

White Collar Crimes in E-Commerce: A Systems Perspective

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An Overview: With the rapid growth of the Internet i.e. ICT, the processes by which e-commerce is conducted have amplified. E-commerce includes retailing and wholesale businesses, online newspapers and other information sources, services (pay-per-use schemes for online databases, subscription services, online healthcare services, are a few examples), online gambling services,¹ videoconferencing,² offshore and inland banking, stock trading, investment schemes and online insurance etc., everything that traditional commerce can offer.

E-Commerce Framework/The Online (Business Deals) Models

The term 'e-commerce' (or 'electronic-commerce') has become commonly associated with Internet, but it would be a mistake to assume that it is a new phenomenon. Prior to the development and widespread commercial use of the Internet, other technologies based on private or closed electronic networks were already in use to provide electronic communication between commercial entities which in turn were used to enter into binding agreements or contracts. Electronic-Commerce (e-commerce) or trading through the Internet has become a reality and is here to stay. Any deal involving the transmission of electronic signals can be classified as Electronic-Commerce (e-commerce). The internet's unique ability to allow a company's marketing message to have a global reach and selectively target those consumers already predisposed towards actual purchase of the

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¹ Includes online casinos whose servers are located in tax havens or places where gambling is legal.

² Videoconferencing is a collaboration tool for distant persons to communicate.

product, has spurred a rush among corporations both large and small, to set up the Internet.³

The World Trade Organization⁴ (WTO) Ministerial Declaration on e-commerce defines e-commerce as, “the production, distribution, marketing, sales or delivery of goods services by electronic means”. According to European Commission,⁵ e-commerce encompasses more than the purchase of goods online. It includes a disparate set of loosely defines behaviors, such as shopping, browsing the internet for goods and services, gathering information about items to porches and completing the transaction. It also involves the fulfillment and delivery of those goods and services and inquiries about the status of orders. Like any other sustained activity information about consumers and maintaining consumer satisfaction surveys, capturing about consumers and maintaining consumer databases for marking promotion and other related activities. The Gartner Group⁶ defines e-commerce as an evolving set of:

- (a) Home-grown or packaged software application that link multiple enterprises or individual consumers to enterprises for the purpose of conducting business.
- (b) Business strategies aimed at optimizing relationship among enterprise and between individuals and enterprise through the use of information technologies.
- (c) Business processes (such as procurement or selling or order status checking or payment) that, by definition, cross boundaries and
- (d) Technologies and tools that enable theses application, strategies and processes to be implemented and realized.

³ Sharma Vakul, E-Commerce: A New Business Parading, in Legal Dimensions of Cyberspace, Indian Law Institute, New Delhi,2004.

⁴ See, www.wto.org.

⁵ See,<http://europa.eu.int>.

⁶ See, www.garnter.com

That is, electronic commerce is all about commercial transaction, whether between private individuals or commercial entities, which take place in or over electronic network. The only important factor is that the commercial transactions take place over an electronic medium.⁷

It can be conducted over telephones, fax machines, automatic teller machines (ATMs), electronic payment system such as prepaid telephone cards, electronic data interchange (EDI), television and the Internet.

To be simple it is a huge business opportunity for everyone around the global. At the beginning the Internet was viewed as some sort of media. Then every one began to notice the amazing capacity of the Internet to interact, certainly this created boundless novel opportunities. Even common users with connection use the net as a typical onscreen shopping mall to collect information and buy things. The astonishing thing is the fillip that we give to global trade.⁸ This means that every future minded business should atleast have a makeshift Internet access point. Beyond that e-commerce will totally revamp the very concepts of market place. Even in India the infrastructural bottlenecks are becoming a thing of the past with the rapid advance in satellite technology and massive investment being

⁷ Davies L J, "A Model for Internet Regulation"(1998), available at: www.scl.Lorg/content/e-commerce.

⁸ See Patrick E Cole et al, 'Business-The Internet Economy', time July 20 1998 at p34 (characterizing the internet as real miracle that lets one do things one could not even dream of doing before). See also Alan Greenspan, Statements to the US Congress (June 14, 1999), FED RESERVE BILL 556 (Stating that innovations in Information Technology-have begun to after the manner in which we do business and create value, often in way that were not readily foreseeable even five years ago).

made by global consortiums to lay high quality fiber optic cables, which can enhance connectivity, manifold. Thus the stage is being set for our leapfrogging into the world of e-commerce. But the truth is that, the regulatory framework for e-commerce are just being put into place. The so-called cyber law has just come into effect and is still in its infancy. Also is has to mentioned that laws should not be rigid because such laws could well kill the spirit of enterprise on the Internet. Surprising India has taken a few cautious steps towards giving e-commerce the backing of law. With the enactment of Information Technology Act, 2000 India has joined a select group of countries and the 12th nation, which have legislations regarding cyberspace and its regulation.

