

# Digital Economy and AI\_Malaysia

**DATO INDRANI THURAISSINGHAM**

Vice President & Legal Advisor of The Federation of  
Malaysian Consumers Associations (FOMCA)

Coordinator of ASEAN Consumers Alliance Center

29 August 2024

# ABOUT

# FOMCA



- formed on **10 June 1973** in **Malaysia (51 years old )**
- **registered under Registrar of Societies**
- national **umbrella** body founded that serves as the **coordinating, consultative**, and working **both** at the **national, regional** and **international** levels.
- FOMCA currently has **18** member organizations as affiliates specializing in key **consumer** issues.
- **strengthening consumer protection** in the **marketplace** through **advocacy, lobbying, networking, representation, campaigning**, and **education**.

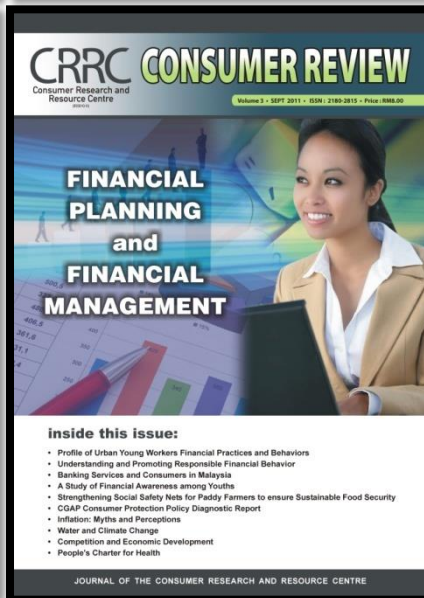
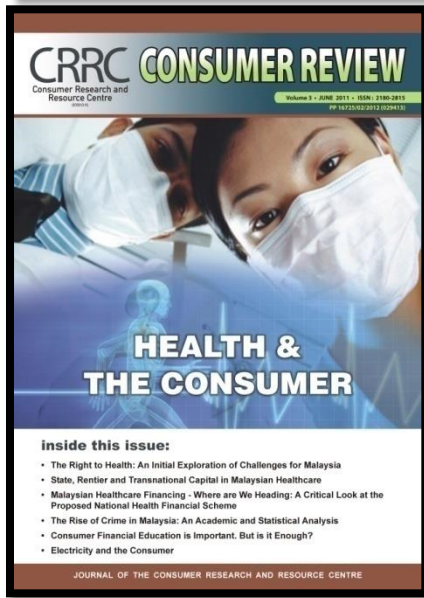
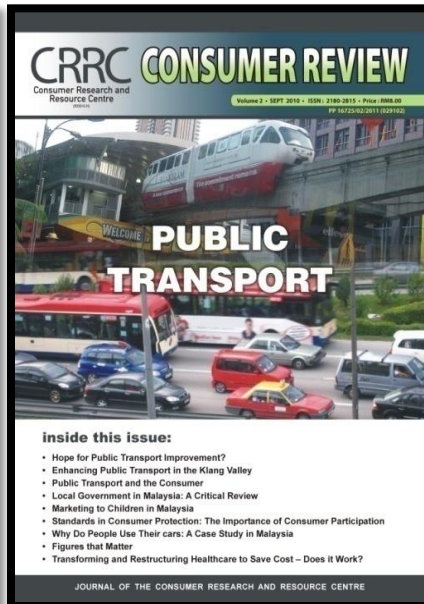
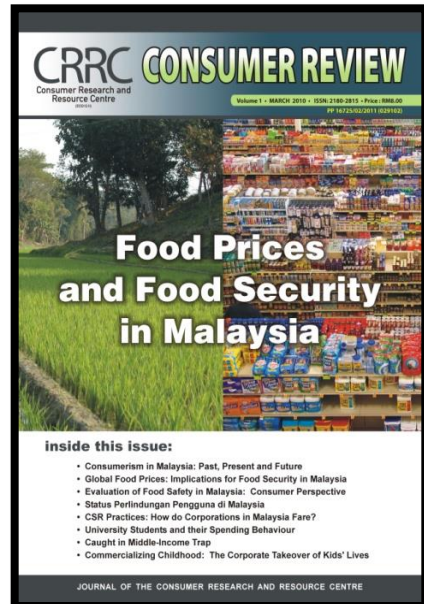
# FOMCA - ROLES & FUNCTIONS

