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Comment on 15 NOV 1999

- 1) There is a need to ensure organization which offers electronic contract (e.g. online insurance package, bank account opening etc) also provide an option to sign a paper contract instead of an electronic one.

This is to avoid Electronic Transaction mechanism dictate certain transaction operation, electronic transaction should be an alternate transaction mechanism not mainstream at least for a period of time.

- 2) Should there be regulation to ask certain industry or certain transaction to file a paper contract at a later time after a electronic record signed ? It is to avoid a class of most important agreement from electronic record missing due to computer and data error, damage; dispute due to mismatched electronic contract stored in the two parties and problem discovered in a later time due to the Public/Private key technology being used.

Such restriction can be loosen or remove in a later time when people get used to the technology, we are confident with this new way of doing business, when the world is generally accepted electronic commerce and when technology is stabilized and well proved to be dependable.

- 3) How do an end user or business user know a web site which claims to offer electronic service and solicit signing of agreement in electronic form is really a company in Hong Kong cover by the ETO ?
- 4) Examination of all computing tools (software, hardware) and services (online or physical services) for e-transactions is needed. Currently, all computer software, hardware and online services available in the computer industry do not have any form of auditing at government level. I urge the government to consider the necessity to perform such kind of examination. Base on my knowledge, an example is US government

already did an source code examination of a world mostly used firewall product and point out a few areas of suspicious requesting the manufacturing for further investigation.

The promotion of Electronic Transaction is a push of the society to depend on computer at an even higher level. Any misbehave manufacturer whether in Hong Kong or outside HK which supply computing tools or services to HK citizen or organization for the purpose to perform Electronic Transaction is potentially at risk of HK in case there is any mishave mechanism implanted in advance that cause major security beach to many people. An example is that a citizen who use a downloaded freeware from the Internet which propose to offer smart card digital signature feature is indeed a private key stealing tool which send the private key obtained (the smart card could trust the software to offer the private key freely) from the user's smart card and send it back to the freeware producer or otherwise.

It is suggested to regulate or perform the following,

- a. All equipment used and services delivered which directly contribute to the conducting of electronic transaction should fall in the list of government certified manufacturer.
  - b. Promote the use of government certified software to citizen.
  - c. Offer government certification program to certify those web site that conform to government examination.
  - d. All organizations provide electronic transaction should accept to the government auditing of the equipment and services used. ( Of course, this assume government understand and commit resource for regular auditing process similar to building and construction examination )
- 5) Abuse, misuse or stealing of private key by criminal outside of Hong Kong. How does the government prove that electronic transaction defense major criminal activity (e.g. a foreign hacker sign a contract on behalf of a HK citizen with a local company using my stolen private key; a foreign hacker do a money transfer using my private key to his foreign bank account giving a international wire transfer instruction via the service offer by a local bank ) attack from outside Hong Kong ?

Regards,  
Damien Wong