Indian Scenario on E-Commerce:

There are a number of corporate frauds that have come into light now days. One of the major havoc that is crated in present times is become of mysterious disappearance of corporations. Of the 5,651 companies listed on Bombay Stock exchange to raise crores of rupees from investors and run away. Even big names like 'Home Trade' came up with huge publicity stunts but after raising money, vanished into thin air. About 11 million investors have invested Rs. 10,000 crore in thee 2750 companies.

We have Securities Exchange Board of India (SEBI), Reserve Bank of India (RBI) and Department of Companies Affairs to monitor the Stock Exchange transactions but none has documented the whereabouts of these

2750 odd companies suspended from the stock exchange, many of the promoters and merchant bankers who are responsible for these are roaming scot-free.⁹

There is no controversy when fine is only punishment given under statutes. There is also no list when statute entrusts the court with discretion to inflict fine or imprisonment, as in this case court shall inflict only fine on company. Because a company being a Juristic person cannot obviously be sentenced to imprisonment as can not suffer imprisonment. Judicial controversy lies in that situation when statute prescribes mandatory imprisonment with fine as a punishment or an offence.

In 2003, The Supreme Court of India in **Assistant Commissioner, Assessment-II, Bangalore & Ors. v. Velliappa Textiles Ltd. & Anr.**¹⁰ took the view that Since an artificial person like a company could not be physically punished to a term of imprisonment, such a section, which makes it mandatory to impose minimum term of imprisonment, cannot apply to the case of artificial person. However, Supreme Court in 2005 in **Standard Chartered Bank v. Directorate of Enforcement**¹¹ in majority decision of 3:2 expressly overruled the Velliappa Textiles case on the issue. K.J. Balkrishanan J. in majority opinion held “We hold that there is no immunity to the companies from prosecution from prosecution merely because the prosecution is in respect of offences for which punishment prescribed is mandatory imprisonment. We overrule the views expressed by the majority in Velliappa Textiles on this point”

⁹ The market regulators and stock exchanges are unable to penalize them or recover their funds. The regulators have been able to identify only 229 of 2750 vanishing companies so far.

¹⁰ JT 2003 (suppl. 2) SC 99]; 11 SCC 405

¹¹ JT 2005 (5) SC 267; (2005) 4 SCC 50

E- Contract & Jurisdictional Issues

The question of contract formation across electronic network is problematic to say the least. This is due not only to inter- jurisdictional issues that arise as a natural result of the borderless nature of the networks. But also to the issues that arise when considering the terms of any contract that might be formed. Such issues arise because of the need to consider any overriding legislation which may affect the freedom to contract in the jurisdiction in which the contract was formed or under the law chosen in the contract.

The ease and flexibility of communicating across electronic networks allows users to enter into agreements with each other with little if any difficulty. The issues are therefore not whether the users can enter into agreements. The issue that must be address is whether these agreements can constitute contracts.¹²

Though it is valid to ask what law applies to contracts formed across electronic networks, which courts have jurisdiction and what terms apply, these are not the most important issues. The fundamental question, and one which is rarely asked, is whether or not a contract was actually formed. This naturally leads to the questions of where that contract was formed and when.¹³ Until these questions are answered it makes no sense

¹² Agreements that are legally enforceable in a court of law as opposed to simply having moral force.

¹³ It is of no use whatsoever to suggest that somewhere in the soup of electronic communications that make up a series of messages a contract was formed but it us not know exactly where or when; just that a contract was somehow formed. In order for a contract to exist the instant when it came in to existence must be identifiable, and not merely be a vague and nebulous occurrence. It must be a definite and identifiable event.

even to attempt to ask what laws or jurisdictions apply. If contracts were not formed then any discussion on which laws apply is completely irrelevant. This is an obvious point, perhaps, but one which is often overlooked.

