

# China–Malaysia Cross-Border Data Governance: ASEAN and Regional Legal Interactions

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**Abstract:** In the context of the digital economy, cross-border data governance cooperation between China and Malaysia is constrained by two factors: differences in domestic data protection laws and the lack of coherence among existing multilateral frameworks. Prior scholarship primarily examines cross-border data governance through single-treaty frameworks, while the role of the Association of Southeast Asian Nations (ASEAN) as an institutional intermediary has not been systematically analysed. In particular, institutional coordination pathways between China and Malaysia remain underexplored. The study adopts a qualitative methodology, combining textual and comparative analyses, to examine the institutional structure of the ASEAN Data Governance Framework (ADGF). It investigates ASEAN's role in coordinating the multilateral mechanisms of the Regional Comprehensive Economic Partnership (RCEP), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the China–ASEAN Free Trade Agreement (CAFTA), where the institutional challenges in China–Malaysia cooperation are further analysed. The analysis shows that while ASEAN contributes to reducing institutional differences, its coordination mechanisms remain limited. The study therefore adopts ASEAN as an institutional coordination platform and develops a governance pathway that integrates bilateral and regional rules to examine institutional compatibility between China and Malaysia.

**Keywords:** China–Malaysia Cooperation; Cross-border Data; Governance; ASEAN; Regional Legal Interactions

## 1. Introduction

The growing collaboration in the digital economy between China and Malaysia is ushering in a new wave of strategic opportunities, providing a stronger political foundation for cross-border data governance and technological collaboration between the two countries. On April 17, 2025, the release of the Joint Statement Between the People's Republic of China and Malaysia on Building a High-level Strategic China–Malaysia Community with a Shared Future not only marked the advancement of bilateral relations to a strategic collaboration at an advanced stage, but also signalled a new phase of cooperation—ushering in the “Golden 50 Years” of association between China and Malaysia.<sup>1</sup>

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<sup>1</sup> Ministry of Foreign Affairs of the People's Republic of China. “Joint Statement between the People's Republic of China and Malaysia on Building a High-Level Strategic China–Malaysia Community with a Shared Future.” April 17, 2025. [https://www.mfa.gov.cn/ziliao\\_674904/1179\\_674909/202504/t20250417\\_11595807.shtml](https://www.mfa.gov.cn/ziliao_674904/1179_674909/202504/t20250417_11595807.shtml)

With the rapid growth of the digital economy between China and Malaysia, cross-border data flows have become increasingly frequent while also posing growing risks related to national security and personal information protection. Against this background, cross-border data regulatory cooperation has become increasingly important and unavoidable. In particular, as regional rules become increasingly fragmented, the choices made by China and Malaysia regarding the direction and approach of their cooperation can significantly impact the sustainable development of their respective digital economies.

Both China and Malaysia have established foundational legislative systems for data protection. However, significant differences remain in their regulatory philosophies, governance models, and institutional approaches. China has developed a thorough data protection system based on the data security, cybersecurity, and personal information protection laws, all of which are anchored in the fundamental idea of "national security." This framework emphasizes the strategic importance of data and the necessity of state-level control by covering all forms of data and using a hierarchical and category management strategy. However, the EU's General Data Protection Regulation (GDPR), which places a heavy focus on protecting personal data, has had a major influence on Malaysia's data protection laws. The Personal Data Protection Act 2010 (PDPA 2010), which creates a rights-based framework focused on individual privacy, demonstrated this effect.<sup>2</sup>

To resolve disparities in data regulation, China and Malaysia rely largely on regional agreements. However, as regional regulatory differences deepen, overlaps and conflicts among multilateral agreements have become increasingly apparent, exacerbating rule inconsistencies and increasing compliance costs. This institutional complexity continues to hinder the advancement of the digital economy cooperation between China and Malaysia. Currently, the key regional agreements with data governance provisions that significantly impact China-Malaysia relations comprise the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership (RCEP), and the updated Version 3.0 of the China-ASEAN Free Trade Agreement (CAFTA 3.0), for which negotiations have been completed.

- a. RCEP: As of May 2025, the RCEP, which was started by the Association of Southeast Asian Nations (ASEAN), is the only regional agreement containing cross-border data governance provisions in which both China and Malaysia participate and have already entered into force. This provides essential institutional support for bilateral data governance cooperation.
- b. CPTPP: One of the highest-standard international trade agreements currently in force includes key provisions for data governance. Malaysia has formally acceded

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<sup>2</sup> Mohd Bahrin bin Othman and Muhammad Faiz bin Abu Samah, "The Magnitude of GDPR to Malaysia," *Malaysian Journal of Social Sciences and Humanities* 7, no. 9 (2022): 9, <https://doi.org/10.47405/mjssh.v7i9.1776>.

to the agreement, while China, though not yet a member, has submitted an accession application and initiated legislative reforms to align with the CPTPP standards. This presents a potential opportunity for institutional convergence between China and Malaysia in the field of high-standard data governance.

- c. CAFTA: China and the ten members of ASEAN have launched the CAFTA to seek better regional economic and trade cooperation. The agreement has undergone multiple rounds of upgrades, from Version 1.0, in 2010, to Version 2.0, in 2015, and most recently to Version 3.0, the negotiations for which were successfully concluded in May 2025. CAFTA 3.0 incorporates the digital economy as a topic for the first time, reflecting the region's ongoing digital transformation. As China and Malaysia jointly participate in a regional framework, it is expected to provide institutional support and a connectivity platform for bilateral cooperation in data governance.

As regional rules increasingly overlap and originate from different institutional framework, cross-border data governance between China and Malaysia can no longer be treated as a matter of policy coordination alone, but has become a legal issue concerning how multiple regional legal rules operate and are coordinated in practice. As they stand, the ASEAN-centred regional framework is structured around regulatory objectives and levels of legal constraint that differs from those of the RCEP, CPTPP and CAFTA. This divergence has made compliance with rules on cross-border data flows and personal information protection more demanding for China and Malaysia. The central legal question concerns how cross-border data governance rules across different regional agreements interact and are coordinated manner when multiple regimes coexist. It further asks whether ASEAN can function as an institutional intermediary by facilitating complementarity among these rules, thereby supporting for China and Malaysia in fragmented landscape?

