



PHILIPPINE E-COMMERCE ROADMAP

2016-2020

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Philippine E-Commerce Roadmap 2016-2020

Prepared by the
Sector Planning Bureau/E-Commerce Office
Department of Trade and Industry

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Ms. Janette C. Toral, Owner, DigitalFilipino.com, who generously shared her time, knowledge and passion as consultant;

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Colleagues from other government agencies.

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We look forward to your continued commitment and support as we implement the Philippine E-Commerce Roadmap 2016-2020.

EXECUTIVE SUMMARY

The Philippine E-Commerce Roadmap highlights the important role of e-commerce in economic development and presents the trends in e-commerce development globally, within the Asia-Pacific region, and within ASEAN. It likewise presents the state of e-commerce adoption in the Philippines vis-a-vis other countries. The comparative data presented imply that the Philippines is missing out on a lot of opportunities brought about by e-commerce. While a lot of opportunities exists, there are challenges that the country still has to face to be able to maximize the benefits of e-commerce.

The Philippine E-Commerce Roadmap 2016-2020 addresses a number of issues in the e-commerce ecosystem that requires collective effort of the various stakeholders towards the realization of the goals outlined in the roadmap.

The recommendations in this roadmap have been classified according to the six (6) I's or the key areas highlighted in the APEC Digital Prosperity Checklist. These key areas are as follows:

1. Infrastructure: The need for an appropriate supply chain, communications, and applications infrastructure;
2. Investment: The ability to promote and support a range of investment opportunities from Foreign Direct Investments to capital flows;
3. Innovation: The ability to foster and support innovation, including the ability to protect innovation and investment in research and development;
4. Intellectual Capital: The ability to foster the appropriate skills and training from technological to linguistic to entrepreneurship;
5. Information Flows: The ability to use, transfer, and process information – the currency of the digital economy – while promoting privacy and a trusted Internet environment; and
6. Integration: The ability to connect domestic industries with the global economy.

The need for appropriate infrastructure is critical in order to promote the widespread adoption of e-commerce in the country. A fast, reliable, and affordable internet service that is accessible by citizens even in the rural areas is a basic requirement that government needs to address. The section on infrastructure also includes recommendations concerning systems and applications that support e-commerce such as e-banking, e-payment, logistics, including the provision of an Online Dispute Resolution system to address consumer complaints. It highlights the need to address the tax system to make it easier for online sellers and freelancers to comply with the tax regulations of the government. More government agencies should be able to provide full online services to the business sector and the citizens.

A number of big e-commerce players from other countries have been inquiring on how they can do business here in the Philippines. Different regulations may apply for specific types of e-commerce businesses. There may be a need to amend existing legislations and regulations to attract more investments in e-commerce.

Filipinos are known for their innovative ideas and the section on innovation deals mostly with digital startups. It is important to nurture these digital startups from the development stage up to the point when their innovations will become commercially viable and rolled-out within the country.

To foster the growth of e-commerce, information should be allowed to flow freely within and across borders. Both the government and the private sector must ensure that information, particularly personal information, must not be compromised.

E-commerce enables domestic industries and enterprises to integrate into global value chains and to directly access the global market. E-commerce is an equalizer as it will enable even micro, small and medium enterprises (MSMEs) to directly penetrate the global market.

The Philippine E-Commerce Roadmap 2016-2020 is not a standalone roadmap as it will be supported by other major initiatives of the government such as: the formulation of the National Broadband Plan led by the ICT Office under the Department of Science and Technology, and the National Retail Payment System project led by the Bangko Sentral ng Pilipinas. In turn, it will support other initiatives such as the implementation of iGovPhilippines, the Philippine Roadmap for Digital Startups, and the APEC Boracay Action Agenda to Globalize MSMEs.

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CHAPTER 1: INTRODUCTION

E-commerce is increasingly being viewed as a great equalizer, offering boundless opportunities and possibilities, without discrimination, in the digital economy.

The need for a roadmap to guide the Philippines in developing e-commerce and harnessing the opportunities that e-commerce brings was expressed by Senator Paolo Benigno “Bam” A. Aquino IV, Chairman of the Senate Committee on Trade, Commerce and Entrepreneurship, at the 27 August 2014 Senate hearing on the development of a national industry strategy roadmap for e-commerce.

Putting into motion the Senator’s call, the Department of Trade and Industry (DTI) organized the “Strategic Conversations on E-Commerce” on 15 December 2014 to launch the formulation of the first Philippine E-Commerce Roadmap to cover the succeeding years until 2020.

The development of the Philippine E-Commerce Roadmap 2016-2020 is similar to the roadmapping activity that the DTI has been undertaking with various stakeholders under the Industry Development Project¹ wherein stakeholders have become active and valued partners, whose inputs are integral in the development of sound, balanced, responsive and relevant policies and programs to spur inclusive growth.

DTI, with the help of Ms. Janette C. Toral, the “mother” of the Electronic Commerce Act and a staunch e-commerce advocate, conducted face-to-face and online consultations² with stakeholders³ across the country.

The roadmap highlights the important role of e-commerce in economic development and presents the trends in e-commerce development globally, within the Asia-Pacific region, and within ASEAN. It presents the state of e-commerce adoption in the Philippines vis-a-vis other countries. The comparative data presented imply that the Philippines is missing out on a lot of opportunities brought about by e-commerce. While a lot of opportunities exists, there are challenges that the country still has to face to be able to maximize the benefits of e-commerce.

The roadmap addresses a number of issues in the e-commerce ecosystem that requires collective effort of the various stakeholders towards the realization of the goals outlined in the roadmap. It sets the direction, lays down the strategies and plots the policy and industry support measures for e-commerce to further grow within the next six (6) years to contribute 25% of the Philippines’ Gross Domestic Product (GDP) by 2020, from 10% of GDP in 2015 based on the data generated by i-Metrics Asia Pacific Corporation.

The recommendations in this roadmap have been classified according to the six (6) I’s or the key areas highlighted in the APEC Digital Prosperity Checklist⁴: Infrastructure, Investment, Innovation, Intellectual Capital, Information Flows and Integration.

¹ Formulated to revitalize and reinvigorate Philippine manufacturing under the Manufacturing Resurgence Program

² Please refer to Annex A for the Summary of Meetings and Consultations Conducted

³ Please refer to Annex B for the List of Consultation Participants

The roadmap is not a standalone document. It will be supported and complemented by other major initiatives of the government such as: the formulation of the National Broadband Plan led by the Information and Communications Technology Office under the Department of Science and Technology, and the National Retail Payment System project led by the Bangko Sentral ng Pilipinas. In turn, it will support other initiatives such as the implementation of iGovPhilippines, the Philippine Roadmap for Digital Startups, and the APEC Boracay Action Agenda to Globalize MSMEs.

⁴ Endorsed during the 2008 APEC Ministerial Meeting in Lima, Peru

CHAPTER 2: GLOBAL AND REGIONAL PERSPECTIVES: TRENDS, GOALS, AND TARGETS

A. Global Perspective

E-commerce has seen a rapid pace of growth worldwide in both developed and developing countries. With increasing internet penetration and use of personal computers and mobile devices, more and more consumers now have the opportunity to purchase goods and services they want online. In terms of the projected sales for 2015,⁵China remains the biggest e-commerce market (US\$562.66B) followed by the United States of America (US\$349.06B) and the United Kingdom (US\$93.89B).

Figure 1. World's Key Digital Statistical Indicators



In a study conducted by Nielsen, non-consumable products such as clothing, airline ticket, hotel reservations and event tickets are the most prominent categories.⁶ For some products like electronic devices, sporting goods and even vehicles, consumers still prefer to purchase them in a brick-and-mortar setting rather than online since some of these products require physical inspection and in-store trial. However, more consumers often use the internet to compare prices and technical specifications and read the reviews of other people before deciding which specific product to buy.

The contribution of e-commerce to economic development is now widely recognized. It may be for this reason that recently concluded trade agreements and those that are currently on the negotiating table have devoted a separate chapter on e-commerce. As countries push for cross-

⁵ – Keith, M. (2015, September 2). Global E-commerce Sales, Trends and Statistics 2015. Retrieved October 26, 2015, from <http://www.remarkety.com/global-ecommerce-sales-trends-and-statistics-2015>

⁶ – Nielsen Holdings N.V (2015, August). E-commerce - Evolution or Revolution in the Fast-Moving Consumer Goods World (August 2014). Retrieved October 26, 2015, from http://ir.nielsen.com/files/doc_financials/Nielsen-Global-E-commerce-Report-August-2014.pdf

border e-commerce, discussions in international engagements are focused on the development of a harmonized legal framework for e-commerce.

