

PERSONAL DATA PROTECTION IN E-COMMERCE TRANSACTION

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The students/authors confirm that the work submitted is their own and that appropriate credit has been given where reference has been made to the work of others.

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ABSTRACT

Since the development of information technology accelerated further, the issue of protecting personal data in cyberspace is becoming a major concern, with the development of information technology. Electronic commerce transaction has been utilized by business organization to ensure the efficacy of business transaction for consumers. However, as there is no law on the protection of personal data in Malaysia, consumers' personal data may be misused by business organizations conducting e-commerce. Generally, consumers need to resort to using of certain technologies to ensure the protection of their personal data. However, it does not guarantee that their personal data is fully protected, unless the consumers know how to take advantage of it. The main aim of this thesis is to study the importance of protecting personal data and whether the current draft legislation is comprehensive enough to ensure its protection. Apart from that, this study compares between the laws and the international instruments as found in the United States and European Union. These laws will then be analyzed to determine whether or not they can be a model for our propose law. In order to produce this thesis, various sources including legal materials such as statutes, international conventions and instruments, case law, law journals and law reports have been referred to. Interviews have also been conducted with individual and academician that have expertise in this field. We would like to propose there should be a law that will fully protect the consumers' personal data in order to ensure the healthy development of e-commerce.

CHAPTER 1

ONLINE DATA PROTECTION IN E-COMMERCE TRANSACTION

1.0 Introduction

Cyberspace has no geographical boundaries and neither does e-commerce. The enormous development of the Internet, not only as a means by which, we communicate electronically with one another via e-mail but also as marketing tool for e-commerce. As we are living in the modernized and globalize era where everybody is becoming more interconnected with each other across the world and online services play a vital role in our lives, our personal data are easily intruded upon. Technically, each consumers visit to the Internet can be traced and data collected¹.

It is important for consumers to have confidence that they have reached a properly identified Web site, and that the business organisations take appropriate steps to protect the consumers' personal data when they conduct e-commerce transaction online. Although it is easy to establish a Web site on the Internet, the underlying technology can entail a multitude of information protection and related security issues. As a result, the confidentiality of personal data transmitted over the Internet is taken for granted.² Moreover, firewalls and other security practices, private consumer information

¹ Tanguy Van Overstraeten and Emmanuel Szafran, Data Protection and Privacy on the Internet: Technical Consideration and European Legal Framework, 3, 2001, 56

² For example, without the use of basic encryption techniques, consumer credit card numbers can be intercepted and stolen during transmission.