This study examines the institutional implications of regional agreements for cross-border data governance between China and Malaysia within the ASEAN framework, in a context where multiple regulatory regimes coexist, and analyzes these implications through the lens of interactions among regional legal rules. The analysis draws on textual analysis and comparative analysis to examine relevant provisions within ASEAN, RCEP, CPTPP and the CAFTA. It focuses on the structures of these rules, how they relate to one another, and the ways in which they may be applied together. The analysis begins by outlining the rule composition and institutional features of ASEAN's data governance framework. It then turns to the interaction and complementary under the RCEP, CPTPP, and CAFTA within the ASEAN framework as they relate to cross-border data governance between China and Malaysia. It also addresses the regulatory conflicts and institutional constraints that arise from the coexistence of multiple regional rules. On these bases, the

study accesses possible pathways for regional coordination in China and Malaysia cross-border data governance and draws overall conclusions.

## 2. ASEAN Data Governance Framework (ADGF): Structure and Institutional Characteristics

ASEAN has demonstrated strong regional coordination and forward-looking policy planning in data governance. The ADGF is essentially a compilation of policy tools, technical guidelines, and legal instruments developed by ASEAN to handle the intricacies of cross-border data flows, protect personal information privacy, improve data security, and encourage regional digital economic integration.

### 2.1. Rules under the ADGF: Their Structure

A collection of essential documents and resources is included in the ADGF, with the goal of offering member nations and companies all-encompassing assistance, encouraging regional collaboration and integration, and empowering ASEAN to create an effective, sustainable, and competitive digital economy.

#### 2.1.1. Core Policy Guidance Document: ASEAN Framework on Digital Data Governance

The Digital Data Governance (DDG), which officially took effect in December 2018, offers comprehensive direction and coordination on a wide range of data governance matters in the ASEAN area, such as the regulation of cross-border data flow, trust-building techniques, regional cooperation plans, and governance of both personal and non-personal data. The core of the DDG is to define four strategic priorities for the ASEAN region's data governance: (1) Data Life Cycle and Ecosystem, (2) Cross-Border Data Flows, (3) digitalization and emerging technologies, and (4) Legal, Regulatory, and Policy, and propose corresponding initiatives and guiding principles to support their implementation.<sup>3</sup>

The DDG regards data governance as a key instrument for advancing the digital economy and promoting regional integration, with a strong emphasis on the harmonization of policies across ASEAN member states. At the same time, recognizing differences in economic development, legal systems, and technological capabilities, the framework allows member countries to adopt flexible measures based on their national circumstances. It exhibits an excellent degree of adaptability and inclusivity by specifically respecting independent decision-making in issues of sovereignty, security, and public safety.

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<sup>3</sup> "ASEAN Framework on Digital Data Governance," ASEAN Secretariat, accessed May 24, 2025, [https://asean.org/wp-content/uploads/2012/05/6B-ASEAN-Framework-on-Digital-Data-Governance\\_Endorsedv1.pdf](https://asean.org/wp-content/uploads/2012/05/6B-ASEAN-Framework-on-Digital-Data-Governance_Endorsedv1.pdf).

The DDG covers an array of issues such as cybersecurity collaboration, cross-border data flow regulations, and data privacy protection. Its main objective is to align with global data governance frameworks such as the GDPR and the Asia-Pacific Economic Cooperation Cross-Border Privacy Rules (APEC CBPR). These components work together to create a thorough data governance framework that is compatible across borders. Furthermore, the DDG prioritizes cybersecurity and data protection and encourages frequent content upgrades to stay up to date with changing technological advancements and global legislative changes. These characteristics fit global data governance trends, provide a strong basis for regional digital economy integration, and allow the DDG to meet the various demands of ASEAN member states.

### 2.1.2. Foundational Policy Document on Personal Data Protection: ASEAN Framework on Personal Data Protection (2016) (AF-PDP)

The AF-PDP proposes a framework for standard personal data protection rules, while balancing regional diversity through its flexibility and inclusivity. It clarifies the obligations of data controllers and processors, and protects the fundamental rights of data subjects, including the rights to information, access, rectification, and erasure.<sup>4</sup> The AF-PDP particularly emphasizes the importance of bilateral and multilateral cooperation on personal data protection<sup>5</sup> and advocates strengthening such cooperation through joint initiatives, including information sharing and exchange, organizing seminars or capacity-building activities, and conducting joint research on areas of common interest. Through these measures, the AF-PDP aims to build a closer regional cooperation network, enhance the overall level of personal data protection, and establish a robust framework for sustainable development of the digital economy.

### 2.1.3. Technical Tool: ASEAN Data Management Framework (DMF)

The DMF was renamed the first initiative under the DDG, the ASEAN Data Classification Framework, which was initially developed to assist the private sector in the ASEAN region, particularly SMEs, to enhance their data management capabilities. The main elements of DMF define six foundational components of the framework, centered on data classification and labelling, lifecycle management, risk assessment, and capacity building.<sup>6</sup> The framework applies to all information generated, gathered, accessed, transmitted, and processed by an organization, including both personal and business transaction data. The DMF can be adapted and tailored to fulfil the particular requirements of individual organizations, offering best practice-based data management

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<sup>4</sup> "ASEAN Framework on Personal Data Protection," ASEAN Secretariat, accessed May 26, 2025, <https://asean.org/wp-content/uploads/2012/05/10-ASEAN-Framework-on-PDP.pdf>.

<sup>5</sup> See Paragraph 5 of the AF-PDP.

<sup>6</sup> "ASEAN Data Management Framework," ASEAN Secretariat, accessed May 24, 2025, [https://asean.org/wp-content/uploads/2-ASEAN-Data-Management-Framework\\_Final.pdf](https://asean.org/wp-content/uploads/2-ASEAN-Data-Management-Framework_Final.pdf).

guidance that is both flexible and practical. However, as a voluntary framework, DMF does not constitute legal advice, is not legally binding, and cannot be used as a compliance tool to meet legal or regulatory requirements.

#### 2.1.4. Legal Tool: ASEAN Model Contractual Clauses (MCCs) for Cross-Border Data Flows

MCCs are a series of voluntary contractual templates founded on AF-PDP tenets that were formally launched in 2021 as part of the DDG. The duties of data importers and exporters, the defense of the rights and interests of data subjects, cross-border data protection regulations, and dispute resolution procedures are some of their fundamental components. To ensure compliance with the legal and regulatory requirements of each member state, these standardized regulations are intended to establish a legal framework for transnational transfers of personal data throughout the ASEAN area. In doing so, they support the protection of data subjects' rights and interests, and foster greater confidence in the digital environment.<sup>7</sup>

One of the main characteristics of MCCs is their modular designs. For the two primary data transfer scenarios, Controller-to-Controller and Controller-to-Processor transfers offer contractual templates. The MCCs contain extra sections that allow the preferred application of specific remedies as well as indicative commercial terms for each module. As long as the modifications stay within the bounds of existing laws and fundamental principles, they also give the parties the freedom to choose and modify commercial terms and data transmission mechanisms to fit particular situations and business requirements. MCCs provide a flexible and interoperable solution for enterprises to transfer data within and beyond the ASEAN region through modular design and compatibility with international standards. They are essential instruments for fostering the growth of the digital economy in ASEAN.