B. Asia-Pacific Perspective

Asia-Pacific is expected to become the leading region for e-commerce sales globally in 2015, representing 33.4% of the total retail sales, compared with 31.7% in North America and 24.6% in Western Europe.⁷

According to the International Telecommunications Union (ITU), more than 36.9% of individuals and 39% of households in the Asia-Pacific region have internet access in 2015 with a 42.3% mobile broadband penetration rate.⁸

With the global spread of internet access to 40% of the world's population⁹, e-commerce has brought new ways on how commodities and services are being purchased, sold and advertised. Business-to-consumer (B2C) e-commerce sales in the Asia-Pacific region broke the US\$1 trillion mark in 2012. By the end of 2015, the Asia-Pacific region will become the largest regional e-commerce market in the world, with consumers projected to outspend their North American counterparts by US\$40 billion and account for more than 45% of all online buyers worldwide.¹⁰

Table 1. B2C E-Commerce Sales Worldwide by Region, (values in billion US\$)

Region	2012	2013	2014	2015	2016	2017
Asia-Pacific	301.2	383.9	525.2	681.2	855.7	1,052.9
North America	379.8	431.0	482.6	538.3	579.9	660.4
Western Europe	277.5	312.0	347.4	382.7	414.2	445.0
Central & Eastern Europe	41.5	49.5	58.0	64.4	68.9	73.1
Latin America	37.6	48.1	57.7	64.9	70.6	74.6
Middle East & Africa	37.6	48.1	57.7	64.9	70.6	74.6
Worldwide	1,058.2	1,251.4	1,504.6	1,771.0	2,052.7	2,357.4

Source: E-Commerce Across Asia - Trends and Developments 2014 - Asia Briefing, pg. 4

Understanding consumer demographics and spending habits is quickly becoming the key to identifying strategic growth markets. While reliable statistics on online shoppers in the Asia-Pacific region are still limited, analysts suggest they closely resemble their European and North American counterparts who come from the middle class and between the ages of 25 and 64.¹¹

Existing rules and regulations on the entry of foreign investments in e-commerce activities in some countries are considered as major deterrents to the expansion of e-commerce in the region. Some of the most promising markets for foreign investment in e-commerce remain off-limits to foreign companies, such as in India. Some may even feature significant barriers to

⁷ – Demandware and Singapore (2015). Developing eCommerce Market Entry Strategies in Asia-Pacific – Advisory Report 2015. Retrieved October 26, 2015, from http://www.demandware.fr/uploads/resources/Whitepaper_MarketEntryAsia_ENG.pdf

⁸ – International Telecommunication Union. (2015, May 1). ICT Facts and Figures. Retrieved October 26, 2015, from <http://www.itu.int/en/ITU-D/Statistics/Documents/facts/ICTFactsFigures2015.pdf>

⁹ – Retrieved from: <http://www.internetlivestats.com/internet-users/>

¹⁰ – Asia Briefing/Dezan Shira & Associates (2014, May 9). E-commerce Across Asia: Trends and Developments 2014. Retrieved October 26, 2015, from <http://www.physeon.eu/wp-content/uploads/2013/01/E-commerce-across-asia-trends-developments-2014.pdf>

¹¹ – Asia Briefing/Dezan Shira & Associates (2014, May 9). E-commerce Across Asia: Trends and Developments 2014. Retrieved October 26, 2015, from <http://www.physeon.eu/wp-content/uploads/2013/01/E-commerce-across-asia-trends-developments-2014.pdf>

market entry such as the requirement that companies establish a physical retail shop before establishing an online store, as in China. Consideration of these limitations and barriers is critical when evaluating opportunities for investment in e-commerce worldwide.¹²

In terms of social media usage in the region, Facebook remains on top followed by Twitter.¹³

Modes of payment still vary country by country in the region. In a study conducted by MasterCard, 53% of respondents voted that credit card is their most preferred mode of payment.¹⁴ However, credit card penetration remains low in some countries like Indonesia and Thailand which primarily pay through cash.¹⁵

Table 2. Most Preferred Form of Online Payment Method in Asia-Pacific

Country	Credit Card	Debit Card	Electronic Transfers	Others
Australia	52	24	3	19
China	25	35	32	7
Hong Kong	66	20	7	5
India	60	24	2	4
Japan	70	17	5	6
Korea	49	28	5	16
Singapore	63	26	8	2
Thailand	41	46	7	4
Asia/Pacific	53	27	9	8

Source: Online Shopping in Asia-Pacific - Patterns, Trends and Future Growth MasterCard Worldwide, pg. 7

C. ASEAN Perspective

Though e-commerce remains underdeveloped in Southeast Asia, it saw continuous growth especially in countries like Singapore, the Philippines, Malaysia and Indonesia. A study by Matthew Zito, Dezan Shira & Associates stated that: “Payment systems are by far the most common impediment to e-commerce growth across all four markets, primarily owing to underdeveloped credit and debit card use typical of Asia more widely. The next most prevalent obstacle is internet access, which may be broken down into basic access and internet speed. While the former is spreading to every corner of ASEAN via low-priced smartphones, the latter has some catching up to do before the e-commerce market can reach its full potential. The timely removal of these obstacles will strongly determine the future of the industry in ASEAN.”¹⁶

With the significant increase in the purchasing power and the growth in gross domestic product (GDP) per capita in ASEAN since the late 1970s, income growth has remained strong since 2000, with average annual real gains of more than 5%.¹⁷ The region had 199 million internet users

¹² – Asia Briefing/DezanShira& Associates (2014, May 9). E-commerceAcross Asia: Trends and Developments 2014. Retrieved October 26, 2015, from <http://www.physeon.eu/wp-content/uploads/2013/01/E-commerce-across-asia-trends-developments-2014.pdf>

¹³ – Waggener Edstrom Communications (WE). (2014, February 5). Content Matters: The Impact of Brand Storytelling Online In 2014. Retrieved October 26, 2015, from <http://www.socialsamosa.com/2014/02/impact-brand-storytelling-2014/>

¹⁴ –Master Card Worldwide. (2008). Online Shopping in Asia/Pacific – Patterns, Trends and Future Growth. Retrieved October 26, 2015, from https://www.mastercard.com/us/company/en/insights/pdfs/2008/Asia_Pacific_Online_Shop.pdf

¹⁵ – Ibid

¹⁶ – Asia Briefing/DezanShira& Associates (2014, May 9). E-commerceAcross Asia: Trends and Developments 2014. Retrieved October 26, 2015, from <http://www.physeon.eu/wp-content/uploads/2013/01/E-commerce-across-asia-trends-developments-2014.pdf>

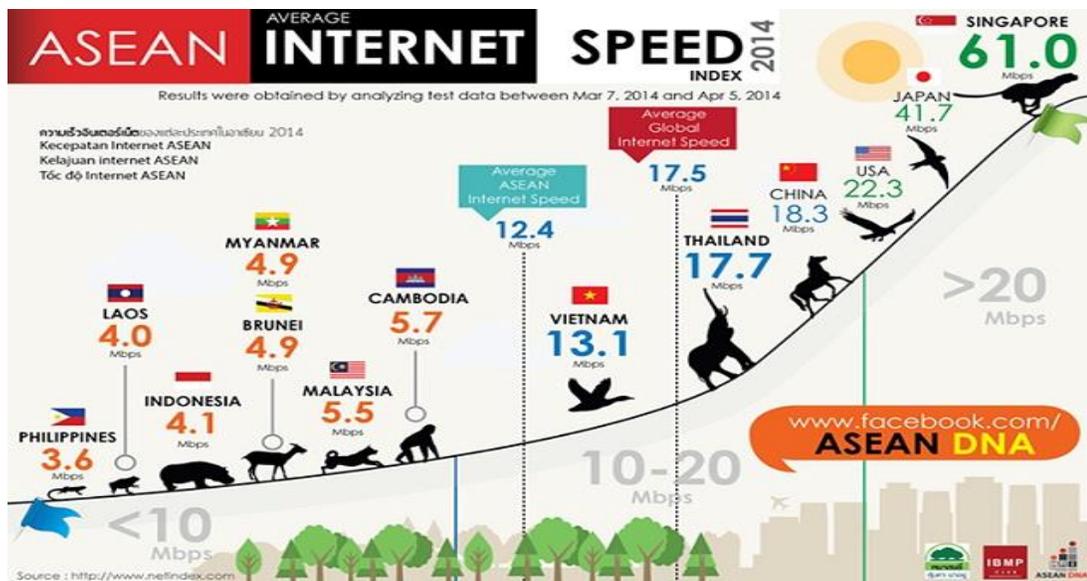
¹⁷ – Vinayak HV, Thompson, F., &Tonby, O. (2014, May). Understanding ASEAN: Seven things you need to know. Retrieved October 26, 2015, from http://www.mckinsey.com/insights/public_sector/understanding_asean_seven_things_you_need_to_know

(32% penetration) in 2014. This figure is expected to rise to 294 million (48% penetration) within three (3) years.¹⁸ The ASEAN is also leading the world in terms of social media use.¹⁹

Despite the millions of users and increasing internet penetration, most people in the region still prefer shopping in brick and mortar than online. Less than one of six consumers from the region purchase online²⁰ which is due to the fact that shopping in malls has become part of the routine of consumers.

Improvements on internet infrastructure should also be considered in order to maximize the potential of e-commerce in Southeast Asia. The speed of internet in ASEAN is relatively low compared to other regions but is surprisingly more expensive. The Philippines lags behind other ASEAN countries in terms of internet speed with an average of 3.6 Mbps while Singapore has 61 Mbps outspeeding even the USA (22.3 Mbps) and Japan (41.7 Mbps).