## FUNDAMENTALS

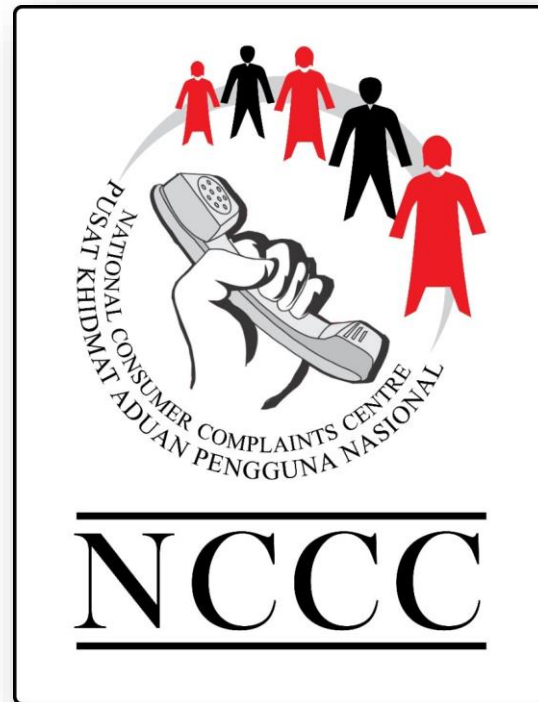
- Non-Profit
- Non-Government
- Non-Political
- Independent

## BETTER CONSUMER PROTECTION & WELL-BEING

- Advocacy
- Education and Empowerment
- Representation
- Standards
- Complaints/Data collection
- Supported by Research



# NATIONAL CONSUMER COMPLAINTS CENTRE (NCCC)



# ASEAN CONSUMER ALLIANCE CENTRE



## Indonesia

- 1 Consumer Advocacy and Protection Agency (LAPK)
- 2 Yogyakarta Consumer Institute (YCI)
- 3 Yayasan Lembaga Konsumen Indonesia (YLKI)
- 4 Aliansi Lembaga Perlindungan Konsumen Listrik Nasional (Alperklinas)

## Cambodia

- 5 Cambodian Institute for Research and Rural Development (CIRRD)

## Laos

- 6 Sustainable Agriculture & Environment Development Association (SAEDA)

## Malaysia

- 7 Consumer Association of Penang (CAP)
- 8 Consumer Research and Resource Centre (CRRC)
- 9 Era Consumer Malaysia (ERA)
- 10 Federation of Malaysian Consumers Association (FOMCA)
- 11 Malaysian Association of Standards Users (Standards Users)
- 12 National Consumer Complaint Centre (NCCC)
- 13 Selangor Consumer Association (SCA)

## Myanmar

- 14 Myanmar Consumers Union (MCU)

## Philippines

- 15 Laban Konsumer, Philippines
- 16 SUKI, Philippines

## Singapore

- 17 Consumer Association of Singapore (CASE)

## Thailand

- 18 Foundation For Consumers, Thailand (FFC)
- 19 Thailand Consumers Council (TCC)

## Timor-Leste

- 20 East Timor Consumer protectio-Tane Konsumidor

## Vietnam

- 21 Vietnam Standards and Quality Association (VINASTAQ)
- 22 Vietnam Consumer Protection Association (VICOPRO)



# How does FOMCA engage and cooperate with other consumer associations and government agencies to protect consumers from unsafe goods and services at the regional level?

**4:16** **ASEAN CONS ALLIANCE CTR**  
Antonio Ramos DeSilva\_Timor Leste, ASEA...

**CONSUMER ALERT!**  
Termostes Sirup, Flurin DMP Sirup, Unibebi Cough Sirup, Unibebi Demam Sirup, and Unibebi Demam Drops  
Indonesia bans medicinal syrups; 99 Death Reported

**4:17** **ASEAN CONS ALLIANCE CTR**  
Antonio Ramos DeSilva\_Timor Leste, ASEA...

**ASEAN\_Tohom Purba\_Alpaikinas\_Indonesia**  
Forwarded

**Buka Posko Pengaduan, BPKN Terima Laporan Tiga Balita Meninggal Karena Gagal Ginjal Akut**  
WahanaNews.co | Setelah resmi mendirikan Posko Pen...  
wahananews.co