#### 2.1.5. Legal Agreement: ASEAN Agreement on E-Commerce (AAEC)

The 19 articles of the AAEC, signed in January 2019, are intended to support the growth of e-commerce and the integration of the digital economy in the ASEAN area. This is accomplished by enabling cross-border data flows, regulating electronic transactions, and enhancing cybersecurity and consumer protection. The main clauses pertaining to cross-border personal data governance are found in Article 7, titled Facilitating Cross-border E-Commerce.<sup>8</sup>

The AAEC is an international treaty but exhibits characteristics of "soft law." Given the significant differences among ASEAN member states in terms of economic development,

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<sup>7</sup> Jingting Liu et al., "Facilitating Data Flows across ASEAN: Challenges and Policy Directions," SSRN Electronic Journal (2023): 8–10, <https://doi.org/10.2139/ssrn.4547683>.

<sup>8</sup> "ASEAN Agreement on Electronic Commerce," ASEAN Secretariat, accessed January 1, 2025, <https://cil.nus.edu.sg/wp-content/uploads/2020/11/2019-ASEAN-Agreement-on-Electronic-Commerce.pdf>.

legal systems, and digital capacity, the agreement allows for flexibility by incorporating guiding provisions of a non-binding, soft-law nature. For instance, limitations on the unrestricted movement of data in the context of cross-border data flows are permitted when justified by legitimate public-policy objectives. In addition, certain provisions of the agreement allow member states to establish implementation timelines based on national circumstances, for instance, in areas such as the legal recognition of electronic authentication and signatures, or the formulation of implementation regulations pertaining to global information transfers. However, the AAEC lacks a mandatory implementation monitoring mechanism and relies primarily on the autonomous fulfilment of commitments by member states. In summary, the AAEC has generally promoted intra-regional policy coordination and the convergence of legal frameworks, with its implementation characterized by flexibility and gradual progress.

## **2.2. Institutional Features of the ADGF**

When constructing its regional data governance framework, ASEAN has created a collection of regulations distinguished by distinct institutional logic and practical directions. These institutional characteristics show the framework's adaptability and gradualism in harmonizing various legislative traditions and technical standards, in addition to the member nations' common concerns about data flow, security, and sovereignty.

### **2.2.1. ADGF's Multi-Layered Governance Structure: Promoting Data Flow Facilitation and Regional Digital Economy Connectivity through Policy, Technical, and Legal Instruments**

The ADGF purposefully minimizes statutory limits and emphasizes voluntary compliance and non-binding collaboration channels in order to account for member state disparities in legal systems and technical capabilities. It creates a framework for cross-border data governance using a variety of instruments such as

- a. Policy Level: Encourages member states to collaborate on their data governance policies.
- b. Technical Level: Endorses programs aimed at increasing capacity.
- c. Legal Level: Offers technologies that are protocol-oriented and rule-based to protect cross-border data flows.

This diverse combination helps bridge technology gaps and accommodate legal differences among nations in the region, reflecting the ADGF's comprehensive and coordinated nature. Additionally, the framework and policy documents of the ADGF are non-binding, providing consistent standards but giving member states the freedom to modify their implementation to fit their unique legal and economic environments. Its



two-tiered "regional–national" governance structure exhibits a high level of institutional flexibility and inclusivity by upholding national sovereignty while directing regional data governance in a shared direction. Additionally, by encouraging uniformity in data protection standards, ASEAN simplified regulations and made it easier for governments and businesses to share data.

### 2.2.2. ADGF's Flexible Enforcement Mechanism: Ensuring Governance Adaptability and Accountability through Consent, Data Classification, Contextual Contracts, and Oversight Tools<sup>9</sup>

The requirements of the AF-PDP largely mirror the ADGF's data subject consent procedure, which focuses on protecting individual rights. Through the subject's independent consent, these clauses create a legal foundation for data processing. The ADGF lays more emphasis on flexibility to meet the various needs of member states, even if this need is comparable to analogous provisions in the EU's GDPR.

The ADGF promotes a data classification management strategy through the DMF to improve the effectiveness of cross-border data flow governance. A popular strategy in cross-border data governance frameworks is data categorization and categorization management, which reflects the idea of fine-grained governance founded on risk-oriented techniques. This strategy is comparable to the one currently being promoted in China, which focuses on distinct regulatory actions according to the amount of risk and sensitivity of data to achieve a balance between data protection and facilitating cross-border transactions. By providing standardized legal templates, ADGF's contextualized contract approach further demonstrates its adaptability by lowering the costs of contract drafting and negotiation, while also allowing for contractual adaptation to various scenarios, which can accommodate a variety of data processing needs.

However, ADGF is primarily a guidance document and lacks legal enforceability; its implementation relies largely on the voluntary compliance of member states. Although the AF-PDP proposes accountability mechanisms and the DMF advocates enhanced compliance through the identification of responsible parties via governance, monitoring, and continuous improvement, their actual effectiveness remains limited because of variations in member states' capacity and willingness to implement them. Therefore, while the ADGF is flexible and inclusive, it lacks mandatory enforcement mechanisms and its effectiveness depends largely on the active cooperation of member states.

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<sup>9</sup> Xiaofeng Liu and Yangyue Liu, "Building the Governance Mechanism for the ASEAN Cross-Border Data," *Global Review*, no. 2 (2022): 138–140, <https://doi.org/10.13851/j.cnki.gjzw.202202007>.



### 3. Regional Rule Synergy: Complementary Mechanisms among ASEAN, CPTPP, RCEP, and CAFTA in China–Malaysia Cross-Border Data Governance

The CPTPP, RCEP, and CAFTA 3.0 each exhibit distinct characteristics in their data governance provisions, yet there is considerable potential for complementarity. As the central platform for regional institutional integration, ASEAN plays a vital bridging and coordinating role in the interaction of the rules among these three agreements. It not only serves as an institutional buffer and docking platform for China–Malaysia cooperation but also significantly influences their rule selection and compliance pathways in practice.