Figure 2. ASEAN Average Internet Speed Index 2014



Source: <http://www.aseanbriefing.com/news/2014/04/24/internet-speeds-across-asean.html>

In terms of laws and regulations, ASEAN countries have individual legislations governing e-commerce but there are no laws that oversee cross-border trading and other regional e-commerce activities. Harmonizing these individual laws will promote growth, competitiveness and safeguard the areas of e-transactions, consumer protection, data protection and privacy, cybercrime, content regulation, domain names and dispute resolution, as well as cloud computing policy.²¹

¹⁸ – UBS. (2014, June 13). ASEAN eCommerce - Is ASEAN at an inflection point for eCommerce? Retrieved October 26, 2015, from <http://simontorring.com/wp-content/uploads/UBS-report-2014.pdf>

¹⁹ – Overview of E-commerce in Southeast Asia. (2015, May 5). Retrieved October 26, 2015, from <http://aseanup.com/overview-of-e-commerce-in-southeast-asia/>

²⁰ – Olsen, G., Chua, S., Gergele, O., & Bartolucci, F. (2015). Lifting the Barriers to E-commerce in ASEAN. Retrieved October 26, 2015, from [https://www.atkearney.com/documents/10192/5540871/Lifting the Barriers to E-commerce in ASEAN.pdf/d977df60-3a86-42a6-8d19-1efd92010d52](https://www.atkearney.com/documents/10192/5540871/Lifting%20the%20Barriers%20to%20E-commerce%20in%20ASEAN.pdf/d977df60-3a86-42a6-8d19-1efd92010d52)

²¹ – Review of E-commerce Legislation Harmonization in the Association of Southeast Asian Nations. (2013, August). Retrieved October 26, 2015, from http://unctad.org/en/PublicationsLibrary/dt1stict2013d1_en.pdf

Table 3. Status of E-Commerce Law Harmonization in ASEAN as of March 2013

Country	e-Transactions	Privacy	Cybercrime	Consumer Protection	Content Regulation	Domain Names
Brunei Darussalam	Enacted	None	Enacted	Partial	Enacted	Enacted
Cambodia	Draft	None	Draft	None	Draft	Enacted
Indonesia	Enacted	Partial	Enacted	Partial	Enacted	Enacted
Laos	Enacted	None	None	Draft	Enacted	Partial
Malaysia	Enacted	Enacted	Enacted	Enacted	Enacted	Enacted
Myanmar	Enacted	None	Enacted	Enacted	Enacted	Enacted
Philippines	Enacted	Enacted	Enacted	Enacted	Provisions in some existing laws	Enacted
Singapore	Enacted	Enacted	Enacted	Enacted	Enacted	Enacted
Thailand	Enacted	Partial	Enacted	Enacted	Partial	Partial
Viet Nam	Enacted	Partial	Enacted	Enacted	Enacted	Enacted

Source: Review of E-commerce Legislation Harmonization in the Association of Southeast Asian Nations, pg. xi

CHAPTER 3: PHILIPPINE PERSPECTIVE

A. E-Commerce Environment

The Philippines is currently estimated to have the fastest growing internet population in the world, with recent statistics estimating 530% growth over the past five years. Close behind the Philippines in global rankings are other Asian countries such as Indonesia in second place with 430% growth over the same period, India in fourth place at 230%, and Vietnam in seventh with 82% growth.²²

At US\$1.15 billion in 2013²³, the e-commerce industry is projected to increase at a compound annual growth rate of 101.4% during 2013 to 2018. The B2C e-commerce market is projected to grow at 107.4% during the same period.²⁴ The Philippines, considering its sizeable youth population and a slightly smaller population in the working-age range, is thus well-placed to see an increase in online retail in the near future.

In a study conducted by VISA, nine (9) out of 10 Filipino consumers go online to shop at least once a month.²⁵ As in other Asian countries, Filipinos still prefer going to malls as it has become a part of their culture.

A survey conducted by We Are Social found that Filipinos spend an average of 6.3 hours every day using the internet. Amazingly, the mobile subscription of the Philippines exceeded its 101.1 million population by 13.5 million.

Figure 3. The Philippines' Key Digital Statistical Indicators



Source: We Are Social

²² – Asia Briefing/DezanShira& Associates (2014, May 9). E-commerceAcross Asia: Trends and Developments 2014. Retrieved October 26, 2015, from <http://www.physeon.eu/wp-content/uploads/2013/01/E-commerce-across-asia-trends-developments-2014.pdf>

²³ –Demandware and Singapore (2015). Developing eCommerce Market Entry Strategies in Asia-Pacific – Advisory Report 2015. Retrieved October 26, 2015, from http://www.demandware.fr/uploads/resources/Whitepaper_MarketEntryAsia_ENG.pdf

²⁴ –The Philippines E-commerce Market Outlook to 2018 - Driven by Rising Internet Proliferation and Effective Online Payment System. (2014, November 5). Retrieved October 26, 2015, from <http://www.news.kenresearch.com/post/101829123338/the-philippines-E-commerce-market-outlook-to-2018#>

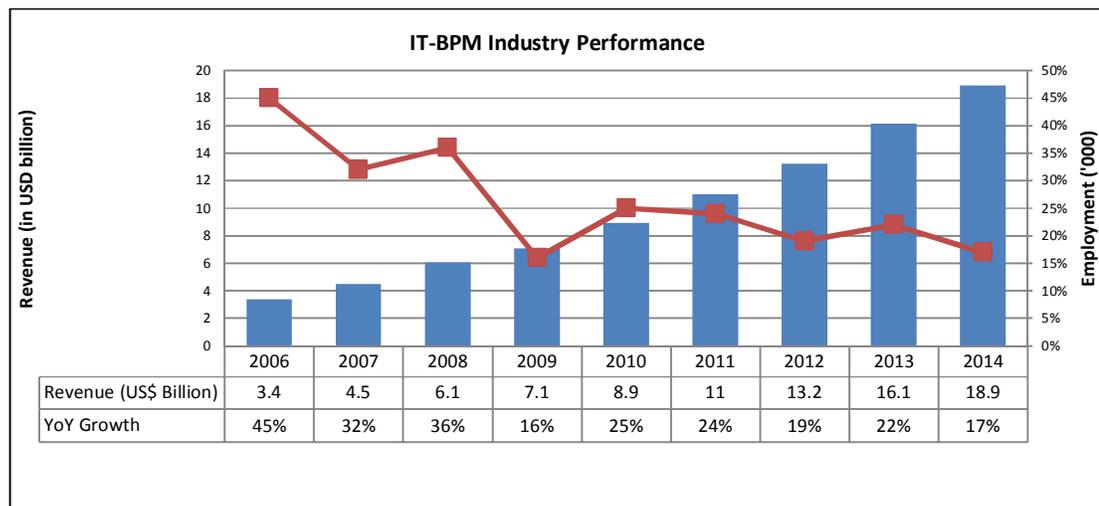
²⁵ –VISA E-commerce Consumer Monitor 2014

B. Background and Institutional Support

The Electronic Commerce Act (ECA) or Republic Act No. 8792 was signed into law on 14 June 2000 by President Joseph Ejercito Estrada. The law gave legal recognition to electronic forms of data messages, documents, signatures, transactions, storage of information. It provided penalties for access of data without consent, piracy, hacking, and other violation. Provisions on DTI's authority, under Section 29 of R.A. 8792, gave the DTI the authority to direct and supervise the promotion and development of e-commerce in the country with relevant government agencies.

The law was instrumental, in addition to other policies, in driving investments into the business process outsourcing (BPO) sector. At that time, these investments were referred to as e-commerce back-office operations. It is known today as the Information Technology-Business Process Management (IT-BPM) sector, which recorded US\$18.1 billion revenues in 2014.

Figure 4. Industry Performance of IT-BPM (2006 – 2014)



Source: Board of Investments

Information Technology and Electronic Commerce Council (ITECC)

On 12 July 2000, the Information Technology and Electronic Commerce Council (ITECC) was formed through Executive Order No. 264 - "Establishing the Information Technology and E-commerce Council (ITECC) from the merger of the National Information Technology Council (NITC) and the Electronic Commerce Promotion Council (ECPC)." The ITECC was chaired by DTI Secretary Manuel A. Roxas II and Jaime Augusto Zobel De Ayala, as the private sector co-chair. The day after, 13 July 2000, the ECA's Implementing Rules and Regulations (IRR) were issued.

In 2001, ITECC was restructured through the issuance on 25 May 2001 of Executive Order No. 18 - "Amending Certain Portions of Executive Order No. 264, Series of 2000." President Gloria Macapagal-Arroyo became the Chairperson with DTI Secretary Roxas and Presidential Adviser on International Competitiveness Ambassador Roberto R. Romulo as co-chairs for the government and the private sector, respectively.