**Buka Posko Pengaduan, BPKN Terima Laporan Tiga Balita Meninggal Karena Gagal Ginjal Akut**  
<https://wahananews.co/nasional/buka-posko-pengaduan-bpkn-terima-laporan-tiga-balita-meninggal-karena-gagal-ginjal-akut-10bC9vsnIG>  
1:17 PM

**4:17** **ASEAN CONS ALLIANCE CTR**  
Antonio Ramos DeSilva\_Timor Leste, ASEA...

**Gunakan EG/DEG Lebih Ambang Batas, BPOM Cabut Izin CPOB 3 Perusahaan Farmasi**  
WahanaNews.co | Badan Pengawas Obat dan Makanan...  
wahananews.co

**Gunakan EG/DEG Lebih Ambang Batas, BPOM Cabut Izin CPOB 3 Perusahaan Farmasi**  
<https://wahananews.co/kesehatan/bpom-cabut-izin-cpob-3-perusahaan-farmasi-gunakan-egdeg-lebih-ambang-batas-jkgYjHCnZ7H>  
3:43 PM

**ASEAN\_Tohom Purba\_Alpaikinas\_Indonesia**  
Forwarded

**BPKN Minta Pemerintah Lakukan Audit Peredaran Obat Sirup dari Hulu Hingga Hilir**  
WahanaNews.co | Kementerian Kesehatan (Kemenkes)...  
wahananews.co

**BPKN Minta Pemerintah Lakukan Audit**

**4:15** **ASEAN CONS ALLIANCE CTR**  
Antonio Ramos DeSilva\_Timor Leste, ASEA...

**ASEAN\_Tohom Purba\_Alpaikinas\_Indonesia**  
Forwarded

**Soal Kasus Ginjal Akut TPF Desak BPOM dan Pemerintah Tanggung Jawab**  
WahanaNews.co | Kasus gangguan ginjal akut progresif...  
wahananews.co

**Soal Kasus Ginjal Akut TPF Desak BPOM dan Pemerintah Tanggung Jawab**  
<https://wahananews.co/kesehatan/soal-kasus-ginjal-akut-tpf-desak-bpom-dan-pemerintah-tanggung-jawab-0D6HgKsq1>  
3:15 PM

**ASEAN\_Tohom Purba\_Alpaikinas\_Indonesia**  
Forwarded

**Setelah Posko Pengaduan, BPKN Bentuk Tim Pencari Fakta Kasus Gangguan Ginjal Akut**  
WahanaNews.co | Setelah membuka posko pengaduan,...  
wahananews.co

**Sharing of information with other Consumer Organisations from ASEAN ( the ASEAN Consumer Alliance Centre)**



## Trends relating to E-Commerce

New technologies are enabling greater efficiency through innovative business models, blurring the lines between digital and physical commerce. The change in the way commerce is carried out necessitates updated approaches to continuously safeguard the interest of all parties involved in E-Commerce.