#### 3.1. ASEAN’s Synergies with RCEP, CPTPP, and CAFTA 3.0

ASEAN, as the initiator and facilitator of the RCEP and core participant in the CAFTA, plays a crucial role in regional economic cooperation.<sup>10</sup> It not only serves as a key coordination platform between ASEAN member states and international multilateral mechanisms but also supports policy coherence within the RCEP by promoting policy convergence among member states on privacy protection and cross-border data flows via the ADGF. During the upgrading process of CAFTA, ASEAN’s accumulated experience has provided strong support for the integration of higher-standard rules.

The full completion of the CAFTA 3.0 negotiations in May 2025 marks a novel stage of synergistic and complementary growth alongside the RCEP in the fields of digital economy and data governance. CAFTA 3.0 will introduce more relevant provisions and draw on the successful experience of the RCEP to foster positive interactions in sectors including service commerce and data flows. This will contribute to the development of China–ASEAN cooperation, particularly with ASEAN member states, and will open up broader opportunities for collaboration.<sup>11</sup>

The CPTPP serves as a pioneer in the regional digital regulatory system, with high standards, by exerting a demonstrative effect on other regional agreements.<sup>12</sup> It is widely recognized as the leading high-standard framework for managing international data flows and is regarded as the most representative regional trade agreement in the realm of digital trade. Through a series of stringent rules, such as prohibiting data localization

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<sup>10</sup> Hao Song, “Differential Interaction: Development of Cross-Border Data Flow Governance Mechanisms in ASEAN,” *Highlights in Business, Economics and Management* 24 (2024): 123–125, <https://doi.org/10.54097/46q0zm63>.

<sup>11</sup> “Xinhua Commentary: Upgraded China-ASEAN FTA a New Driving Force for Regional Prosperity,” Xinhua News Agency, May 24, 2025, <https://english.news.cn/20250524/9f43b4cd4b8b4b0592325158189b2a4f/c.html>.

<sup>12</sup> Eunjung Oh, “Digital Trade Regulation in the Asia-Pacific: Where Does It Stand? Comparing the RCEP E-Commerce Chapter with the CPTPP and the JSI,” *Legal Issues of Economic Integration* 48, no. 4 (2021): 409–420, <https://doi.org/10.54648/leie2021032>.

requirements and safeguarding cross-border data privacy, the CPTPP sets a regulatory benchmark for balancing commercial development with public interest.

The RCEP and CAFTA 3.0, are expected to gradually draw on the institutional design experience of the CPTPP to provide a pathway for upgrading regional data governance. At the same time, the institutional adaptation and compliance experiences accumulated by CPTPP member countries, such as Malaysia, during the implementation of its rules offer valuable references for policy formulation and mechanism development under ASEAN and RCEP frameworks.

### **3.2. ASEAN's Role in China–Malaysia Cross-Border Data Governance Cooperation**

ASEAN, as an important link in China–Malaysia cooperation, not only promotes the alignment of Malaysian legislation with international rules, but also positively influences the direction of Malaysian legal development through its integration processes, thereby enhancing Malaysia's capacity to integrate into the ASEAN region. At the same time, ASEAN has fostered a more enabling environment for China–Malaysia cooperation by promoting regulatory consistency, reducing the duplication of standards, and filling regulatory gaps.

#### **3.2.1. ASEAN as a Regional Rule Architect: Supporting Data Standard Harmonisation and Cooperation between China and Malaysia**

ASEAN integration has facilitated the confluence of privacy and data protection laws and regulations among its member states, and has provided a regulatory basis to guide cooperation between China and Malaysia. Although the ADGF's policy documents constitute "soft law" and are not legally binding, they have established a framework of harmonized rules for ASEAN, supported regional integration, and offered legislative guidance to member states, particularly in shaping Malaysia's personal information protection and digital trade policies.

ADGF guided and informed the evolution of Malaysia's data legislation. On July 4, 2024, Malaysia approved amendments to the Personal Data Protection Act (PDPA 2010), which eliminated the "whitelist" method but kept the "sufficiency" rule for cross-border transfers of personal data. The final version was promulgated in April 2025 after Malaysia released Public Consultation Paper No. 05/2024: Cross-Border Personal Data Transfer Guidelines (CBT PCP) in October 2024. The guidelines' main components include a thorough explanation of the requirements for exemption under Section 129(3)(f) of the PDPA and the implementation of more adaptable cross-border data regulatory tools, such as certification procedures, Standard Contractual Clauses (SCCs), and Binding Corporate Rules (BCRs), to lessen needless limitations on cross-border data flow. Furthermore, Malaysia's choice to do away with the "whitelist" method is consistent with ADGF's forward-thinking stance. Instead of enforcing stringent restrictions by creating a

"whitelist," the ADGF encourages member nations to embrace a flexible approach to cross-border data protection, while upholding data sovereignty. In addition to reflecting Malaysia's proactive approach and ongoing efforts to promote ASEAN data governance integration, the reform proposal aligns with the ADGF's fundamental values and integration objectives.

By providing member nations with uniform guidelines, the ADGF not only encourages policy uniformity and standardization within the region but also offers a basis for collaboration and a model for cross-border data governance between China and Malaysia, thereby minimizing policy conflicts in bilateral cooperation. In addition, ASEAN provides member states with a collaborative platform for data governance policy alignment, regional technical and regulatory resource sharing, and capacity building and cooperation,<sup>13</sup> all of which facilitate data transfer across international borders between China and Malaysia.

### 3.2.2. ASEAN as a Rule-Coordination Bridge under RCEP: Advancing Inclusiveness and Sustainability in China–Malaysia Cooperation

ASEAN has been instrumental in the development and construction of the RCEP, acting both as a facilitator and bridge between the region's internal and external rules and regulations. Guided by its "ASEAN centrality" principle, ASEAN has not only coordinated rule alignment among RCEP member countries but also facilitated multilateral cooperation on data governance among China, Japan, South Korea, Australia, and other participating economies, contributing to the formation of a consensus on rules.<sup>14</sup> This consensus could not have been achieved without the support of the ASEAN integration process, which promoted the gradual convergence of data protection and privacy laws and regulations of member nations, establishing a strong basis for Malaysia's collaboration with China on cross-border data governance within the framework of the RCEP.