ITECC committees were formed to address issues and gaps, help drive investments into the ICT outsourcing sector, and move towards e-government implementation as mandated under the E-Commerce Law. These committees were the Business Development Committee, e-Government Implementation Committee, Information Infrastructure Committee, Human Resource Development Committee, and the Legal and Regulatory Committee, each of which was co-chaired by government and private sector representatives. Supporting ITECC and its committees was an auxiliary Communications Committee in charge of advocacy and information dissemination. Under ITECC, various offices/units of DTI and other government agencies actively participated as members of its committees.

Various programs were undertaken by ITECC during this period. One of its biggest achievements was the creation of the E-Government Fund to support the implementation requirements as indicated in the E-Commerce Law and other related policies. Specifically, it is a source of funding for strategic ICT projects of government that are mission-critical, high-impact and cross-agency in nature.

ITECC was subsequently dissolved with the issuance on 20 July 2004 of Executive Order No. 334, "Abolishing the Information Technology and Electronic Commerce Council and Transferring Its Budget, Assets, Personnel, Programs, and Projects to the Commission on Information and Communications Technology."

Commission on Information and Communications Technology (CICT)

The Commission on Information and Communication Technology (CICT) was created on 12 June 2004 through Executive Order No. 269- "Creating the Commission on Information and Communications Technology (CICT)." CICT, which was attached to the Office of the President, was the "primary policy, planning, coordinating, implementing, regulating, and administrative entity of the executive branch of Government that will promote, develop, and regulate integrated and strategic ICT systems and reliable and cost-efficient communication facilities and services." Section 4(n) of the EO stipulated the CICT's function to "harmonize, synchronize and coordinate with appropriate agencies all ICT and e-commerce policies, plans and programs." Section 4(e) gave CICT the mandate to "provide an integrating framework and oversee the identification and prioritization of all e-government systems and applications as provided for in the Government Information Systems Plan; manage and/or administer the e-Government Fund, which shall be institutionalized and included in the proposed annual national budget."

Under the administration of President Benigno C. Aquino III, CICT was moved under the Department of Science and Technology (DOST) and renamed as the Information and Communications Technology Office (ICTO) (Executive Order No. 47, "Reorganizing, Renaming and Transferring the Commission on Information and Communications Technology and its Attached Agencies to the Department of Science and Technology, Directing the Implementation Thereof and for Other Purposes," issued 23 June 2011).

Congressional Oversight Committee for the E-Commerce Law (COCEC)

The E-Commerce Act created the Congressional Oversight Committee for the E-Commerce Law (COCEC) to oversee and monitor the implementation of the law. It was activated in three

(3) terms (2001-2004, 2005-2007, 2012-2013) and co-chaired by the Chairs of the Senate Committee on Trade and Commerce and the House Committee on Trade and Industry.

During the hearings conducted by COCEC from 2005 to 2006, the co-chairs reminded the executive branch that R.A. 8792 designated the DTI to lead the implementation of the law and this takes precedence over E.O. 269. The DTI Secretary tasked the Office of Policy Research (OPR) to handle matters related to e-commerce.

DTI – E-Commerce Office

On 06 March 2009, the E-Commerce Office was institutionalized (staffed with detailed personnel) through the issuance of Department Order (DO) No. 09-16. Its major functions were:

1. Formulation of policies and guidelines in support of e-commerce;
2. Formulation and implementation of plans and programs for further development and implementation of e-commerce in the country, in coordination with other DTI agencies, other government agencies, the private sector and other stakeholders;
3. Monitoring and evaluation of the implementation of e-commerce policies, plans, and programs; and
4. Active participation in local and international organizations related to e-commerce.

It is also the office designated by DTI to submit reports to COCEC and address e-commerce policy concerns as the need arises, in coordination with relevant government agencies and the private sector.

With the DTI Rationalization Plan, which was approved by the Department of Budget and Management (DBM) on 17 October 2013, the DO was automatically revoked. ECO was created as a Program Office lodged under the Sector Planning Bureau (SPB) (formerly referred to as the Office of Policy Research). It is currently headed by the SPB Director and supported by SPB personnel.

The E-Commerce Office abides by the following framework for the promotion of e-commerce in the Philippines:

Figure 5. Framework for the Promotion of E-Commerce in the Philippines



Other Policy Issuances and Government Initiatives

In 2012, the Data Privacy Act (Republic Act No. 10173) and Cybercrime Law (Republic Act No. 10175) were enacted, strengthening confidentiality and penalty provisions under the E-Commerce Law.

In relation, several government agencies such as the Department of Science and Technology (DOST), through the ICTO, has set off the formulation of a National Broadband Plan (NBP) as a segment of its Philippine Digital Masterplan that aims to improve the country's internet infrastructure (e.g., speed, access, connectivity, etc.).

Moreover, DOST initiated the Integrated Government Philippines (iGovPhil) Project, which aims to establish, upgrade and improve government ICT infrastructure, systems and ICT-related procedures to allow for integrated government operations.

- Under this project, ICTO identified priority systems that shall be integrated. These are the Business Permits and Licensing System (BPLS), Real Property Tax System, eBayad (Payment) System and eSerbisyo System under the e-Government Portal.
- Systems under the Community eCenter (CeC) Project will also be integrated under this environment. The iGovPhil Project requires the provision of seamless connectivity throughout the country from the national level down to the household level and with this, the government needs assistance from the Philippine Cable Television Association (PCTA) in providing last mile connectivity to the citizenry.
- The infrastructure includes the creation of data centers and layout of fiber optic networks to interconnect government offices and provide high-speed communication and sharing of tasks and data. Software include online tools, services and applications for use by government agencies and citizens.

Similarly, the Bangko Sentral ng Pilipinas (BSP) or the Central Bank of the Philippines has also put in place a new system to facilitate the country's retail payments, which was deemed to be a significant contributor to the stability and efficiency of the Philippine financial system. The National Retail Payment System (NRPS) is geared to support the migration from cash- and check-based payments to electronic payment, with the aim to have a safer, more efficient and reliable payment system.

Relevant laws, rules and regulations, policies and guidelines were enacted and issued to support the implementation of the E-Commerce Act. (Refer to Annex)

C. Industry Opportunities

The formulation of the Philippine E-Commerce Roadmap 2016-2020 is deemed critical in addressing challenges encountered by various sectors as e-commerce becomes prevalent in our daily lives and business operations. It is focused on needed policies and programs to solve present challenges, categorized according to the six (6) I's of the APEC Digital Prosperity Checklist.

So far, the official data on e-commerce released by the Philippine Statistics Authority was as of 2012:²⁶

“E-commerce refers to the selling of products or services over electronic systems such as the Internet Protocol-based networks and other computer networks. This is a new data item gathered in the 2012 Census of Philippine Business and Industry (CPBI). E-commerce sales in 2012 reached PHP79.00 billion, accounting for 0.6 percent of total income in 2012.

Among the three industry groups, Services sector reported the highest sales through e-commerce amounting to PHP60.17 billion or 76.2 percent share to the total e-commerce sales in 2012. Eighty-nine percent of these were contributed by Transport and Storage registering PHP53.42 billion sales from e-commerce. Administrative and Support Service Activities recorded PHP2.63 billion or 4.4 percent share and Wholesale and retail trade with PHP2.00 billion or 3.3 percent share to the total e-commerce sales of the Services sector.

No e-commerce sales were reported for Real Estate Activities, Professional, Scientific and Technical Activities, Human Health and Social Work Activities as well as for Agriculture sector in 2012.

Among Industry sector, only Manufacturing reported e-commerce sales amounting to PHP18.8 billion. This accounts for 0.3 percent of the total income of the Industry sector in 2012.

The top three regions in terms of e-commerce sales were NCR with PHP62.31 billion (78.9%) or 0.9 percent of the total income of the region, Central Visayas with PHP11.09 billion (14.0%) and Western Visayas with PHP2.44 billion (3.1%). However, no e-commerce sales were reported for Eastern Visayas and ARMM.”

As more countries measure the impact of their internet economy in relation to their GDP, the action agenda listed in the PECR views e-commerce as an economic growth enabler and the Philippines’ competitive advantage.

²⁶Philippine Statistics Authority

CHAPTER 4: PHILIPPINE E-COMMERCE ROADMAP 2016-2020

A. Objectives

The primary objective of the PECR is for e-commerce to contribute 25% to the country's GDP by 2020, from 10% of GDP in 2015 based on the data generated by i-Metrics Asia Pacific Corporation. The PECR identifies five (5) success criteria, which are:

- 100,000 Micro, Small and Medium Enterprises doing e-commerce
- 40-50% of internet users doing e-commerce
- Fast and competitive internet access
- Cybercrime enforcement and protection
- Online and connected government (G2G, G2B, G2C, G2E)

B. Action Plan

1. Infrastructure

Internet speed, access, reliability and cost remain to be the major obstacles to the widespread use of e-commerce in the Philippines. Further improvements in the ICT infrastructure in the country can be achieved by attracting more investments and encouraging competition in telecommunications sector and in the provision of internet services, particularly in the last-mile connectivity.

a. Internet Access

The Philippines is regarded to have one of the slowest and expensive Internet access not only among the ASEAN member states but also globally(see *Table 4*).