The basic principle of contract law are very well understood and can be applied readily to most traditional contracting scenarios to give answers to these questions. Unfortunately, applying these principles to e-commerce across electronic networks often poses more questions that answers because the application of standard contractual principals to electronic transactions can either provide unwelcome results, or in the worst case a series of mutually contradictory results. One of the main requirements of contract law, at least from a commercial point of view, is that it should provide for some degree of certainty as to the relationship and obligations that lie between the contracting parties. The degree of certainty may not, and indeed need not, be absolute. What is required is sufficient certainty so that the risks and obligations are ascertainable and thus the parties can engage in a risk/benefit analysis and decide whether or not proceed with their agreements.

In any contract the parties need to be able to determine several factors, whether these are implicit or explicit. These are rules of contract formation, choice of law, choice of jurisdiction, terms and conditions, enforceability of the agreement, the identities of the contracting parties, whether the contract can bind third parties, and, perhaps most important of all, whether or not a

contract has actually been formed. Not all electronic transactions or communications result in the formation of a contract. Although a number of attempts have been made to classify electronic messages according to the different legal problems raised,¹⁴ for our purposes it is sufficient to not three categories, set out below.

(a) The transmission of information and messages as notifications

Generally, the sender does not intend a message of this type to have legal consequences. The only legal problem arising from this type of message is the potential liability where the sender owes a duty to the recipient to take care to ensure that the information is correct, and as a result of his carelessness the recipient suffers loss.¹⁵

(b) The transmission of notices and Contract messages

This type of communication will be intended to have a legal effect and will in most cases be made in performing an existing contract. Typical examples of this category might be invoices, which are often a prerequisite for payment.

Where, for example, goods are ordered using an electronic message, the intended result will be the formation of a contract. In most cases such messages are part of a series including negotiation, ordering and acceptance. This type of communication raises the largest number of legal question.

¹⁴ E.g. R Goode and E Bergsten identify five types of communication: (a) communications having no legal significance; (b) communications having legal significance; (c) communications operative to transfer ownership, control or contract right; (d) communications required by law; and (e) communications requiring legal authority or licence. (' Legal Questions and Problems to be Overcome', in H Thomsen and B Wheble, *Trading with EDI: The Legal Issues* (\BC,1989),pp131-3.)

¹⁵ *Hedley Byrne v Heller & Partners* [1963]2 All ER 575

Unless particular formalities such as writing are specifically required, the general rule of English law and of most other jurisdictions is that a contract is formed when the parties reach an agreement on its terms, and this can be done orally, as our everyday experience in shops demonstrates. There is thus no theoretical objection to using electronic messages for this purpose. In English law, the process of formation is analysed into two stages: the offer, when one party sets out the terms on which he is prepared to contract, either in one document or by express or implied reference to a preceding course of negotiations; and the acceptance, when the other party agrees to these terms without attempting to amend them in any way. If both parties satisfactorily perform their side of the bargain there is no need to involve the law. However, there are three types of dispute which might arise, and which can be resolved by examining the formation process:¹⁶

- (a) One party believes a contract to have been concluded, but the other disputes it.
- (b) Both agree that a contract has been formed, but disagree as to its terms.
- © The parties disagree to when and where contract was found.

In applying

¹⁶ Sutter Gavin, Chris Reed, E-Commerce, in Computer Law, Chris reed, John Angle (eds.), Oxford University Press, 2004.

the basic principles of Law of Contract to electronic communications, it must also be noted that whilst offers and withdrawals of offers must actually be communicated to the other party¹⁷ the rules governing acceptances are quite different.¹⁸ Where acceptance is made by some instantaneous means such as face-to-face communication or telephone, it too must actually reach the offerer. It has been held that telex communications are instantaneous, and thus contracts made by telex are made where the telex is received.¹⁹ This rule is certain to apply to electronic communications where there is a direct link between the parties. The contract-formation law of other jurisdictions will differ in detail. All these issues are normally addressed in national laws, and most jurisdictions adopt roughly similar principles.²⁰

The position may, however, be different if the network across which the transmission is made stores the acceptance message for an appreciable period before it is delivered to the offerer. As common-law lawyers learn at an early stage, if an acceptance is made in writing from the 'postal rule' applies.²¹ This provides that the acceptance takes place when the letter is

¹⁷ *Byrne v Van Tienhoven* (1880) 5 CPD 344.

