



TECH FOR
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INSTITUTE

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Evolution of Tech Governance in Southeast Asia-6



About This Study

The Evolution of Tech Governance in Southeast Asia-6 (SEA-6) is an annual series produced by Tech for Good Institute (TFGI). The series aims to examine how governance approaches to the digital economy and society are evolving across Southeast Asia, document regulatory developments and explore regional trends.

The first edition¹ focused on identifying “who” the key regulators are in the digital economy as of 2023. The second edition² built on this foundation by exploring “who” the key players are, “how” governments are approaching tech governance and “what” policy areas gained prominence in 2024, offering insights into the region’s evolving regulatory landscape. This third edition continues the longitudinal approach focusing on progression of governance approaches in SEA-6 in 2025.

Across the three editions, the analytical scope has intentionally expanded, from tech regulators to tech policy, to tech governance. In this series, governance refers to the broader context that encompasses policy while also covering the structures, systems, and decision-making processes that shape the digital economy. This involves mechanisms beyond formal legislation, including guidelines, co-regulation, voluntary codes of conduct, technical standards, sandbox arrangement, and multi-stakeholder platforms. By adopting this wider perspective, the series examines not just what rules are introduced, but how authority is exercised, by whom, and through which instruments.

The third edition highlights how governments are progressively moving from agenda-setting towards more established regulatory frameworks, implementation mechanisms, and institutional arrangements in the digital economy and digital society. By tracking developments over time, it offers a comparative perspective on how tech governance across Southeast Asia is evolving in practice.

This report continues to spotlight the six major digital economies of the region—Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam (collectively referred to as the SEA-6). As the region undergoes rapid digital transformation, governments are adopting diverse policies and frameworks to effectively address both the opportunities and challenges presented by emerging technologies.

With contributing partners from each country, this report provides in-depth insights into the national developments while situating them within a broader regional context. Given the rapid pace of technological advancement and the unique trajectories of each country, the regulatory landscape of the digital economy will remain dynamic and continue to evolve. As a review of 2025 developments, this report aims to serve as a practical resource for policymakers, researchers and industry practitioners seeking to understand the region’s evolving governance frameworks.

The goal of this paper is to serve as a starting point for meaningful conversations. Southeast Asia presents valuable opportunities for learning from each other’s experience in technology governance. By offering a shared reference point on policy and governance developments, this paper seeks to foster dialogue and collaboration in shaping effective and forward-looking regulatory frameworks. With the substantial conclusion of the Digital Economy Framework Agreement (DEFA) negotiations in October 2025, this report also identifies common areas of convergence where tangible cooperation on regional interoperability can be advanced.

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About the Tech for Good Institute

The Tech for Good Institute (TFGI) is a non-profit policy research institute working to advance the promise of technology and the digital economy for inclusive, equitable and sustainable growth in Southeast Asia (SEA).

With a population twice the size of the US and having strong demographics, SEA's digital economy is evolving rapidly. At the same time, the region's trajectory is unique, shaped by its diverse cultural, social, political and economic contexts. TFGI serves as a platform for research, conversations and collaborations focused on SEA, while staying connected to the rest of the world. Our work is centred on issues at the intersection of technology, society and the economy, and is intrinsically linked to the region's development. We seek to understand and inform policy with rigour, balance and perspective by using research, effective outreach and evidence-based recommendations.

TFGI works in partnership with the Mastercard Center for Inclusive Growth and Grab, to advance the vision of a thriving and innovative SEA for all. We welcome opportunities for partnership and support, financial or in-kind, from organisations and individuals committed to fostering responsible innovation and digital progress for sustainable growth in the region.

More information about the Institute can be accessed at www.techforgoodinstitute.org



Executive Summary

In 2025, digital governance within the SEA-6 entered a phase of consolidation. Governments moved from policy formulation to implementation and enforcement. Cybersecurity, artificial intelligence (AI), and digital platform governance are increasingly recognised as core pillars of economic resilience, public trust, and national security. Regulatory frameworks have progressed to operationalisation, oversight responsibilities have expanded, and enforcement measures have become more visible. The transition occurred amid intensifying global competition in AI and changing geopolitical and geoeconomic dynamics, placing greater demands on Southeast Asian nations to strengthen digital sovereignty while maintaining competitiveness and fostering regional interoperability. The defining feature of 2025 was not simply the passage of new laws, but the integration of strategic intent into institutional practice.

This report explores recent developments through two interrelated dimensions: first, the policy priorities shaping governance across the SEA-6; and second, the broader evolution of governance architectures, including emerging models of digital sovereignty, structural reforms within state institutions, and enhanced regional coordination. Through this dual perspective, three interconnected shifts distinguish 2025 from previous years. These shifts are not merely continuations of existing trends; rather, they represent significant transformations in how governments operationalise regulatory power within the digital economy.



From framework to function

In 2025, the SEA-6 experienced a notable shift from regulatory design to practical execution. Legislative developments in AI governance, online safety, cybersecurity and digital platforms were accompanied by strengthened enforcement agencies, defined compliance timelines, and clearer penalties for non-compliance.