This internet access speed issue is further aggravated as internet users accessing Philippine-hosted sites pass through the U.S. before being routed back to the Philippines. It primarily affects government websites, thus, not making their services easily accessible to stakeholders.

For example, on 15 April²⁷ 2015, the Bureau of Internal Revenue online services received a lot of complaints as various taxpayers experienced difficulty in filing their tax returns online. One of the reasons attributed to this is that internet traffic needs to pass through the U.S. even if Filipinos are accessing government sites whose servers are located in the Philippines.

²⁷April 15 is the last day for filing tax returns

Table 4. ASEAN Internet Status (4th Quarter 2014)

ASEAN Member States	Global Ranking (Ave. Internet Speed)	Ave. Internet Speed (Mbps)	Global Ranking (Average Peak)	Average Peak (Mbps)
Brunei Darussalam	102	5.4		
Cambodia	85	6.94		
Indonesia	108	5.13	118	13.4
Lao PDR	107	5.17		
Malaysia	89	6.61	62	29.6
Myanmar	83	7.01		
Philippines	122	3.52	83	21.9
Singapore	1	97.67	2	84
Thailand	40	21	26	56.3
Viet Nam	41	17.58	99	17.3

(Note: The Global Ranking (Average Internet Speed) and the Average Internet Speed was sourced from www.internetsociety.org and the Global Ranking (Average Peak) and Average Peak (Mbps) is based from Akamai's Q4 2014 State of the Internet Report.)

The government is pressured by Filipino internet users complaining on the quality of internet service in various locations of the country. The limited number of service providers in this area hinders choice as well.

Addressing this concern is considered as top priority, which must be attended to with short-term and long-term solutions in mind. The DOST-ICTO's Free Wi-Fi Nationwide program is seen as one of the solutions with the intent of ensuring that government services are accessible locally, i.e., without the need for internet traffic to go outside of the Philippines and back to be able to access them. Free Wi-Fi provided by major malls and commercial establishments are welcome developments.

For the long-term, however, we need more service providers that can meet the market demand for better and globally competitive internet services.

Agenda	Output
1	National Broadband Masterplan <ul style="list-style-type: none"> ● Roll out internet infrastructure by various players committing to services, speed, and internationally competitive pricing. ● Philippine Internet Exchange for easy access of government related websites. ● Philippine Internet Exchange to contain internet traffic within the country and contribute to higher internet speed and lower internet subscription costs
2	Updated Telecommunications Law and NTC Charter to be responsive to the demands of users
3	New telecommunications and value added services investments (new players) to meet industry demands
4	Implementation of Republic Act No. 10667 or the Philippine Competition Act

It is expected that the Philippine Competition Act, which was enacted on 21 July 2015, will encourage more competition in the telecommunications sector that could result to better services at lower cost.

b. E-Government

The E-Commerce Law prescribes all government agencies to enable electronic filing, issue electronic approval, accept electronic payment, and issue guidelines on e-commerce implementation, in consultation with stakeholders.

However, there are only a few government agencies²⁸ providing full online services to date. Some agencies offer e-government services but still coupled with tedious manual processes.

Agenda	Output
5	Government E-Payment Implementation Plan
6	Expansion of the National Public Key Infrastructure (PKI), Digital Certificates for Public and Private Sector
7	Allow government agencies to purchase online using electronic payment

The requirement for documents to be notarized and submitted in its physical form was identified as a major concern why a number of government agencies cannot fully implement the provisions of the E-Commerce Act.

An additional concern raised is the lack of a single identification card to identify a citizen and as a result requiring multiple documents to be submitted each time.

Agenda	Output
8	Rules on E-Notary
9	Digital Certificate / PKI Adoption in the Private Sector (including cross-border mutual recognition)
10	Improve Internet Governance Towards Trustworthy & Secure E-Commerce
11	Ratification of the United Nations Electronic Communications Convention/Amendments to the E-Commerce Act to be consistent with the Convention
12	Guidelines for cross-border mutual recognition of digital signatures, electronic communication and contracts

c. E-Banking

Banks have capitalized on the use of various e-banking channels, allowing greater access to financial services. To complement the traditional brick-and-mortar offices, banks are leveraging on the growth of mobile commerce and innovations in e-banking technology to capture a broader customer segment. As of 30 September 2015, 117 banks have been given authority by the BSP to provide e-banking products

²⁸Information and Communications Technology Office, <http://icto.dost.gov.ph/>

and services (i.e. electronic money/cash card, ATM, internet banking, mobile banking, phone banking, point of sale and etc.). Automated teller machines (ATM) also remained a key e-banking platform which as of said date, there are 16,781 ATMs deployed all over the country. However, despite the statistics, e-banking transactions remain to be minimal primarily due to limited interconnection and interoperability among the various e-banking products and services. Currently, only ATMs and Point-of-Sale or POS devices are interconnected and interoperable. Concerns on interconnection and interoperability are among the issues that are to be addressed through the NRPS program.

To ensure the safety and soundness of e-banking operations, the BSP has issued a number of regulations, standards, guidelines as well as warning advisories (i.e. MORB Sections X701, X705 and X780; BSP Circular Nos. 808, 833 and 859; and Memorandum to All BSIs No. M-2014-040 and M-2014-047). These issuances are consistent with international standards and best practices and are expected to strengthen management of risks, security of operations and governance on IT-related activities, as well as reinforce regulations on consumer protection on electronic products and service by tackling the growing number of new and sophisticated technological threats. However, recognizing the fact that regulatory issuances are not “one-size-fits-all” and may have the tendency to hamper operations and innovations, guidelines have been provided in BSP Circular No. 808 to classify BSIs as to having “simple” or “complex” IT risk profile. As such, the level of adopting relevant provisions of regulations may be made proportionate to their IT risk profile. Moreover, to enable more banks to engage in e-banking activities, regulatory provision under MORB Sec. X701 is currently being revisited to streamline the licensing process.

Agenda	Output
13	Updated E-Banking Regulations (in reference to existing regulation MORB Sec X701) to streamline the process of granting e-banking licenses

d. E-Payment

Based on the country diagnostics conducted by Better Than Cash Alliance in 2013, out of the 2.5 billion payment transactions performed by Filipinos monthly, only 1% is done thru electronic means (mobile & online banking). Ninety-nine (99%) remains to be paper-based (thru cash and checks).

The Bangko Sentral ng Pilipinas (BSP), in collaboration with other government entities and the private sector, aims to increase the usage of e-payments to 20% by year 2020 through the National Retail Payment System (NRPS) program. The program envisions a safe, efficient and reliable retail payment system that will enable the affordable and efficient transfer of funds from one account to any other type of account. The NRPS will encompass the regulatory framework, governance and operational aspect of local retail payment systems. However, pending the passage of the Payment Systems Act, the program shall initially be limited to BSP-supervised institutions (BSIs), namely, banks, non-bank financial institutions (NBFIs) and e-money issuers (EMIs).

Consequently, the Bangko Sentral ng Pilipinas (BSP) has existing policies and programs related to e-payments (i.e. Sec. X701 of the Manual of Regulations for Banks (MORB), Circular No. 649, Circular No. 808, and Circular No. 859. These do not cover, in particular, non-bank payment gateway players, aggregators nor issuers of electronic wallets that are not considered as e-money as defined under BSP Circular No. 649.

Nonetheless, the private sector cites the importance of having clear guidelines to maintain standards and ensure stability of payment gateway players. Currently, it has been noted that almost any entity can put up a payment gateway without any government regulation covering it to protect the private sector. On the other hand, there is a growing number of sites and services offering non-monetary rewards attained as a result of purchase or use of service. These are referred to as loyalty points, credits, or virtual currency that can be used to purchase products, pay for services, or at times, converted to cash. These pose risks as there is uncertainty on whether these non-monetary rewards can be redeemed as promised. There had been cases reported, particularly in online gaming, where items bought disappeared or were stolen and the user had no one else to turn to since the service provider refuses to take action.

Agenda	Output
14	Updated E-Payment and E-Wallet Guidelines
15	Updated E-Money Guidelines
16	Enactment of Payment Systems Act
17	Implementation of National Retail Payment System
18	Updated DTI DAO 10-01 or the Guidelines on the Use of Access Devices for Payment of Fees, Charges, Assessments and Other Revenues Due to the Government through the Electronic Payment and Collection System (EPCS) of a Government Entity.

e. Tax System

The BIR has existing electronic systems for taxpayers such as E-Registration; Electronic Filing & Payment System (EFPS); E-BIR Forms; E-submissions, e.g., Summary List of Sales & Purchases (SLSP), Monthly Alphalist of Payees (MAP), Summary Alphalist of Withholding Tax (SAWT), etc.

The BIR issued Revenue Memorandum Order (RMO) 21-2000 prescribing the policies and procedures in the processing and approval of taxpayer’s Application for Permit to Adopt Computerized Accounting System (CAS) and its components as amended by RMO 29-2002.

RMO No. 21-2000 specifies the components in the preparation of “1) general journal, general ledger, and other subsidiary records; 2) sales, purchases, accounts receivable, accounts payable, inventory, payroll, ledgers and other accounting records; 3) generation of official accounting documents such as official receipts (OR), sales and cash invoices, cash vouchers, journal vouchers, billing statements, sales tickets, etc.; and 4) generation of reports as required by the BIR.”