Despite differences in the participation of ASEAN member states in the CPTPP (e.g., Vietnam, Singapore, and Malaysia have joined, while others have not), ASEAN continues to provide a platform for rule alignment through its internal mechanisms and accumulated policy experience. The CPTPP requires high standards of compatibility and interoperability in legal systems for data governance, and ASEAN, as a regional organization, can reconcile differences in rules to a certain extent. For example, while the CPTPP prohibits member countries from mandating data localization, ASEAN has gradually introduced CPTPP-like provisions through the AAEC, thereby creating

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<sup>13</sup>Zhengbiao Li and Yeting Chen, "RCEP Entry into Force Enables China–ASEAN High-Quality Cross-Border Data Sharing: Opportunities, Challenges and," *Intertrade* 2024, no. 5 (2024): 37, <https://doi.org/10.14114/j.cnki.itrade.2024.05.005>.

<sup>14</sup> Yoshifumi Fukunaga, "ASEAN's Leadership in the Regional Comprehensive Economic Partnership," *Asia & the Pacific Policy Studies* 2, no. 1 (2015): 104–108, <https://doi.org/10.1002/app5.59>.

conditions for convergence between the two frameworks. Simultaneously, Malaysia's accession to the CPTPP prompted necessary adjustments to its relevant legislation, such as the deletion of the "whitelist" mechanism. This has not only brought its legal system more in line with the high standards of the CPTPP, but has also further promoted alignment with the ASEAN data governance framework.

As a core participant in the CAFTA, ASEAN has contributed substantially to discussions on the CAFTA 3.0 upgrade. One of the key objectives of this upgrade is to draw on the provisions of the RCEP regarding data governance and e-commerce to address the gaps in the earlier framework. As a core promoter of the RCEP and a key party to the CAFTA, ASEAN is well positioned to amplify the shared interests of both agreements by advocating for the inclusion of RCEP-like provisions in CAFTA 3.0. This helps avoid regulatory conflicts in the digital economy and reduces systemic costs for both Chinese and ASEAN enterprises operating across the region.<sup>15</sup> In addition, the CAFTA 3.0 upgrade negotiations have provided a platform for enhanced China–Malaysia cooperation in emerging areas, such as data governance and e-commerce, with ASEAN's coordination ensuring that these rules are aligned with the RCEP framework, thereby facilitating smoother China–Malaysia collaboration.

#### 4. Conflicts and Constraints in Regional Rule Interaction: Analysing the Challenges of China–Malaysia Cross-Border Data Governance Cooperation

Against the backdrop of the coexistence of the RCEP and CPTPP, as well as the acceleration of CAFTA 3.0, China–Malaysia cross-border data governance cooperation is found at the intersection of multiple regulatory regimes. Although ASEAN initially established the ADGF in an attempt to serve as a bridge between regional frameworks, its limited coordination capacity and the divergent internal rules among its member states make it difficult to effectively mitigate inter-regime conflicts. This makes cooperation between China and Malaysia more difficult and brings attention to the fundamental inconsistencies in regional governance concerning rule harmonization.

##### 4.1. Limitations and Challenges of ASEAN's Bridging Role

Although ASEAN has played a bridging role in facilitating the convergence of rules under the RCEP, CPTPP, and CAFTA 3.0, it continues to face notable challenges including internal coordination difficulties, regulatory incompatibilities, institutional limitations, and the

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<sup>15</sup> "China and ASEAN's Mutually Advancing Economic and Trade Cooperation," China News Service, April 23, 2025, <https://www.chinanews.com.cn/cj/2025/04-23/10404350.shtml>.

impact of changes in the external environment.<sup>16</sup> These issues directly increase the complexity of rule integration and present significant difficulties for China–Malaysia cross-border data-governance cooperation.

#### 4.1.1. Challenges to ASEAN’s Short-Term Policy Harmonisation Due to Intra-Regional Differences

ASEAN member states have different economic growth levels, and there are notable disparities in the maturity of their data-protection legislative frameworks.<sup>17</sup> As a result, policy priorities regarding data governance and the convergence of cross-border rules differ from country to country. For example, Malaysia and Singapore, both of which have relatively well-developed legal systems and strong economies, prioritize policies that promote strict regulations controlling cross-border data movements, along with high standards of data protection. In contrast, member states such as Cambodia and Laos, where digital infrastructure and technological capacity remain underdeveloped, tend to focus more on infrastructure development and capacity-building, with data governance and cross-border rule alignment receiving comparatively lower policy priority.<sup>18</sup> This imbalance makes it difficult for ASEAN to accommodate the practical needs of all member states when promoting harmonized rules, leading to higher coordination costs. As a result, ASEAN’s consistency in rule articulation is weakened and its effectiveness as a bridging mechanism is reduced.<sup>19</sup>

#### 4.1.2. Challenges for ASEAN in Harmonising Divergent Data Governance Rules between RCEP and CPTPP

While both adopt a “principle plus exception” model, the RCEP emphasizes flexibility and inclusiveness, whereas the CPTPP imposes stricter and more demanding regulatory requirements. The RCEP allows member countries to set their own data protection standards and progressively implement them based on national circumstances, thereby granting greater regulatory autonomy. In contrast, the CPTPP seeks to promote data flows and trade facilitation by, for example, prohibiting mandatory data localization and requiring unimpeded cross-border movement of data. These distinctions are especially noticeable in the e-commerce sector, reflecting regulatory diversity among member countries.<sup>20</sup> As a result, ASEAN faces challenges in harmonizing the rule systems of the RCEP and CPTPP, particularly in striking a balance between them, which constrains the overall effectiveness of its harmonization efforts.

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<sup>16</sup> Chien-Huei Wu, “ASEAN at the Crossroads: Trap and Track between CPTPP and RCEP,” *Journal of International Economic Law* 23, no. 1 (2020): 115–117, <https://doi.org/10.1093/jiel/jgz032>.

<sup>17</sup> Graham Greenleaf, “ASEAN’s Two-Speed Data Privacy Laws: Some Race Ahead,” SSRN Scholarly Paper no. 3026966 (Social Science Research Network, 2017): 1, <https://papers.ssrn.com/abstract=3026966>.

<sup>18</sup> Liu and Liu, “Building the Governance Mechanism for the ASEAN Cross-Border Data Flow,” 138.

<sup>19</sup> Song, “Differential Interaction,” 1121.

<sup>20</sup> Oh, “Digital Trade Regulation in the Asia-Pacific,” 409.

