

Miss Polly YEUNG,  
Clerk to the Bills Committee  
Legislative Council  
The Government of the HKSAR

15<sup>th</sup> April, 2004

Dear Miss Yeung,

**Comments on the Electronic Transactions (Amendment) Bill 2003**

Thank you for giving the Hong Kong Computer Society (HKCS) the opportunity to review the Electronic Transaction (Amendment) Bill.

We have reviewed the content of the Amendment Bill and considered that now is the right time to revise this Bill to enhance the legal framework for e-business after its introduction in January 2000. We also noted that most of the Amendments are consistent with the technology-neutral model adopted in the United Nations Commission on International Trade Law-Model Law on Electronic Commerce, which should further strengthen Hong Kong's position as a leading international centre of trade and logistics in both physical transactions and electronic transactions.

While implementing e-Cert and e-Government in HONG KONG has consumed very significant resources, the utilization of e-Cert and e-Government by average citizens or small and medium enterprises in HONG KONG seems to be relatively lower than our counterparts in Korea, Australia, Singapore or Japan. Hence, appropriate strategies in the promotion, education and offer of incentives to encourage the general public to use e-Cert and e-Government services, should be considered as a priority.

With the aforementioned paragraphs as the backdrop, we have the following opinions concerning the Bill:

**Legal Recognition of Other Forms of Electronic Signatures**

We welcome the Amendments to give legal recognition to all forms of electronic signatures in transactions not involving the Government subject to certain conditions as to reliability and appropriateness in relation to specific circumstances and consent of the parties concerned, which will be seen as an enabler for e-business. However, the assessment of security and controls incorporated by both Internet and e-business service providers has become more important.

We also agree that it will be cost-effective for Government departments to be equipped to deal with only one form of electronic signature.

### **Service of Documents by Electronic Means**

To facilitate the implementation of E-government, we welcome the Amendment to provide that the service of documents in the form of electronic records would satisfy the requirement of service by post or in person.

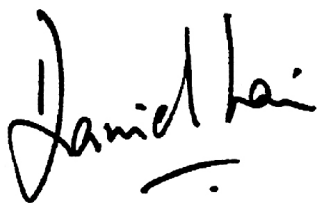
### **Operation of the Voluntary Recognition Scheme for CAs**

The engagement of qualified and independent assessors in the assessment of the trustworthiness of the certification service, such as system security, procedural safeguards and financial viability of the CA concerned is extremely important. It is recommended that appropriate professional qualifications and certifications of the assessors be required.

### **Conclusion**

We are very pleased that the Electronic Transaction (Amendment) Bill 2003 will provide a better legal framework for enabling and governing electronic transactions, which will be an important milestone to enable Hong Kong to move towards global electronic commerce, which will lead to better quality of life and prosperity. As a professional body and citizens of Hong Kong, we welcome the challenge and hope that the Government's leadership role and consultation on the social and technical changes along with the industry.

Yours sincerely,



Daniel Lai, JP  
President  
Hong Kong Computer Society

c.c.

The Hon SIN Chung-kai	- Bills Committee Chairman, Legislative Council
Mr. Daniel MA	- Chairman, e-Business Specialist Group, HKCS
Dr. Louis MA	- Adviser, e-Business Specialist Group, HKCS