In August 2013, BIR issued Revenue Memorandum Circular (RMC) 55-2013 to reiterate a taxpayer’s obligations in relation to online business transactions. The taxation rules and guidelines on non-online transactions are similar to online transactions.

Despite these regulations, online sellers and freelancers find it difficult to comply with the requirements since the guidelines for the issuance of official receipts online is not clear. Creating a system or application and having it approved by the BIR may take too much time and resources for each merchant to work on. There is a demand for easily accessible, usable invoicing and official receipt tools for use by freelancers, online direct sellers, and small e-commerce sites online.

Agenda	Output
19	Guidelines for Online Sales Invoice and Official Receipt Issuance
20	Accreditation of Online Sales Invoice and Official Receipt applications for use of the public

f. Consumer Protection

The private sector notes that there is a need for the DTI to issue new policies adjusting to trends happening online. This includes online sales permit approvals where its current 30-day rule may be too long. In addition, there is a need for this service to start accepting applications online.

Consumer complaints require parties to appear in person at the DTI office. However, there are cases where the buyer and seller may come from different provinces and this will be difficult to implement. Hence the need for an online dispute resolution process.

On 20 October 2008, the DTI, Department of Health, and Department of Agriculture enacted a joint memorandum circular on consumer protection for e-commerce transactions. (DTI-DOH-DA Joint Administrative Order (AO) No. 1 - “Rules and Regulations for Consumer Protection in a Transaction Covered by the Consumer Act of the Philippines (R.A. 7394) through Electronic Means under the E-commerce Act (R.A. 8792)” or the E-Consumer Protection Guidelines).

Part of the guidelines include mandating minimum requirements that e-commerce sites must comply with, e.g., privacy policy, information about retailer, seller, distributor, products and services, and consumer transaction, including the setting-up of a help desk to internally resolve consumer complaints.

This lack of an established online process for handling of merchant and consumer complaints affects confidence in doing e-commerce.

The DTI is encouraged to set up a single platform for complaints-handling, including an application that can route the complaint to the concerned government entity and monitor the complaints until its resolution.

The DTI is working with Congress (Senate and House of Representatives) to amend the Consumer Act of the Philippines that will include e-commerce-related provisions.

Agenda	Output
21	Merchant and Consumer Complaint Online Dispute Resolution Process.
22	Revised Consumer Act of the Philippines
23	Sales Promotion Guidelines for Online Promotions
24	Online Application, Approval, Payment of Sales Promotion Permits

Trust is essential for e-commerce to prosper. There is a seeming lack of seal providers to authenticate e-commerce sites offering products and services only

Agenda	Output
25	Accreditation scheme for Data Privacy, Security, and Identity Verification Seal Issuers
26	BIR Certificate of Registration for Websites <ul style="list-style-type: none"> • Must be at least one year of business to get a seal in compliance to all BIR requirements.
27	Websites as a Business Branch (BIR Circular) <ul style="list-style-type: none"> • Different official receipt set from those used with physical stores. • Not necessary for entrepreneurs whose website is its primary branch.

g. Logistics

Logistics remain to be a major pain point for e-commerce players in the Philippine market. Existing burdensome and complicated Customs processes have been the subject of a lot of complaints even for low-value shipments.

The issue that has been commonly raised is the lack of awareness on Customs taxes and duties resulting to confusion among those who buy online from international sites and for those who ship local products to international buyers.

Various import permit documents remain to be mostly paper-based or still not done electronically requiring a Filipino buyer or seller to personally visit each of the relevant government agencies to file the permit and await its approval. For instance, the National Single Window, which is a very important e-commerce application, has yet to be fully implemented. It is critical that we fully implement this soon to enable our country to participate in the ASEAN Single Window and to prepare our stakeholders for cross-border e-commerce.

On the distribution side, the provision of reliable courier services, particularly in the countryside, continues to be a major problem. This is compounded by the fact that some buyers cannot provide their exact address due to absence of a geocoding system in some of the rural areas in the Philippines.

In order to address this issue, some online merchants have resorted to delivery of items using motorcycles and even bicycles just to penetrate the rural areas.

Agenda	Output
28	Philippine Trade Repository (serve as one-stop-shop for information pertaining to trade and cargo clearance)
29	Implementation of National Single Window Project version 2
30	Amendment to EO 482 to make the NSW use mandatory.
31	ASEAN Single Window Framework
32	Pass the Customs Modernization and Tariff Act, which includes the increase in “de minimis value” for exemption from payment of customs duties from PhP10.00 to PhP10,000.00
33	Philippine Postal Corporation as “cash on delivery” (COD) pick-up points.

2. Innovation

The DOST launched the Philippine Roadmap on Digital Startups on 20 August 2015. The goal of the roadmap is to “generate startups that drive economic growth and provide solutions to our society’s most pervasive issues.”

Filipinos are known for their innovative ideas and this is evident in the number of successful digital startups in the country.

There is a need for government to come up with policies and programs to nurture these digital startups from the development stage up to the point when their ideas will become commercially viable and rolled-out within the country. This may require a good amount of investments. However, our existing investment policies and procedures are not conducive for foreign investments in digital startups.

Agenda	Output
34	Incentive package for digital startups
35	Amendment of the Corporation Code to allow “one person corporations” (OPC)

3. Investment

A number of e-commerce players from other countries have been inquiring on how they can do business here in the Philippines. However, retail e-commerce is considered as subject to the provisions of Republic Act No. 8762 or the “Retail Trade Liberalization Act of 2000,” while e-commerce platforms setting up just their warehousing and distribution systems in the country may fall under the jurisdiction of the Securities and Exchange Commission (SEC).

For retail e-commerce, which is not capital-intensive, the minimum paid-up capital of US\$2.5M for foreign enterprises is deemed too high.

There may be a need to issue Frequently Asked Questions (FAQs) to clarify which of the existing legislations or regulations are applicable for specific types of e-commerce businesses.

Agenda	Output
36	FAQs to clarify which of the existing legislations or regulations are applicable for specific types of e-commerce businesses.
37	Amendment of the Retail Trade Liberalization Act.

4. Information Flow

To foster the growth of e-commerce, information should be allowed to flow freely within and across borders. However, government and the private sector must ensure that information will not be compromised.

a. Data Privacy

Republic Act No. 10173 or the Data Privacy Law was enacted in 2012 with the intention of protecting personal information (including sensitive personal information) of Filipinos. The Privacy Commissioner will first have to be appointed before the Implementing Rules and Regulations (IRR) can be issued. The self-executing provisions of the law, however, are now in effect.

While waiting for the establishment of the National Privacy Commission, the private sector is urging the DTI, given its mandate under the E-Commerce Law, to update the data privacy guidelines issued in 2006 to align it with the Data Privacy Law,. It is important for citizens and businesses to have an avenue for complaints to be filed in violation of the Data Privacy Law.

Agenda	Output
38	Push for the creation of Data Privacy Commission
39	Data Privacy Guidelines for the Government
40	Update DTI DAO No. 8 of 2006 or the Data Privacy Guidelines for Information and Communications Systems in the Private Sector

b. Cybersecurity

In the 2014-2015 Annual Cybercrime Report, the Philippine National Police (PNP) Anti-Cybercrime Group notes that there were 614 incidents reported. Twenty-two percent were internet frauds or scams, while 10% involved violations of the E-Commerce Act and R.A. 8484 or the Access Devices Regulation Act (ATM and credit card fraud).

With the enactment of the Cybercrime Law, the PNP, National Bureau of Investigation (NBI), and Department of Justice (DOJ) were given mandates and directions on dealing with cybercrime cases. However, for most cybercrime victims, the lack of an online process for cybercrime reporting and legal assistance make it difficult to file reports and sustain their complaints. This is especially so when service providers based abroad cannot provide the required supporting evidence.

Agenda	Output
41	Cybercrime Online Reporting and Legal Assistance Network
42	Cybercrime Investigation & Coordination Center
43	National Computer Emergency Response Center

5. Intellectual Capital

The slow adoption of e-commerce in companies can be attributed to a lot of things. One reason given is the lack of available human resources who fully understand how e-commerce works. There is only one school in the Philippines offering Commission on Higher Education (CHED)-recognized Bachelor of Science in E-Commerce and the Technical Education and Skills Development Authority (TESDA)-recognized Diploma in E-Commerce.

In addition to formal education on e-commerce, government will continue to provide training programs on e-commerce particularly for MSMEs to enable them to sell their products online.

Agenda	Output
44	E-commerce offering in Colleges
45	Government training programs on e-commerce
46	E-commerce subjects in K-12 included in the entrepreneurship

6. Integration

E-commerce enables domestic industries and enterprises to integrate into global value chains and to directly access the global market.

As the host of the APEC meetings for 2015, the Philippines was able to push for the endorsement of the APEC Action Agenda to Globalize Micro, Small and Medium Enterprise (MSMEs). This Action Agenda recognizes the important role of ICT and e-commerce to enable MSMEs to access the global market directly, in addition to being part of global value chains. The DTI has been advocating the strong support for MSMEs to place them at the front and center of the global trade agenda, not just in APEC but in other regional and multilateral fora as well, and also in trade negotiations.