Vietnam implemented its AI Law and the Law on the Digital Technology Industry, formalising state oversight of emerging technologies. Malaysia's Online Safety Act has introduced mandatory licensing for large platforms. Thailand enacted 24-hour takedown obligations and mechanisms for shared financial liability in technology-related offences. Singapore's Protection from Scams Act empowered authorities to impose immediate banking restrictions to prevent fraud. Collectively, these actions indicate a regional transition towards active enforcement as opposed to declaratory policy signalling.

This shift fundamentally alters the relationship between governments and the technology industry. States are building durable institutional capabilities by creating new agencies, inter-ministerial committees, and supervisory units, rather than relying on ad hoc measures. Implementation has become a central metric of governance performance.



Balancing innovation and sovereignty

AI governance across the region has undergone a significant reframing. While earlier years emphasised ethical principles and voluntary guidance, 2025 saw governments move toward more binding regulation and increasingly treat AI as strategic national infrastructure, comparable in significance to energy systems or defence capabilities. In the SEA-6, AI policy approaches have evolved, now combining risk management with infrastructure investment and capacity-building.

Vietnam initiated construction of a national AI supercomputing centre and a centralised National Data Centre. Indonesia's National AI Roadmap prioritises sovereign Graphics Processing Units (GPUs), Tensor Processing Units (TPUs), and national cloud infrastructure. Malaysia committed to establishing a National Sovereign AI Cloud by 2026. Thailand allocated substantial public funding for AI advancement. Whereas Singapore strengthened practical AI safety testing frameworks and enterprise-level compute support.

At the same time, regulatory sandboxes became institutionalised within sectoral governance regimes. Vietnam embedded sandbox mechanisms directly within its AI Law and the Digital Transformation Law, signalling a shift away from blanket prohibition towards controlled experimentation in fintech, telecommunications and digital services. Singapore evolved its "innovation with guardrails" models by pairing experimentation with structured test protocols and assurance artefacts in health technology and AI-enabled medical devices. Indonesia continued to pilot its digital rupiah within a supervised sandbox environment.

This layered approach, combining infrastructure investment, binding regulation and supervised experimentation, signals a structural evolution. Governments are positioning themselves not merely as regulators, but also as investors, coordinators and market shapers.



National differentiation within regional convergence

While regulatory approaches remain diverse, 2025 marked a transition from aspirational coordination toward negotiated interoperability. The ASEAN Digital Economy Framework Agreement (DEFA) reached substantive conclusion in October 2025, with a formal signing anticipated in 2026. Malaysia and the Philippines prioritised DEFA as a strategic economic deliverable. The formal establishment of the ASEAN AI Safety Network and the operationalisation of the "Hanoi Convention" on cybercrime further strengthened regional coordination in AI safety and cross-border enforcement.

Regional alignment is increasingly embedded in structured commitments rather than informal dialogue. Instruments like DEFA and ASEAN's data initiatives are gradually shaping digital trade, regulatory compliance, and cross-border data governance. The adoption of the Hanoi Digital Declaration in January 2026 further reinforces this trajectory, signalling commitment to enhance digital cooperation and expedite regional digital transformation.

However, this growing regional integration is unfolding alongside strengthened sovereignty strategies. Vietnam's enhanced data control measures, Indonesia's infrastructure and payment sovereignty initiatives, and Singapore's assurance-based regulatory perimeter approach illustrate distinct domestic pathways that might hinder seamless integration. The primary governance tension for the SEA-6 lies in balancing sovereign control with interoperable regional systems. The management of this balance will shape whether the region evolves into a cohesive digital market or remains characterised by regulatory fragmentation.

As frameworks enter enforcement phases, 2026, will determine the durability of this consolidation. Expanded enforcement needs to translate into quantifiable public benefits instead of merely increasing compliance burdens. Sovereign AI infrastructure ambitions necessitate a careful balance between the openness to investments with strategic control. DEFA's formal signing and implementation will test whether interoperability commitments can move from negotiation to operational reality. These developments will define whether the governance consolidation of 2025 evolves into a stable and coherent institutional framework.

The implications are profound. For governments, the priority shifts from announcing reforms to ensuring institutional coherence and effective execution. Strengthening technical capacity, aligning mandates across agencies, and preventing regulatory overlap will be critical to sustaining governance performance. For industry, regulatory diversity across the SEA-6's increases compliance complexity, particularly for cross-border operators. At the same time, participation in sandbox and assurance regimes offers structured pathways to markets access and regulatory clarity. For research institutions and associations, the transition to implementation creates an expanded role in facilitating multi-stakeholder dialogue, translating complex regulation into operational guidance, and generating evidence to support policy improvement.

Ultimately, the next stage of SEA's digital governance will depend on whether interoperability and sovereignty can be balanced through coordinated institutional strengthening. Governments should consider investments in regional compatibility mechanisms, structured public-private collaboration, and cross-agency coherence as enforcement becomes more stringent and infrastructure strategies become more comprehensive. Without deliberate alignment, regulatory consolidation risks entrenching fragmentation beneath the surface of convergence. With effective implementation, the region can translate its aspirations into digital governance that is resilient, interoperable, and globally competitive.