¹⁸ It has been suggested in the Guide to Enactment of the UNCITRAL Model Law that the courts or other national authorities while enacting provision of Model Law or the provisions of the Instruments implementing the Law as a part of domestic legislation which, of course will be domestic in character, be interpreted with reference to its international origin in order to ensure uniformity. See Article 2 (b) of UNCITRAL Model Law on Electronic Commerce available at:

¹⁹ *Entores Ltd. v Miles Far East Corporation* [1955] 2 QB 327.

²⁰ *Supra* note 29

²¹ Gusannah Downing and Justin Harrington. 'The Postal Rule in Electronic Commerce: A Reconsideration', *Communication Law*. Vol. 5 No. 2.2000 at p. 43.

posted, whether or not it ever arrives.²² We can apply the postal rule to such electronic message. There are two justifications suggested for the postal rule. The first is that it is an ad hoc method for solving what would otherwise be a more difficult question. Even if this justification is the correct one, the dictum of Lord Brandon in **Brinkibon Ltd v Stahage Stahl Stahlwarehandelesellschaft mbH** suggests that the postal rule might apply to electronic acceptances:²³

The cases on acceptance by letter and telegram constitute an exception to the general principle of the law of contract (on grounds of expediency. The reason of commercial expediency applies to cases where there is bound to be a substantial interval between the time when the acceptance is sent and the time when it is received. In such case the exception to the general rule is more convenient, and makes on the whole for greater fairness, and then the rule itself would do.

The second justification is that the offerer has impliedly agreed that the accepting party may entrust the transmission of his acceptance to an independent third party, the postal authorities, and that therefore the offeree has done all that the offerer requires for acceptance when he posts his letter.²⁴ This too would suggest that acceptance takes place when the message

²² *Adams v Lindsell* (1818) 1 B& Ald 681; *Household Fire Insurance v Grant* (1879) 4 ExD 216.

²³ [1982] 1 All ER 293,300.

²⁴ It is admitted by the courts that in a given situation justice. By applying postal rule, to both the contracting parties may not be possible. In the words of Theobald LJ: It is impossible in a transaction which passes between parties at a distance and has to be carried on through the medium of correspondence to adjust conflicting rights between innocent parties so as to make the consequences of a mistake... fall equally upon the shoulder of both. *Household Fire Insurance Co. v Grant*, (1879) 4 ExD 216 at p.228.

is received by the system provider's computer. The clearest analogy to using a store-and-forward messaging system is with acceptance by telegram; it is necessary for the message actually to be communicated to the telegram service, normally by telephone, but once it has been received by the service acceptance is complete.²⁵

Where the postal rule applies, it can be said that the time of acceptance is the time the electronic message was revived by the network, and the place of acceptance will therefore be that node of the network which received the message.²⁶ In most cases this is likely to be in the same jurisdiction as the acceptor, but not inevitably-it is easy to conceive of a Scottish company accepting an offer from a US company using a closed electronic-messaging system such as an EDI system, or an open electronic network as the Internet,²⁷ where the message of acceptance is sent to a computer in England. The contract would be formed in England, and subject to agreement to the contrary might therefore be subject to English law, at least in respect of its formation. Where the electronic transaction is

²⁵ *Re London & Northern Bank* (1900) 1 Ch 200.

²⁶ When the instantaneous means of communications appeared on the scene, it was initially thought that the mail box rule applies to such communications also till *Entores v. Miles For East Corporation Ltd.* (1955 2 Q B 327) was decided. See *Carow Towing Co. v. The Ed. Mc Williams*, (1919) 46 D.L.R. 506 (Ex. Ct). The Canadian court held that telephone can be well equated with a letter and therefore, postal rule applies. The acceptance is complete where the words are spoken. This position was changed after *Entores* decision except in Quebec. Now Article 1387 of Civil Code of Quebec 1994 has nullified this judicial position by holding that in communication involving telephone, contract is concluded where acceptance is received. Even after the *Entores* decision, Justice Hidayatullah of Indian Supreme Court held that Section 4 of the Contract Act is flexible enough to cover instantaneous means of communication. See his dissenting opinion in *Bhagwandas Kedia*, See *Bhagwandas Kedia v. Girdhailal Paeshottamdas and Co.*, AIR 1996 SC 543.