### Trends influencing E-Commerce

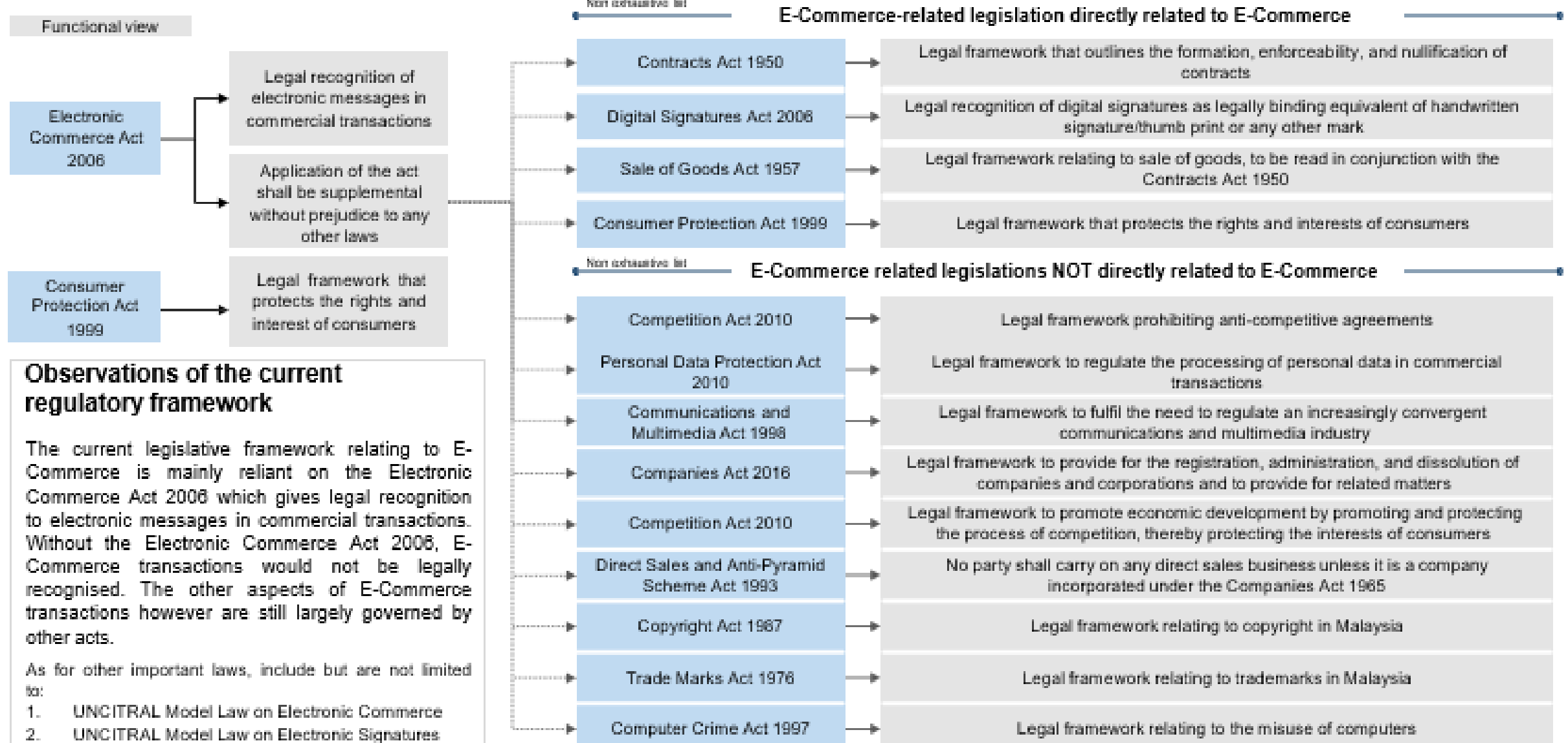
Technological advancement has enabled significant changes in the way E-Commerce is conducted leading to a greater array of services delivered via digital platforms. Convergence is observed across a myriad of industries where E-Commerce is encroaching into the domain of broadcasting, technology services as a service, and social media. E-Commerce platforms itself is undergoing transformations with technologies such as blockchain-based decentralised E-Commerce platforms, voice-based shopping, and the use of artificial intelligence (AI). This shifting trend necessitates an update in the approaches towards safeguarding the interest of sellers and buyers within the ecosystem as the new business modes have created new uncharted areas of commerce.

New Supporting Functions	Artificial Intelligence (AI)	Enhances E-Commerce functions (1) personalisation, (2) dynamic pricing, (3) chatbots and virtual assistants, (4) search and discovery, and (5) automated decision-making
	Electronic Wallets	Payment systems for unbanked individuals that fall outside the traditional banking system
	Distributed Ledger Technologies	Enabling the traceability of product origins
New Digital Business Models	Cloud Computing	Enabling the provision of a broad array of infrastructure, platform, and software services over the Internet
	Connected Devices	Smart devices such as kitchen appliances that enable ordering replenishable products online
	Subscription-based Business Models	Regular and recurring payment models for the provision of goods and services. They include a broader range of services including streaming services such as Netflix

New Forms of E-Commerce Platforms	Augmented Reality	Enhanced product visualisation and virtual try-on
	Voice-assisted Shopping	AI-based voice-enabled technologies that facilitate shopping processes and interactions with end-consumers
	Decentralised Marketplaces (Blockchain)	Enhances trust environment but also creating disruptions in business models through decentralised blockchain-based platforms
	Live Commerce	Live-streaming commerce with payments through digital wallets
	Social Commerce	Commerce capabilities built into social platforms
Online-to-Offline E-Commerce	Seamless integration of digital and physical retail experiences, e.g., click-and-collect and digital experiences in physical stores	

# Current E-Commerce legislative framework

Under the current legislative framework, the *Electronic Commerce Act* which recognizes the legality of electronic messages related transactions is supplemented with by other laws that govern various aspects of commerce in goods and services.



