opposite of the legislation's larger goal. Imposing additional burdens or liabilities on platforms will not only increase their cost that will ultimately be passed on to consumers but also poses as disincentives to new industry participants.

### ***D. Avoid regulatory ambiguity***

Any law should define covered entities to prevent ambiguities in regulatory scope and enforcement. It must consider the industry realities on the ground, especially the fact that full-fledged e-Commerce Platforms have different user models from participative networked platforms that are principally engaged in social networking, but offer ancillary services that support e-Commerce.

To illustrate, full-fledged e-Commerce Platforms may have more control in onboarding sellers than other non-conventional online platforms, because the former are engaged principally in the business of e-Commerce.



In closing, we hope that Committee will truly consider the noted concerns of the Private Sector. It is important at this critical time to have laws and regulations on e-Commerce that are fair and balanced to meet the needs of all parties participating in the e-Commerce Sector. Lastly, we thank you for your consideration on this matter.

Sincerely,

Frank Thiel  
President  
American Chamber of Commerce  
Commerce of the Philippines

Keichi Matsunaga  
President  
Japanese Chamber of Commerce  
and Industry of the Philippines

Hoik Lee  
President  
Korean Chamber of  
Philippines

Julian Payne  
President  
Canadian Chamber of Commerce  
Of the Philippines