



Regulatory Framework Strengthening

July 16th 2002



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Agenda

- 1. 15:00 Opening Remarks
- 2. 15:15 Presentation
- 3. 16:00 Coffee Break
- 4. 16:15 Discussion
- 5. 17:15 Coffee Break
- 6. 17:30 Discussion
- 7. 18:45 Closing Remarks

REACH Strategic Thrusts

- IT Industry Development
- Regulatory Framework Strengthening
- Human Resources Development
- Government Support
- Capital And Finance
- Infrastructure Development

Plan Of Action

- Hold planning meetings
- Identify macro topics
- Identify and interview stakeholders
- Review relevant topics in REACH 1 & 2 as well as additional reading material
- Hold workshop
- Compile final report

Workshop Objectives

- Brief overview of international practices
- Review current status
- Present list of macro topics for discussion
- Incorporate comments and suggestions into final report
- Prioritize recommendations

Stakeholders

- Public sector
- Private sector
- Citizen sector
- International business community

International Practices

- United Kingdom
- Egypt
- Dubai
- India
- Singapore

United Kingdom

- Rebuilt government services from the citizens point of view
- Started with Information and Privacy Acts
- Advanced legal framework, strong legal accountability in place
- Mixing of commercial services with government services allowed

Egypt

- Early leaders in regional ICT industries
- Considerable bureaucratic hurdles to regulatory framework strengthening
- Adopted Special Zoning approach
- Concentrated on achieving quick successes

Dubai

- ⇒ Quick top level decision making to keep up with fast moving ICT industry
- ⇒ Implemented a combination of incentives for successes and penalties for failures
- ⇒ Adopted an implement first , worry about legislation later approach
- ⇒ Abundance of funds makes correcting mistakes affordable

India

- ⇒ Government is an essential partner for progress
- ⇒ Difficult relationship between sectors, Private Sector chose the path of least resistance
- ⇒ Largest pool of English speaking IT professionals in the world
- ⇒ Bureaucratic hurdles to legal framework development
- ⇒ S/W exports ?

Singapore

- Government – industry relationships actively encouraged
- Implemented early regulations to instill trust in the on-line world
- Adopted the Policy Maker, Regulator, Developer, Promoter approach

Achieved To Date

- Laws and regulations enacted:
 - Labour law, ESOP, Patents, IPR
 - IPR law , patents, copyright protection
 - Telecom law
 - Companies law, Private shareholding companies
 - Electronic transactions law
- Access to JIB incentives enhanced
- Established MoICT

Relevancy Of *Information Laws*

- ⇒ Broad classification of information as:
 - Public
 - Private
 - National Interest
- ⇒ Right to have access to information
- ⇒ Obligation to provide information
- ⇒ Clear mechanism for changing classifications
- ⇒ Liability for providing wrong information
- ⇒ Right to dispute incorrect information
- ⇒ Protect individual privacy

Discussion Macro Topics

- ⇒ Customs Rates
- ⇒ Customs Procedures
- ⇒ Censorship
- ⇒ Income Tax Policies
- ⇒ E-commerce Legislation
- ⇒ Outsourcing
- ⇒ Cyber Crimes
- ⇒ Internet Cafes
- ⇒ Official Complaints Body

1. Customs Rates & Valuation

- Customs on most IT products reduced
- Spare parts , options, separately shipped items, re-sellable S/W still subject to up to 30% customs
- Need for a clear set of regulations
- Revise applicable customs tariffs on IT products under the Harmonized Customs Tariff Schedule, MOF

2. Customs Procedures

- Procedures are in place
- Subjective approach to valuation still applied in practice
- Need for raising awareness and further training of customs officials regarding relevant laws
- Regulations needed to enforce the laws

3. Censorship

- ⇒ New law to regulate censorship submitted to government
- ⇒ S/W imports exempted from censorship
- ⇒ Clear distinction between personal use and public circulation items
- ⇒ Personal attitudes still a problem
- ⇒ Severe penalties for violators

4. Income Tax Policies

- ⇒ S/W development recently classified as industrial activity by MOIT, JIB
- ⇒ Developers entitled to lower tax brackets
- ⇒ Main issue is approved verification of industrial status by Income Tax Department
- ⇒ Need to re-classify ICT industry as a separate entity enjoying lower tax brackets as opposed to industrial classification
- ⇒ Involves MOIT ,MOF, Chambers of Commerce & int@j

5. E-Commerce Legislation

- Electronic transactions law under review
- Supportive regulations still missing from MoICT, CBJ, MoIT
- PKI infrastructure not available, Certification Authority still not established
- National consensus on smart card ID
- Need for clearing / regulating body

6. Outsourcing

- Concepts Of BOO, BOT are approved and applied selectively
- Outsourcing of non core Government activities should be promoted with a clear distinction between Services and Utilities
- Legal issues need to be addressed
- Concept of revenue sharing still facing major obstacles

7. Cyber Crimes

- Law exists but some crimes (e.g. hacking , DDOS) not included
- Law needs to be dynamic
- Non criminal hacking should be a punishable crime
- Jurisdiction

8. Internet Cafes

- Current regulations negative for Jordan's image
- Need for lobbying with MOI, PSD
- Many internet cafes closing down
- Need to cater for different age groups
- Excessive regulation of Internet Cafes should be avoided
- The Internet should not be regulated

9. Official Complaints Body

- Lack of awareness of government employees regarding new laws
- Need for an active complaints office to look into disputes, misinterpretations and complaints
- Provide guidance to government employees where necessary

Areas That Need Further Attention

- ⇒ Balancing of rights , obligations and interests
 - Right of information privacy
 - Right of information confidentiality
 - Right of data integrity
- ⇒ Access to and dissemination of public information
 - More transparency in government processes
 - Equitable access to information
 - Pricing of access
- ⇒ Legal accountability
- ⇒ Raise public awareness and training

Conclusions

- The REACH Initiative put Jordan on the right ICT footing at the time when global ICT industries were booming
- Jordan's ICT sector played a difficult balancing act between *keeping up* and *cleaning house*
- Considerable progress to date in regulatory frame work strengthening, more to be done
- Change cannot be achieved overnight even in fast moving sectors like ICT
- Current emphasis on enforcement, implementation and supportive regulations

Recommendations - 1

- ⇒ Clear need for further strengthening regulatory framework
- ⇒ Strengthening means intra-sector balancing of rights and obligations
- ⇒ Need for more coordination between stakeholders
- ⇒ Approach – should be from a sector specific context
- ⇒ Resolution – should be from a comprehensive context

Recommendations - 2

- Technologies should sustain privacy not erode it
- Poor information security indirectly promotes criminal activity
- Establish the post of Chief Information Privacy Officer at MoICT
- Exploit current global slump in ICT industries to speed up internal progress
- Make use of international best practices where applicable

Discussion

REACH

STRATEGIES FOR JORDAN'S ICT DEVELOPMENT