#### 4.1.3. Inherent Limitations of the ADGF in Its Coordinating and Bridging Functions

The focus of the ADGF is primarily on providing guidance and volunteering. Its coordinating role relies heavily on political consensus and non-binding instruments, and lacks legally enforceable mechanisms. While the institutional design of the ADGF reflects inclusiveness and flexibility, it has also resulted in greater resistance within ASEAN to promote the fulfilment of member states' commitments to rule convergence. For instance, ASEAN has not mandated the adoption of MCCs by its member states but has instead positioned them as flexible, non-binding minimum standards to be applied voluntarily. However, when such voluntary and guiding frameworks conflict with domestic laws, their practical utility is often limited.<sup>21</sup>

#### 4.1.4. Global Data Governance Uncertainties and Their Impact on ASEAN's Regional Rule Convergence Efforts

Against the backdrop of the absence of globally harmonized standards, ASEAN, as a regional organization, faces significant divergences in data governance among its member states. At present, global data governance is primarily shaped by two major models: the United States and European Union. The US model, which is based on a globalization-oriented strategy, rejects data localization rules and promotes free movement of data. On the other hand, the EU model, which is anchored on GDPR and human rights protection, prioritizes strict data privacy safeguards and strong regulatory control over cross-border data flows.<sup>22</sup>

Based on this, some ASEAN member states tend to adopt elements of the EU model; for example, Malaysia's PDPA 2010 is heavily influenced by the GDPR.<sup>23</sup> Others adopt a hybrid approach incorporating features of both the US and EU models, but leaning more towards the US approach. For instance, Singapore emphasizes the open flow of information while maintaining stringent data privacy protection measures. This internal divergence, coupled with the global dominance of the US and EU models, further exacerbates the uncertainty ASEAN faces in advancing the convergence of rules under the RCEP, CPTPP, and CAFTA 3.0 frameworks.

In addition, influenced by geopolitical competition and other external factors, ASEAN faces the significant challenge of harmonizing rules both within and beyond the region. When attempting to construct a rule system that reflects regional characteristics and

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<sup>21</sup> Qian Li and Jianhong Yu, "Legislation of ASEAN Data Export Standard Contract and Its Practical Implications," *Journal of Guizhou Provincial Party School*, no. 4 (2024): 120–121, <https://doi.org/10.16436/j.cnki.52-5023/d.20240625.001>.

<sup>22</sup> Guan Zheng, "Trilemma and Tripartition: The Regulatory Paradigms of Cross-Border Personal Data Transfer in the EU, the U.S. and China," *Computer Law & Security Review* 43 (2021): 4–9, <https://doi.org/10.1016/j.clsr.2021.105610>.

<sup>23</sup> Robert Walters, Leon Trakman, and Bruno Zeller, *Data Protection Law: A Comparative Analysis of Asia-Pacific and European Approaches* (Singapore: Springer Nature, 2019), 199, <https://doi.org/10.1007/978-981-13-8110-2>.

stands apart from the dominant models of the US and Europe, it is difficult for ASEAN to identify a point of equilibrium.<sup>24</sup>

## 4.2. Multiple Institutional Challenges in Sino-Malaysian Cooperation

In addition to their bilateral connections, the larger regional and international multilateral institutional framework also impacts the development of cross-border data governance between China and Malaysia. Disparate norms, institutional fragmentation, and coordination imbalances have progressively become the main barriers to successful cooperation amid the interaction of several rule systems.

### 4.2.1. Institutional Fragmentation as a Core Challenge in China–Malaysia Cross-Border Data Governance Cooperation

The coexistence of the CPTPP, RCEP, CAFTA, and ASEAN frameworks has resulted in significant differences in the rules and standards, compliance pathways, and implementation mechanisms. These differences reflect divergent data-governance philosophies and geopolitical contexts. For example, the RCEP emphasizes flexibility and inclusiveness, while the CPTPP embodies higher standards and stricter obligations. At the same time, the US–EU data governance models and the geopolitical rivalry between the US and China also exert a profound influence on the direction of regional rule making.<sup>25</sup> In this context, the coordination of regional rules has become increasingly complex, leading to the so-called “Spaghetti Bowl Effect,” which significantly raises the costs of institutional adaptation and creates further barriers to cooperation.<sup>26</sup>

### 4.2.2. Internal Rule Divergences and Weak Regional Coordination Undermining China–ASEAN Cooperation Strategy

China has long tended to approach ASEAN as a unified entity in its economic and trade cooperation, as evidenced by its consistent adoption of a unified negotiating stance in the establishment and advancement of the CAFTA. However, the differences in data legislation among ASEAN Member States remain significant. For example, as a member of the CPTPP, Malaysia has enacted regulations pertaining to cross-border data flows, privacy protection, and data localization that differ significantly from those of other ASEAN countries operating primarily under the RCEP framework (e.g., Indonesia and Thailand). This regulatory diversity, coupled with ASEAN’s limitations in internal coordination mechanisms, makes it increasingly necessary for China to adopt a

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<sup>24</sup> Wu, “ASEAN at the Crossroads,” 101.

<sup>25</sup> Yik-Chan Chin and Jingwu Zhao, “Governing Cross-Border Data Flows: International Trade Agreements and Their Limits,” *Laws* 11, no. 4 (2022): 19–20, <https://doi.org/10.3390/laws11040063>.

<sup>26</sup> Darynaufal Mulyaman, Jason Rafael Setia Djaya, and Bimo Adi Pradono, “Prospecting ASEAN–MERCOSUR Cooperation: APEC 2.0, TPP 2.0, or Expanded EAS?” *Journal of Sustainable Transformation* 1, no. 2 (2023): 44, <https://doi.org/10.59310/jst.v1i2.11>.



differentiated response strategy rather than relying on a holistic approach when engaging in regional rule integration.

#### 4.2.3. Institutional Adaptation Pressures under the CPTPP for China–Malaysia Data Governance Cooperation

Malaysia is actively aligning its legal framework with CPTPP rules through legislative reforms, such as the removal of the “whitelist” mechanism, to make cross-border data flows more straightforward to liberalize. Meanwhile, although China has formally submitted its application to join the CPTPP, a significant gap remains between its current regulatory approach and the high standards set by the CPTPP in key areas, such as data localization and privacy protection. This asymmetry in institutional standards has presented China and Malaysia with the dual challenges of legislative convergence and institutional harmonization in cross-border data governance cooperation, particularly in balancing their respective legal frameworks with the high international standards led by the CPTPP. A feasible forward path remains to be explored further.