## Observations of the current regulatory framework

The current legislative framework relating to E-Commerce is mainly reliant on the Electronic Commerce Act 2006 which gives legal recognition to electronic messages in commercial transactions. Without the Electronic Commerce Act 2006, E-Commerce transactions would not be legally recognised. The other aspects of E-Commerce transactions however are still largely governed by other acts.

As for other important laws, include but are not limited to:

1. UNCITRAL Model Law on Electronic Commerce
2. UNCITRAL Model Law on Electronic Signatures



## Challenges in Public Published Domain

## Source

For purchases on social media, NCCC senior manager Baskaran Sithamparam says sellers on Facebook, Twitter and Instagram are not bound by refund or return policies like those who are on legitimate online marketplaces.

[From online shopping to offline let-downs \(fomca.org.my\)](#)

"There is currently no law regulating goods on E-Commerce platforms and there is no law requiring vendors on a platform to ensure that the goods they offer exist.

[Laws on ecommerce to be reviewed for better consumer protection | The Star](#)

Service providers cannot take action against the seller if a problem arises

Goods purchased online that were not delivered or failed to meet customer requirements; non-compliance with product safety standards

"Dark patterns" or "deceptive design" refer to manipulative methods in digital design to trick customers into such things as: buying more expensive goods after the initially offered cheaper item is suddenly "unavailable"; hiding or obscuring opt-out mechanisms; or subtly maneuvering users into giving up personal information, among others.)

Predatory pricing that harmed local small- and medium-sized businesses and that the new regulation "will justly regulate fair trade online and offline. social media platforms tend to offer hefty discount vouchers, especially to first-time users, sometimes as much as 90% off.

[Shop talk: Adapting to legal challenges while selling on social media | The Star](#)

- Cross border dispute redress mechanisms
- Simplified procedures for fast tracking consumer cases/small claims
- Regulatory requirement for internal complaint-handling by businesses

[Regional Report - Needs and Gaps on Consumer Dispute Resolution in ASEAN Final.pdf \(aseanconsumer.org\)](#)

- Platforms try to make sure that customers are satisfied with the level of customer service provided on the market, so they may push suppliers into accepting demands on suppliers above the level of the legal protection provided by the consumer acquis. While, generally speaking, elevating the level of consumer protection is a positive trend, in this case the elevation will not be a voluntary decision of suppliers, but will be imposed by the platform's policy, very often at the expense of the supplier.

[The Legal Framework for E-commerce in the Internal Market | Think Tank | European Parliament \(europa.eu\)](#)

- Goods not received

[ECS2018.pdf \(mcmc.gov.my\)](#)

- Identity theft

- Financial fraud



## Benefits and risks of AI

- Consumers are already using generative AI in their daily lives - Virtual assistants, chatbots, ChatGPT. Artificial intelligence has impacted every area of the economy and consumer life – finance, health, manufacturing, security, and even personal choices.
- It has major implications for consumers' well-being, autonomy, self-determination, privacy, safety, fairness and security. It also raises questions about who should be held responsible if the output of an AI system has a detrimental effect on a consumer.

# Potential harms and challenges of AI

## **Opaque system**

lack transparency on how algorithm is generated

## **Deepfakes and Disinformation**

A 2002 Europol Report estimated that by 2026, about 90% of online content may be online generated.

The proliferation of deep-faked content can lead to significant erosion of trust as people will not be able to know whether an image, text, sound, or video is real or synthetic.

## **AI in Advertising**

Making it easier and more efficient to manipulate people through personalized advertising.

## **Bias and Discrimination**

- AI models can perpetuate or create new biases as they are trained on vast amounts of information from the internet thus, they will inherit the biases of their training data

## **Privacy and data protection**

AI can perpetuate scams due to cybersecurity issues

THANK YOU !

[Indrani.fomca@gmail.com](mailto:Indrani.fomca@gmail.com)