²⁷ E.g. VPNs that operate across the Internet.

subject to different law, it will be necessary to assess whether, under that law. It is possible for the parties to agree what steps will lead to the formation of a valid contract and include an appropriate term to that effect in their contract. With regard to the EDI community there appears to be general agreement that an EDI message should not have operative effect until it is received.²⁸

The essential ingredients of a valid contract are all present in e-contract. Several advantages also flow out of formation of online contract. Ease and convenience in concluding transactions, and that too with certainty, is only one instance. The essential ingredients of a valid contract have a distinct connotation in the context of online contracts and if all the requirements of law are satisfied, contract formation can be seen in all e-commerce transactions.²⁹ As the formation of a valid contract from the corner-stone of e-commerce, it is essential that sufficient attention is paid to the formation of a valid online contract before finalising transactions. The autonomy of provision is fully preserved. As the rapidly developing technologies in the Internet and computer networks are opening new vistas for business, commercial entities should realise the significance of a valid online contract and take note of the ticklish issues involved therein. Once these requirements of the law are complied with, online contract open up multifarious opportunities for business.³⁰

²⁸ UNCID Rules, art 7 (a).

²⁹ See also AD Murray, 'Entering into Contracts Electronically: The Real WWW', in L Edwards and C Waelde (eds), *Law and the Internet: A Framework for Electronic Commerce*, 2nd edn. Hart Publishing, 2000.

³⁰ Chaudhury, Abijit; Jean-Pierre Kuiboer (2002). *e-Business and e-commerce Infrastructure*. McGraw-Hill.

Another important development has been the adoption of digital signatures and authentication standards providing integrity, confidentiality and non-repudiation of electronic records. It has paved the way for legal recognition of electronic contracts-an extremely important step in giving legal sanctity to online payment system.³¹

Business-to-Business E-Commerce Perspective

Business-to-business e-commerce has, until recently, been undertaken solely via proprietary networks, and is usually referred to as Electronic Data Interchange ('EDI'). Open networks and in particular the Internet are increasingly becoming the communications medium of choice for business,³² EDI is, at the simplest level, nothing more than a technology for exchanging information. One computer is linked to another and a stream of data is sent across the link. At this level, the only distinction from, say, a fax message is that the recipient easily can edit his copy. Where EDI becomes interesting, both commercially and legally, is if the messages are structured in such a way that can be processed automatically.³³

³¹ Digital signatures are mathematical function of the digital form of a message. In order to act effectively as a signature they must be producible only by the sender. In theory, all digital signatures are capable of forgery, what gives them their effectiveness is that it is computationally infeasible to do so. Cryptography offers the possibility of producing digital signature that are more difficult to forge than handwriting. See Goodman v Ebon Ltd [1954]1 QB; London Country Council v Vitamins Ltd; London Country Council v Agricultural Food Product Ltd [1955]2 QB 218; Ringham v Hackett and Walmsley (1980)10 Legal Decisions Affecting Bankers 2006; Harriets de Reya (A Firm) v Byrne. The Times. 14 January 1983.

³² See, e-commerce Survey. The Economist, Feb, 20.

³³ This is somewhat different to networking methods, such as the internet however, the technologies exist that can easily be put into use to allow messages to be structured in such a way that they too can be processed automatically. Not only is this increasingly being used by interactive sites on the Internet but it possible to create virtual private network across the Internet that behaves in a manner similar to EDI.

The most common use of such messages is to carry out trade, particularly international trade, and it is in this sense that the term EDI is most commonly used. This also gives rise to the alternative term 'paperless trading', which is particularly common in the United States.³⁴ Structured EdI messages offer their users two potential benefits, benefits which can be of immense commercial value, for example:

(a) The abolition (or near abolition) of the physical, paper documents which previously effected the transaction. Estimates of the costs involved in producing and processing this paper range as high as 10 per cent of the value of the goods.

(b) The complete automation of the ordering/delivery/payment cycle

Whilst it is possible to set up dedicated EDI links with each of one's trading partners, this rarely makes sense in practice. The volume of communications is likely to be too small to be economical. For this reason most EDI users communicate via a Value Added Network Service ('VAN'), In this model the user's computer system generates the messages to the network, rather than directly to the intended recipient. The network's computer systems ensure using the address information which is part of the message structure,³⁵ that the message is delivered to the addressee's computer. The delivery may be near-instantaneous or may take several hours, depending on the number of time zones which separate the parties

³⁴ See, B Write. *The Law of Electronic Commerce* (Little, Brown & Co, 1991).