#### 4.2.4. National Security and Digital Development Pressures in an Unequal Global Data Governance Landscape for China–Malaysia Cooperation

Data security has become a crucial part of national security owing to the growth of the digital economy. Therefore, China and Malaysia must collaborate to encourage the free movement of data and effectively prevent and control potential security risks. However, the current global data governance landscape is largely dominated by Europe and the United States, while developing countries have relatively limited influence on rule-making processes, making it difficult for them to effectively safeguard their own interests and development space.<sup>27</sup> In light of this, China and Malaysia must aggressively promote their role in the formulation of international law by bolstering multilateral conversation channels, expanding regional collaboration, and improving their digital technology capacities. Simultaneously, determining a course for the development of the digital economy that strikes a balance between innovation and collaboration, as well as growth and security, has emerged as a crucial strategic concern for both nations.

### 5. Summary and Outlook: Rethinking Regional Synergies in China–Malaysia Cross-Border Data Governance

The complexity of China–Malaysia cross-border data governance cooperation has worsened by disparate regional regulations and inadequate institutional coordination. China and Malaysia should use bilateral mechanisms as a strategic fulcrum; use regional platforms to encourage institutional coordination and capacity-building; and endeavor to

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<sup>27</sup> Chin and Zhao, "Governing Cross-Border Data Flows," 16.

create an inclusive, effective, and long-lasting framework for cross-border data governance cooperation in response to the fragmentation of regional regulatory frameworks.

### **5.1. Strengthening China–Malaysia Bilateral Coordination to Address the Absence of Uniform Regional Rules**

China and Malaysia face the dual challenges of adjusting to high-standard requirements and navigating divergent regional regulatory frameworks because ASEAN lacks a mandatory coordination mechanism and the CPTPP and RCEP have very different data governance rules. Therefore, it is difficult for both parties to rely solely on unified regional rules to achieve legal convergence. Therefore, strengthening bilateral coordination mechanisms should be regarded as a key pathway for compensating for the lack of uniform regional rules. In light of the differences in data privacy protection laws, cultural values, and technological capacities between China and Malaysia, both countries need to harmonize rules operating at different regulatory levels through strengthened bilateral mechanisms. In particular, in the absence of harmonized regional regulatory standards, there is a risk that the “lowest common denominator” could become the default compromise for data transfer across borders.<sup>28</sup>

To address the aforementioned issue, China and Malaysia could consider the following initiatives:

- a. Upgrade the “Joint Committee on Data Governance to Promote Consensus on Key Issues. To establish a strategic fulcrum for digital governance cooperation, China and Malaysia could upgrade and institutionalize a “Joint Committee on Data Governance” based on existing physical initiatives, such as the China–Malaysia Cross-border Trusted Data Space, the Twin Cities Joint Laboratory, and other collaborative platforms.<sup>29</sup> Through mechanisms such as monthly joint consultations, quarterly stress tests, and annual rule benchmarking exercises, the committee is tasked with the development and implementation of digital governance frameworks. This would thereby help construct a tripartite governance structure focused on regulatory synergy, technological trust, and joint risk management.
- b. Establish mutual recognition mechanisms to achieve rule harmonization and high standards of protection. The two sides should accelerate the establishment of mutual recognition mechanisms for data protection standards, enforcement procedures, and recipient responsibilities to ensure the unrestricted exchange of

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<sup>28</sup> Jacqueline Kuzio, Mohammad Ahmadi, Kyoung-Cheol Kim, Michael R. Migaud, Yi-Fan Wang, and Justin Bullock, “Building Better Global Data Governance,” *Data & Policy* 4 (2022): e25–11, <https://doi.org/10.1017/dap.2022.17>.

<sup>29</sup> “Lin-gang Special Area, Malaysia Sign MoU to Build ‘Digital Twin Cities,’” *China Daily*, July 10, 2024, <https://govt.chinadaily.com.cn/s/202407/10/WS66962015498ed2d7b7eb323f/lin-gang-special-area-malaysia-sign-mou-to-build-digital-twin-cities.html>.

information while preserving a high degree of security. This would also help prevent a drift towards “minimum standardization, resulting from the lack of uniformity in regulatory frameworks.

- c. Take the lead through bilateral mechanisms to set high standards and provide a model for regional cooperation. Compared with the slow pace of coordination under multilateral mechanisms, China and Malaysia can take the lead in implementing data governance rules that exceed the standards of the RCEP and align more closely with those of the CPTPP. Through bilateral mechanisms, they can establish an operable and replicable institutional model, thereby offering practical experience and regulatory guidance for the ASEAN region in furthering the integration of data governance frameworks.

## 5.2. Enhancing China’s Engagement in ASEAN Rule-Making to Strengthen Institutional Compatibility

ASEAN remains in the early stages of institutional integration in the areas of digital economy and data governance rule making. Meanwhile, China’s cooperation with ASEAN is gradually shifting from infrastructure and platform-based projects to joint rule making, presenting a new opportunity to enhance institutional compatibility and regional capacity for synergistic governance. In the face of the real challenges posed by rule fragmentation and insufficient implementation synergy within ASEAN, China must shift from the passive adaptation of existing rules to active participation in and shaping of its regional institutional ecosystem. By strengthening institutional dialogue, promoting the joint development of standards, and deepening practical and technical cooperation, China can improve its institutional compatibility and regulatory coherence with ASEAN at the source level.

This strategic path can be advanced simultaneously across multiple levels:

- a. At the level of institutional innovation, CAFTA 3.0 serves as a foundation for incorporating key issues, such as digital trade facilitation, data classification standards, and personal information protection, into the institutional agenda, thereby promoting the consolidation and long-term development of the regional rule framework.<sup>30</sup>
- b. At the governmental level, high-level mechanisms, such as the ASEAN–China Summit and the ASEAN Digital Ministers’ Meeting, can be leveraged to promote the Joint Statement on Strengthening China-ASEAN Cooperation on Building an Inclusive and Sustainable Digital Ecosystem.
- c. At the local level, support can be provided to border provinces (e.g., Guangxi in China) that are well-positioned to implement demonstration projects—such as

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<sup>30</sup> China News Service, “China and ASEAN’s Mutually Advancing Economic and Trade Cooperation.”

cross-border smart ports and artificial intelligence computing centers —to create “testing grounds for rules” and offer practical models for institutional innovation.<sup>31</sup>

Through a multi-level and three-dimensional strategic layout, China will not only be able to enhance the compatibility of rules with ASEAN, but will also be expected to take on a more prominent role in the context of regional digital governance.