Agenda	APEC Action Agenda
47	Cooperate with the APEC Business Advisory Council (ABAC) in identifying and promoting strategic e-commerce platforms and innovative business models for MSMEs to support buying and selling activities (B2C), business matching opportunities (B2B), and online-to-offline commerce (O2O)
48	Implement capacity building in order to promote international networking and to increase cross-border business opportunities for MSMEs by localizing/customizing ABAC's Cross-Border E-Commerce Training (CBET) Programme and other similar platforms
49	Encourage the availability of next-generation high-speed broadband/internet and promote its widespread uptake and effective use by MSMEs
50	Identify and promote policies and regulatory frameworks for creating conducive environment for e-commerce and address unnecessary regulations that constrain the ability of MSMEs to participate in e-commerce

C. Implementation and Monitoring

The DTI will continue to shepherd the work on e-commerce, as provided for by the law, in coordination with concerned government agencies and relevant stakeholders – private sector, industry, academe, among others.

To further strengthen DTI's role and to contribute to the success of this roadmap, there is a call from the stakeholders to revive the E-Commerce Promotion Council composed of government and private sector representatives. The DTI shall provide technical support to the council.

Agenda	Output
51	Establishment of an E-Commerce Promotion Council comprised of the government and private sector

There is a need, as well, to institutionalize a dedicated office within DTI that will work on e-commerce on a full-time basis – from policy review, promotion, advocacy to program development. This office will lead the implementation of the roadmap in coordination with other government agencies and the private sector.

Agenda	Output
52	Establishment of an office dedicated to e-commerce in DTI <ul style="list-style-type: none">• Supported by substantial budget for e-commerce acceleration program• With qualified personnel to manage and implement e-commerce program• Private sector support in terms of research, technology development and training

With the fast-paced and continuing growth of e-commerce locally and globally, it is imperative for the Philippines to generate official e-commerce indicators that will measure the adoption and impact of e-commerce across different sectors. In so doing, the government will gain better understanding of the needs of stakeholders, the citizenry and the public, and formulate appropriate policies, plans, programs, projects and activities to nurture e-commerce development in the country.

Agenda	Output
53	Official e-commerce indicators

It bears stressing that just like any undertaking, the success of this roadmap is hinged on the commitment of all concerned stakeholders to work together and see this roadmap through. Other factors – dependencies – that contribute to success include specific technologies, third-party vendors, development partners, or other business relationships.

ANNEX A

Summary of Meetings and Consultations Conducted

Event	Date
Technical Working Group Meetings <ul style="list-style-type: none"> • Citizen/Business Stakeholders • Government Stakeholders 	18 May and 01 June 2015 25 May and 08 June 2015
Webinars	22 and 29 May 2015 04 and 11 June 2015
E-Commerce Act Anniversary Forum/Writeshop	15 June 2015
One-on-One Meetings <ul style="list-style-type: none"> • Bureau of Internal Revenue • Information and Communications Technology Office • Bangko Sentral ng Pilipinas 	17 June 2015 18 June 2015 11 August 2015
Regional Consultative Meeting <ul style="list-style-type: none"> • Davao City • Cebu City • Baguio City 	30 June 2015 06 July 2015 09 July 2015
LGU ICT Forum (with DILG, ICTO and ULAP) <ul style="list-style-type: none"> • Cagayan de Oro City • Metro Manila • Iloilo City 	09 September 2015 16 September 2015 22 September 2015

ANNEX B

LIST OF CONSULTATION PARTICIPANTS

FACE-TO-FACE CONSULTATIONS

Private Sector	Foodbox De Cebuanos	Philippine Software Industry Association
88DB.com	Game Developers Association	PhilRES Baguio
Acedo Engineering Works	Globe Telecom	PLDT
Air21	Government Association of Certified Public Accountants - Baguio	Primary Software
Animation Council of the Philippines, Inc.	GXchange, Inc.	Private Sector Representatives – Economic Development
Artist Ko	Hambal.com Inc.	PRWorks Cebu
Asia-Pacific Centre for Research Inc.	Hotel Supreme	QNet
Baguio Realtors Board	IBP – Baguio and Benguet	Rameses Systems, Inc.
Baguio Water District	ICT Davao, Inc.	Real Estate Brokers Association of the Philippines - Baguio
BancNet	I-Metrics Asia-Pacific Corp.	SB Cards
Bankers Association of the Philippines	Infinity Hub	Seaweed Industries Association of the Philippines -Cebu
BBA Internet Shop	Infocom Technology Association of the Philippines	Securemetric Technology Inc.
Benguet Contractors Group	Inifinitium Group	Seer technologies
Benguet Electric Cooperative, Inc.	Institute Of Electronics Engineers Of The Philippines – CAR	Shopinas
Bower Group Asia	InterCommerce	Sky Freight Forwarders, Inc.
C & Triple A Supermarket Inc.	Internet and Mobile Marketing Association of the Philippines	SM
Calcmenu Philippines Inc.	ISACA – Manila Chapter	Smart Communications
CCCFM Inc.	Island Express	Smart E-Money, Inc
Cebu Chamber of Commerce and Industry	Island Souvenirs	Soft Bank
Cebu Fil-Chi CC	Island Stay Hotels	Sulci Handicraft
Cebu Health & Wellness Council	IT & Business Process Association of the Philippines	Telecom Live Content Inc.
Cebu Korean Association	Jamie Zanoria	The Islands Group
CEDFIT	LBC Express Inc.	Tiongsan Harrison
Chamber of Real Estate and Builders' Associations - Baguio	Lee Designs	Transport Sector
Coins.ph	Mandaue Chambers of Commerce and Industry	Tripid
Contact Center Association of the Philippines	Mastercard	Union Bank of the Philippines
Council for the Restoration of Filipino Values - Baguio	MCPI	Visa International (Asia Pacific) Philippines and Guam

Countryside Telecom Inc.	Megalink	Voyager Innovations
Credit Card Association of the Philippines	Microsoft Philippines	Xend Business Solutions
CTC Cebu	Nepomuceno Group of Companies	Xurpas
Davao City Chamber of Commerce and Industry, Inc.	Northern Luzon Federation of Cooperative Development Center, Inc	Development Partners
Deloitte Consulting	Online Philippines Corp.	USAID
Dental Chorting	Overseas Workers Welfare Administration – Region VII	Academe
DHL	Paynamics Technologies Inc.	Ateneo de Davao University
Digital Commerce Association of the Philippines, Inc.	Peso Pay/Asia Pay	Cebu Normal University
DigitalFilipino.com	PhilExport	Far Eastern University
Diocariza Ocana	Philippine Association of Realtors Board - Baguio	Saint Louis University
DM Gas	Philippine Chamber of Commerce	UC-Bacolod
Dragon Pay	Philippine Computer Emergency Response Team	University of Baguio
Dun and Bradstreet	Philippine Computer Society	University of Cebu
Eastern Telecoms Philippines	Philippine Franchise Association	University of Cebu – Lapu-Lapu and Mandaue Campus
Elumba Technology, Inc.	Philippine Institute of Certified Public Accountants - Baguio	University of Cordillera
Ensogo	Philippine Institute of Civil Engineers - CAR	University of the Immaculate Conception
European Chamber of Commerce - Cebu	Philippine Marketing Association	
Eversun Software	Philippine Retailers Association - Cebu	

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Bangko Sentral ng Pilipinas	DTI-National Development Company
Bangko Sentral ng Pilipinas - Cebu Regional Office	DTI-Philippine Trade Training Center
Bureau of Customs	Government Procurement Policy Board- Technical Support Office
Bureau of Internal Revenue	Land Bank of the Philippines
Bureau of Internal Revenue - CAR	Mindanao Development Authority
Bureau of the Treasury	National Bureau of Investigation
Cebu Port Authority	National Bureau of Investigation – Region VII
City Government of Baguio	National Economic and Development Authority
Commission on Audit	National Economic and Development Authority – CAR
Commission on Higher Education - CAR	National Economic and Development Authority – Region VII
Cooperative Development Authority - CAR	National Economic and Development Authority – Region XI
Department of Agriculture	National Telecommunications Commission
Department of Budget and Management	National Telecommunications Commission – Region VII
Department of Education Region XI	National Telecommunications Commission – Region XI
Department of Foreign Affairs	PEZA – Baguio City Economic Zone
Department of Health	PhilHealth
Department of Justice	PhilHealth – CAR
Department of Labor – Region VII	PhilHealth – Region VII
Department of Science and Technology	Philippine Government Electronic Procurement System
Department of Science and Technology – Region VII	Philippine Information Authority – CAR
Department of the Interior and Local Government – Region VII	Philippine National Police
Department of Tourism - CAR	Philippine National Police - Police Regional Office VII
Department of Trade and Industry	Philippine Postal Corporation
Department of Trade and Industry – Region VII	Philippine Statistics Authority
Department of Trade and Industry – Region XI	Securities and Exchange Commission
Development Bank of the Philippines	Small Business Corporation
DOST- Information and Communications Technology Office CAR	Social Security System
DOST- Information and Communications Technology Office, Mindanao Cluster III	Social Security System – CAR

