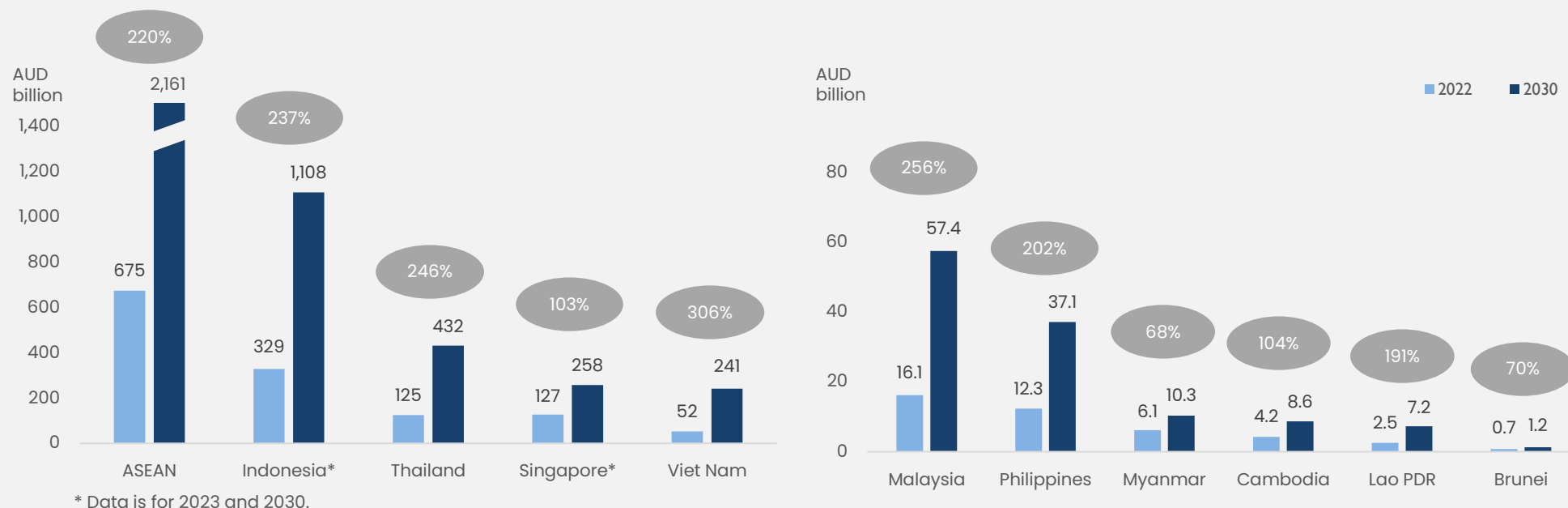


# Digital trade in ASEAN: Standards for digital transactions and e-invoicing

Digital trade presents a significant opportunity for ASEAN to further reinforce its regional integration agenda, promote inclusive development, and enhance economic prosperity. The value of digital trade in ASEAN is projected to increase 220% from AUD675 billion in 2022 to AUD2.2 trillion in 2030.





## Digital trade

The estimation of digital trade included four components:

- **Digital goods and services** – *i.e., goods that are stored, delivered and used in electronic format; services that require digital technology for access and consumption and trade in intellectual property and data;*
- **Digital delivery (full or partial) of tangible goods and services;**
- **Digital enablers of trade** – *including connectivity, digital identities, digital payments, cybersecurity and privacy, and universal access to digital trade systems, information and technology; and*
- **Emerging technologies** – *i.e., new technologies that are currently developing or will be developed over the next 5-15 years and have the potential to transform aspects of trade practice and process.*

Analysis of the current and emerging policy priorities of the ASEAN Member States suggests that there are several areas of commonalities, including e-commerce, digital payments, digital identity, and artificial intelligence (AI).

Furthermore, all ASEAN Member States placed priority on three critical enablers, namely: cross-border data flows; data protection and privacy; and cybersecurity.

Among others, the [ASEAN-Australia Digital Trade Standards \(DTS\) Initiative](#) has delved deeper into digital transactions, including the role and benefits of e-invoicing.

## Digital Transactions

Digital transactions take place without the use of cash and have become increasingly prevalent in the growing digital economies of ASEAN. Cross-border digital transactions are a key component of trade, due to the expansion of global e-commerce, finance (particularly remittances), and tourism.

Between 2018 and 2021, the value of digital transactions was estimated to more than double to reach AUD227 billion. These trends are expected to continue, with the total value of digital transactions estimated to grow to AUD455 billion by 2025.



### How can standards help?

The adoption of international standards can play an important role in connecting IT infrastructure, payment devices, financial messages, and allow for the sharing of data. Some examples of common digital standards that have been adopted by several ASEAN Member States include standards for financial messaging (ISO 20022) and standards for QR codes (EMVCo standards).

Advancing progress in harmonised standards can contribute to increasing digital transaction volumes domestically and across borders, as well as enhance financial access and inclusion for individuals (including women and persons with disabilities) and micro, small and medium-sized enterprises (MSMEs) in ASEAN.



## E-invoicing

E-invoicing is a key aspect of paperless trading. E-invoices are invoices issued, transmitted, received, processed and stored electronically using specific document formats. They offer increased efficiency, reduced costs, faster payment cycles, and the ability to transact across borders, due to the automatic generation, transmission and processing of invoices that can be issued, exchanged and settled faster. From a business perspective, the Asian Development Bank ([ADB](#)) estimated the potential cost-savings from the adoption of e-invoicing to be about AUD141 billion for approximately 70.6 million MSMEs, including women entrepreneurs. From a customer perspective, e-invoicing increases accessibility and efficiency, such as being able to monitor the status of invoices in real time and strengthening financial records.



### How can standards help?

E-invoicing standards help to standardise machine-readable documents, and establish common protocols for the transfer of e-invoices across secured networks with comparably adequate security protocols.

An important e-invoicing standard is the Pan-European Public Procurement On-Line project (PEPPOL) standard. Among the ASEAN Member States, Malaysia and Singapore have adopted the PEPPOL standard.

The benefits of e-invoicing can be further strengthened with inclusive access to connectivity and digital skills, and coordination with legal and regulatory requirements, such as cybersecurity and data privacy.