### 5.3. Promoting the orderly convergence of domestic systems with high international standards

Against the backdrop of a global digital governance landscape characterized by high standards and multilateral coordination, the key to advancing China–Malaysia cross-border data governance cooperation lies in China’s ability to align its domestic system effectively with high-level international standards, such as those under the CPTPP. Although China initially established a relatively comprehensive legal framework for personal information protection, data export security assessments, and the protection of critical information infrastructure, there remains a gap between its current system and international high standards, particularly in areas regarding the unrestricted flow of information, mutual recognition mechanisms, and transparency requirements.<sup>32</sup>

In promoting an orderly convergence, China should take the following initiatives:

- a. Strengthening the revision of domestic data governance regulations in line with high regional standards. For instance, while the CPTPP imposes strict conditions on restricting data flows, China could explore the formulation of clearer exception clauses and procedural safeguards to enhance the transparency and predictability of its regulatory framework, while still ensuring national security.<sup>33</sup>
- b. Establishing “soft docking mechanisms” at the institutional level. For example, pilot initiatives such as free trade zones, digital ports, and whitelisting systems for the cross-border circulation of data could be used to explore regulatory convergence with international standards and provide empirical support for broader institutional reform nationwide.<sup>34</sup>

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<sup>31</sup> “China–Laos AI Innovation Cooperation Center and Other Digital Projects Accelerate Implementation—China and ASEAN Join Hands to Build a Digital Engine for Growth,” *People’s Daily*, March 13, 2025, <http://world.people.com.cn/n1/2025/0313/c1002-40438167.html>.

<sup>32</sup> Meng Chen, “Developing China’s Approaches to Regulate Cross-Border Data Transfer: Relaxation and Integration,” *Computer Law & Security Review* 54 (2024): 11, <https://doi.org/10.1016/j.clsr.2024.105997>.

<sup>33</sup> Shujin Wang, “Dilemmas and Responses to China’s Cross-Border Digital Trade Rules under the Perspective of the Personal Information Protection Law of the People’s Republic of China,” *Advances in Economics, Management and Political Sciences* 25 (2023): 128–130, <https://doi.org/10.54254/2754-1169/25/20230486>.

<sup>34</sup> “Pilot Free Trade Zones Align with High-Standard International Economic and Trade Rules to Deepen High-Level Institutional Opening-Up,” *The State Council of the People’s Republic of China*, December 30, 2021, [https://www.gov.cn/xinwen/2021-12/30/content\\_5665320.htm](https://www.gov.cn/xinwen/2021-12/30/content_5665320.htm); Jiachun Wu, Bowen Liu, and Ke Dong, “Shifting Policy Attention in Global Cross-Border Data Governance,” in *Proceedings of the 25th Annual International Conference on Digital Government Research* (2024): 1015, <https://doi.org/10.1145/3657054.3657181>

- c. Emphasize that regulatory capacity building must go hand-in-hand with rule alignment.<sup>35</sup> This includes enhancing enforcement consistency, strengthening international regulatory cooperation, and improving mechanisms for cross-border data enforcement assistance to ensure that institutional convergence extends beyond the rule-making level and is effectively implemented in regulatory practices.

#### 5.4. Strengthening Technical Capacity and Policy Instrument Support

What China and Malaysia face in cross-border data governance cooperation is not only the challenge of rule alignment and institutional coordination but also a capacity gap at the levels of technical infrastructure and policy implementation. The effective promotion of regional synergy cannot be achieved without robust technical support or comprehensive policy instruments.

To this end, the following concrete implementation pathways may be considered:

- a. Strengthening capacity building in core or foundational digital technologies. China and Malaysia can leverage China's technological opportunities in sectors such as big data regulation, artificial intelligence, and cloud infrastructure. Through joint pilot projects and technical training, both parties can enhance their capabilities in key technological domains including data classification, encryption, anonymization, cross-border data identification, and tracking. These efforts would help establish a technological foundation for mutual trust and improve the security and controllability of cross-border data flow.<sup>36</sup>
- b. Synchronous enhancement of the policy instrument framework. To lower the compliance threshold for enterprises and improve compliance efficiency, China and Malaysia should establish a risk-based cross-border data review mechanism,<sup>37</sup> develop a flexible and adaptable data compliance assessment framework, and publish a practical guidebook on outbound data compliance.

In short, technical capacity is a prerequisite for the effective functioning of the system, whereas policy instruments serve as a guarantee for its implementation. If China and Malaysia can advance in a coordinated manner within the framework of the "technology–institution–implementation" trinity, it would provide a strong and replicable model for scalable data governance cooperation across the region.

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<sup>35</sup> Daojiong Zha and Ting Dong, "China in International Digital Economy Governance," *China Economic Journal* 15, no. 2 (2022): 198–199, <https://doi.org/10.1080/17538963.2022.2067690>.

<sup>36</sup> Qi Zhao, "China–ASEAN Cross-Border Data Flow Governance Cooperation: Reality and Choice," *Southeast Asian Affairs* 3 (2024): 96–98, <https://doi.org/10.14073/j.cnki.nywtj.2024.03.006>.

<sup>37</sup> Jin Li, Wanting Dong, Chong Zhang, and Zihan Zhuo, "Development of a Risk Index for Cross-Border Data Movement," *Data Science and Management* 5, no. 3 (2022): 103, <https://doi.org/10.1016/j.dsm.2022.05.003>.

## 6. Conclusion

Against the background of divergent domestic legislation and overlapping regional regulations, cross-border data governance between China and Malaysia shows clear signs of institutional fragmentation. Through its policy framework and cooperation arrangements, ASEAN has played an intermediary role among different regional agreements and has helped to ease certain institutional tensions. However, this coordination role is inherently limited by the largely non-binding features of ASEAN mechanisms, as well as by differences in regulatory priorities and levels of constraint across regional agreements. As a result, it has only a modest capacity to address the structural challenges posed by fragmented institutional arrangements. In this context, the analysis suggests that, alongside continued engagement with regional platforms, China and Malaysia need to place greater emphasis on bilateral institutional cooperation. Strengthening rule compatibility and investing in capacity-building measures may help to lay a more stable institutional basis for cross-border data governance. In practical terms, cooperation between China and Malaysia under a multi-layered regulatory framework offers useful reference points for advancing cross-border data governance between China and other ASEAN member states, particularly with respect to transferable institutional arrangements.

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