DTI- Davao City Field Office	Academe
DTI-Abra	Benguet State University
DTI-Benguet	University of Southeastern Philippines
DTI-Board of Investments Cebu	University of the Philippines
DTI-Board of Investments XI	University of the Philippines Baguio
DTI-CAR	University of the Philippines Cebu
DTI-Design Center of the Philippines	
DTI-Kalinga	

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ANNEX C
E-Commerce-Related Laws and Policies²⁹

No.	Title	Date of Issuance
Republic Act No. 8792	An Act Providing for the Recognition and Use of Electronic Commercial and Non-Commercial Transactions and Documents, Penalties for Unlawful Use Thereof and for Other Purposes” or the Electronic Commerce Act of 2000	14 June 2000
Executive Order No. 262	Amending Executive Order No. 302 Series of 1996, entitled Providing Policies, Guidelines, Rules and Regulations for the Procurement of Goods/Supplies by the National Government and Executive Order No. 201, Series of 2000	05 Jul 2000
Executive Order No. 264	Establishing the Information Technology and E-commerce Council (ITECC) from the Merger of the National Information Technology Council (NITC) and the Electronic Commerce Promotion Council (ECPC)	12 Jul 2000
Executive Order No. 265	Approving and Adopting the Government Information Systems Plan (GISP) as Framework and Guide for All Computerization Efforts in Government	12 Jul 2000
	Implementing Rules and Regulations of the ECA	13 Jul 2000
Executive Order No. 322	Requiring All National Government Agencies, Instrumentalities and Government Owned and Controlled Corporations to Participate in the Electronic Procurement System	22 Nov 2000
BSP Circular No. 269	New Guidelines on E-Banking Activities	21 Dec 2000
Executive Order No. 18	Amending Certain Portions of Executive Order No. 264, Series of 2000, Entitled ‘Establishing the Information Technology and Electronic Commerce Council (ITECC) from the Merger of the National Information Technology Council (NITC) and the Electronic Commerce Promotion Council (ECPC)	25 May 2001
Supreme Court Memorandum No. 01-7-01	Rules on Electronic Evidence	17 Jul 2001

²⁹ This list may not be comprehensive and will be updated as needed.

DTI-DOST Joint Department Administrative Order No. 2	Providing Implementing Rules and Regulations on Electronic Authentication and Electronic Signatures	28 Sep 2001
Executive Order No. 40	Consolidating Procurement Rules and Procedures for all Government Agencies, Government Owned or Controlled Corporations and Government Financial Institutions and Requiring the Use of the Government Electronic Procurement System	08 Oct 2001
	Implementing Rules and Regulations on Executive Order No. 40	08 Feb 2002
NCC Memorandum Circular No. 2002-01	Guidelines on Creation of the Agency's Official Website and Compliance to E-commerce Law and Stage One of the UN-ASPA Stages of E-Government	11 Jul 2002
Republic Act No. 9184	Government Procurement Reform Act, "An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government and For Other Purposes"	10 Jan 2003
Executive Order No. 163	Modifying the Rates of Import Duty of Information and Communications Technology (ICT) Products Under the Tariff and Customs Code of 1978 (Presidential Decree No. 1464, as Amended), in Order to Implement the e-ASEAN Framework Agreement	10 Jan 2003
NCC Memorandum Circular No. 2003-01	Guidelines on Creation Compliance to E-commerce Act (R.A. 8792) and Stage Two and Three of the UN-ASPA Five Stages of E-Government	31 Jul 2003
Executive Order No. 269	Creating the Commission on Information and Communications Technology (CICT)	12 Jan 2004
DTI Department Administrative Order No. 01	Prescribing Rules Governing the Voluntary Accreditation of Information Certifiers on Electronic Signatures	24 Feb 2004 (Unpublished)
Executive Order No. 334	Abolishing the Information Technology and Electronic Commerce Council and Transferring Its Budget, Assets, Personnel, Programs, and Projects to the Commission on Information and Communications Technology	20 Jul 2004
CICT Memorandum Circular No. 1	Guidelines in the Administration of the .ph Domain Name	Aug 2004
NTC Memorandum Circular No. 05-08-2005	Voice Over Internet Protocol (VOIP)	23 Aug 2005

NTC Memorandum Circular No. 06-08-2005	Frequency Band Allocations for Broadband Wireless Access	23 Aug 2005
NTC Memorandum Circular No. 07-08-2005	Rules and Regulations on the Allocation and Assignment of 3G Radio Frequency Bands	23 Aug 2005
Executive Order No. 482	Creating the National Single Window Task Force for Cargo Clearance	27 Dec 2005
BSP Circular No. 511	Guidelines on Technology Risk Management	03 Feb 2006
DTI Department Administrative Order No. 8	Prescribing Guidelines for the Protection of Personal Data in Information and Communications System in the Private Sector	21 Jul 2006
BSP Circular No. 542	Consumer Protection for Electronic Banking	01 Sep 2006
DOF-DTI Joint Department Administrative Order No. 02	Guidelines Implementing R.A. 8792 on Electronic Payment and Collection System (EPCS) in Government	25 Oct 2006
NTC Memorandum Circular No. 05-06-2007	Consumer Protection Guidelines	08 Jun 2007
NTC Memorandum Circular No. 04-06-2007	Data Log Retention of Telecommunications Traffic	08 Jun 2007
DOF-DTI Joint Department Order No. 1	Designation of Members of GEPCSET and Providing their Powers and Functions	18 Jul 2007
UN Convention	The Philippines signed the UN Convention on the Use of Electronic Communications in International Contracts (2005)	25 Sep 2007
DTI-DOH-DA Joint Department Administrative Order No. 1	Rules and Regulations for Consumer Protection in a Transaction Covered by the Consumer Act of the Philippines (R.A. 7394) through Electronic Means under the E-commerce Act (R.A. 8792)	20 Oct 2008
BSP Circular No. 649	Guidelines Governing the Issuance of Electronic Money (E-Money) and the Operations of Electronic Money Issuers (EMI) in the Philippines	09 Mar 2009
Executive Order No. 810	Institutionalizing the Certification Scheme for Digital Signatures and Directing the Application of Digital Signatures in E-Government Services	15 Jun 2009

GPPB Resolution No. 03-2009	Revised Implementing Rules and Regulations of the Government Procurement Reform Act	22 Jul 2009
DOF-DTI Joint Department Administrative Order No. 09-02	Amendment and Supplement to JDAO No.02, S. 2006 and JDO No. 01, S. 2007	29 Jul 2009
DTI-DOF Joint Department Administrative Order No. 10-01	Guidelines on the Use of Access Devices for Payment of Fees, Charges, Assessments and Other Revenues Due to the Government through the Electronic Payment and Collection System (EPCS) of a Government Entity	24 Mar 2010
DTI Department Administrative Order No. 10-09	Prescribing Rules Governing the Accreditation of Certification Authorities for Digital Signatures	29 Sep 2010
DTI Department Administrative Order No. 11-01	Prescribing Rules and Guidelines for the Implementation of Executive Order No. 810, Series of 2009, Entitled "Institutionalizing the Certification Scheme for Digital Signatures and Directing the Application of Digital Signatures in E-Government Services"	18 Feb 2011
Executive Order No. 47	Reorganizing, Renaming, and Transferring the Commission on Information and Communications Technology and its Attached Agencies to the Department of Science and Technology, Directing the Implementation Thereof and for Other Purposes	23 June 2011
Republic Act No. 10173	Data Privacy Act of 2012 – An Act Protecting Individual Personal Information in Information and Communications Systems in the Government and the Private Sector, Creating for this Purpose a National Privacy Commission, and for Other Purposes	15 Aug 2012
Republic Act No. 10175	Cybercrime Prevention Act of 2012 - An Act Defining Cybercrime, Providing for the Prevention, Investigation, Suppression and the Imposition of Penalties Therefor and for Other Purposes	12 Sep 2012
BIR Revenue Memorandum Circular No. 55-2013	Reiterating Taxpayers' Obligations in Relation to Online Business Transactions	05 Aug 2013
BSP Circular No. 808	Guidelines on Information Technology Risk Management for All Banks and Other BSP Supervised Institutions	22 Aug 2013

COA Circular No. 2013-007	Guidelines for the Use of Electronic Official Receipts (eORs) to Acknowledge Collection of Income and Other Receipts of Government	18 Sep 2013
	DBM-approval of DTI Rationalization Plan placing the e-commerce-related under the Sector Planning Bureau	17 Oct 2013
BSP Circular No. 857	BSP Regulations on Financial Consumer Protection	21 Nov 2014
Insurance Commission Circular Letter No. 2014-47	Guidelines on Electronic Commerce of Insurance Products	21 Nov 2014
BSP Circular No. 859	Europay, Mastercard and Visa (EMV) Implementation Guidelines	24 Nov 2014
DOJ Advisory Opinion No. 02-2015	Advisory on Online Shopping Fraud	30 April 2015