



Dr. Yaacob Ibrahim
Minister for Communications and Information
Ministry of Communications and Information
140 Hill Street #01-01A
Old Hill Street Police Station
Singapore 179369

14 June 2013

Dear Minister Yaacob,

Re: Government's new licensing framework for online news sites could stifle innovation, industry development and investment in Singapore

The Asia Internet Coalition (AIC) is an industry association formed by eBay, Facebook, Google, Salesforce and Yahoo! Incorporated. The AIC seeks to promote the understanding and resolution of Internet policy issues in the Asia Pacific region.

The AIC is very concerned by the recent move by the government to introduce a licensing regime for online news sites. The Asia Internet Coalition strongly believes in the potential of Internet-enabled communications to benefit society, the economy and citizens. We continue to believe that we are well aligned with Singapore in this regard and have welcomed Singapore's aim to further establish itself as a cloud computing and data analytics hub in the region. However, this new regulation – and the regulatory trend that this may be indicative of – could unintentionally hamper Singapore's ability to continue to drive innovation, develop key industries in the technology space and attract investment in this key sector. We also believe that the scope of the regulation and manner in which it was introduced have negatively impacted Singapore's global image as an open and business-friendly country.

We would welcome an opportunity to engage in a dialogue with the government to share our feedback on the new licensing framework and understand what the evolution of this regime will encompass. We were surprised with the new licensing regime, as the current content regulatory framework has been well understood by business, effective and has not proven to be inadequate in allowing the authorities to address offensive online content. Furthermore, as the MDA has indicated, it has only invoked its powers and issued a takedown notice once in the past two years. Hence, we view that it is unwarranted and excessive for the government to extend the class-licensing framework to individually license (identified) online news sites in order to ensure regulatory parity. This is an additional layer of regulation, which has also introduced significant business uncertainty for the industry.

Another key concern is that the newly introduced framework is both ambiguous and onerous, which could negatively impact start-ups and multinationals operating or seeking to operate in Singapore:

- **The current vague and broad terms in the regulation and implementation will hamper innovation and deter industry growth:** While ten sites have been identified and the

government has clarified that personal blogs and websites will not fall under the purview of this licensing framework, it remains unclear which specific additional websites will eventually be required to have an individual license. Currently, companies will only know upon notification by the MDA.

The language in the regulation remains vague and broad, and does not reflect the clarifications that the government has made. The government also has not provided clarity on how it would implement the regulation (e.g. when does a website cross the line to become a news site), which companies can reference and adequately assess if the regulation would be applicable to them.

Additionally, it is unclear whether websites that are required to have an individual license will be liable for user-generated comments on their sites. It is essential that legal regimes do not put intermediaries in the untenable position of proactively policing content or hold them strictly responsible for content generated by users. Online platforms have incentives to address misuse of their services. These market solutions should be allowed to operate and evolve within a light-touch regulatory regime that provides clarity for those regulated.

These types of uncertainties have a significant chilling effect on innovation and negatively impact Singapore's ability to attract investments, both of which are critical to the healthy development of the infocomm and media sector in Singapore. To address this concern we propose that an express statement clarifying that a licensed entity will not be liable for user-generated content on its platform should be included in the regulation.

- **The additional licensing conditions are onerous, regressive and untenable in practice.** The 24-hour removal period is too short and fails to take in account the nature of the Internet. The requirement is also particularly difficult for international companies, who will have to negotiate between time zones to comply. Accordingly there remains a serious question about the ability of the online industry to adhere to the license conditions as currently drafted. AIC members do not object to the timely removal of content that does not comply with the Broadcasting Services Act and pursuant Internet Code of Practice. We do however have significant concerns about our ability to make that assessment in reference to content standards in the regulation that are extremely vague and open to broad interpretation and a requirement to take appropriate action within a 24-hour period from notification. We propose that this provision is removed and replaced with a "best endeavors" response within a reasonable timeframe taking into account all of the circumstances.

The introduction of a performance bond will hurt startups and smaller organizations, even if this does not necessarily entail cash up front. Startups and smaller firms typically run lean setups and face numerous forms of challenges, such as finding and securing access to financing. The SGD\$50,000 performance bond is not a small sum. For successful startups, this bond will serve to be a financial risk, and a burden that they would constantly have to take into account, which could otherwise be an asset.

The case for having a 'performance bond' at all is unclear. It sends a very strong wrong message to the Internet community in and beyond Singapore that these changes could presage a more restrictive attitude to the Internet. It also could also set a precedent for more restrictive regimes around the region.

While we appreciate that the MDA has provided further clarifications following the initial announcement, these clarifications should be incorporated into the implementing regulations and we believe that further stakeholder engagement to refine this is necessary.

We would also suggest that the government strongly consider reviewing the new regulation in a year or two to assess if it is necessary.

We hope that the government will engage with all relevant stakeholders as it contemplates further Internet-related regulations, such as the plans to amend the Broadcasting Act to cover online news sites that may not be operating in Singapore.

We would be most willing to work with Singapore on Internet-related issues and provide views where appropriate. Please do not hesitate to reach out to us at director@asiainternetcoalition.org if you have queries, or would like further information on the contents of this letter. Thank you.

Yours Sincerely,

A handwritten signature in grey ink, appearing to read 'J. Ure', with a horizontal line underneath.

Dr. John Ure
Executive Director
Asia Internet Coalition