³⁵ See Ian Walden (ed), *EDI and the Law* (Blenheim Online, 1989), Appendix E, for examples of message structures.

and the level of service contracted for. In most cases there will be an element of 'store and forward' which, as we have seen, raises potential problems when forming contracts using EDI. The question that arises for consideration in case of an Edicom transaction is the extent to which the conditions of the network provider are binding on each individual user of the network. The answer appears to lie in the judgment of the English **Court in Clarke v. Dunaraven**.³⁶ The court held that if various people enter into agreement with the same person and all of them are using his services, then the contract is also binding among the individual persons inter se. This principle has to be extended to the users of a VAN so that uniform rules govern all their electronic contracts.

Business-to-Consumer E-Commerce Perspective

If commercial entities enter into agreements then they can usually agree to B2C e-commerce is the easy situation to deal with as the parties can in general agree whatever terms they so wish. The position can differ considerably with other types of contract, as in business to consumer e-commerce where one of the parties acts as a consumer. Commerce-protection legislation in various countries often imposes limits on the terms and conditions that may be excluded or varied and these cannot be overridden by agreement. Any term which attempts to avoid the legislative provisions is automatically a void activity. The position is somewhat different within the United States where it is possible, in some

³⁶ (1897) AC 59.

circumstances, to contract out of the provision provided certain formalities are met.³⁷ Consumer regulation is an all-pervasive topic which has several aims. Countries too have many views, commercial concerns often welcome some degree of consumer protection. Not only does it give consumers the confidence to interact and enter into commercial transactions with the commercial entities, but it also informs the commercial entities of what they can do and how they can act. The general perception of e-commerce among consumers is that it poses a greater degree of risk than other more standard forms of commerce. Measures for consumer protection could help to allay these fears and encourage the take up of e-commerce. This would bring benefits to all actors in the activity, to the economic development of the jurisdiction, to the economic activity of the commercial entities, and to a greater degree of freedom of choice for the consumer.

According to a survey in the recent years, number of on-line buyers has grown on 60 %, however the problem of safety of electronic payments continues to render negative influence on the development of electronic commerce. The result shows that the number of user-buyers has increased for 50% from last year. In spite of the fact, that before that they have found the information in the Internet. Americans and Europeans (mostly UK) still remain the most active on-line buyers (51% of all users.) on the other hand, in India, Philippines, Thailand and Turkey purchases on the Internet makes only 2% users.

³⁷ Sutter Gavin, Chris Reed, E-Commerce, in computer Law. Chris reed John Angel (eds), Oxford University Press, 2004.

The turnover of e-commerce companies of China in general has exceeded billion dollars in 2004, in India for the same 2004 are less than ten times. The number of Internet users in India who purchases goods and services on the Web is four times less and the money spent on e-commerce by them is ten times less than their Chinese counterparts. When attempting to understand such an impressive difference in rates of development in internet usage in these two countries, as a rule, first is the huge investments of the Chinese government in development of the telecommunication infrastructure. The government of China has enclosed in development of telecommunications about 140 billion dollars only in last 5 years. Funds have enclosed in development on innovative projects of China, only for the development of Internet structure about 180 million dollars for 2003-2004, for the same period of time for the same purposes in India have enclosed from 40 to 50 million.

According to a survey³⁸ conducted in 2003, by the American Bar Association's Business Law Section, Cyberspace Law Committee, the International Chamber of Commerce, and the Internet Law and Policy Forum, to examine the practical effects of Internet jurisdiction risk on companies worldwide. The findings suggest that companies from North America responding to the survey were far more concerned with Internet

³⁸ Global Internet Jurisdiction: The ABA/ICC Survey, American Bar Association Business Law Section, Cyberspace Law Sub-Section Internet Jurisdiction Subcommittee, April 2004.

jurisdiction issue then their counterparts in Europe and Asia by a ratio of five to one. The majority of responding companies who think that jurisdictional issues are an increasing problem attribute the increase to the emergence of the Internet and e-commerce. When companies were asked which jurisdictional issue posed the greatest concern, first on the list was litigation risk, which was commonly cited by companies worldwide and by all industrial sectors as their primary concern. This suggests the risk of getting hauled into court is the biggest fear of companies operating online, exceeding concerns associated with conflicting legal frameworks.

Other noteworthy concerns include industrial and consumer regulations, e-commerce regulation, taxation, and information security as well as data protection.