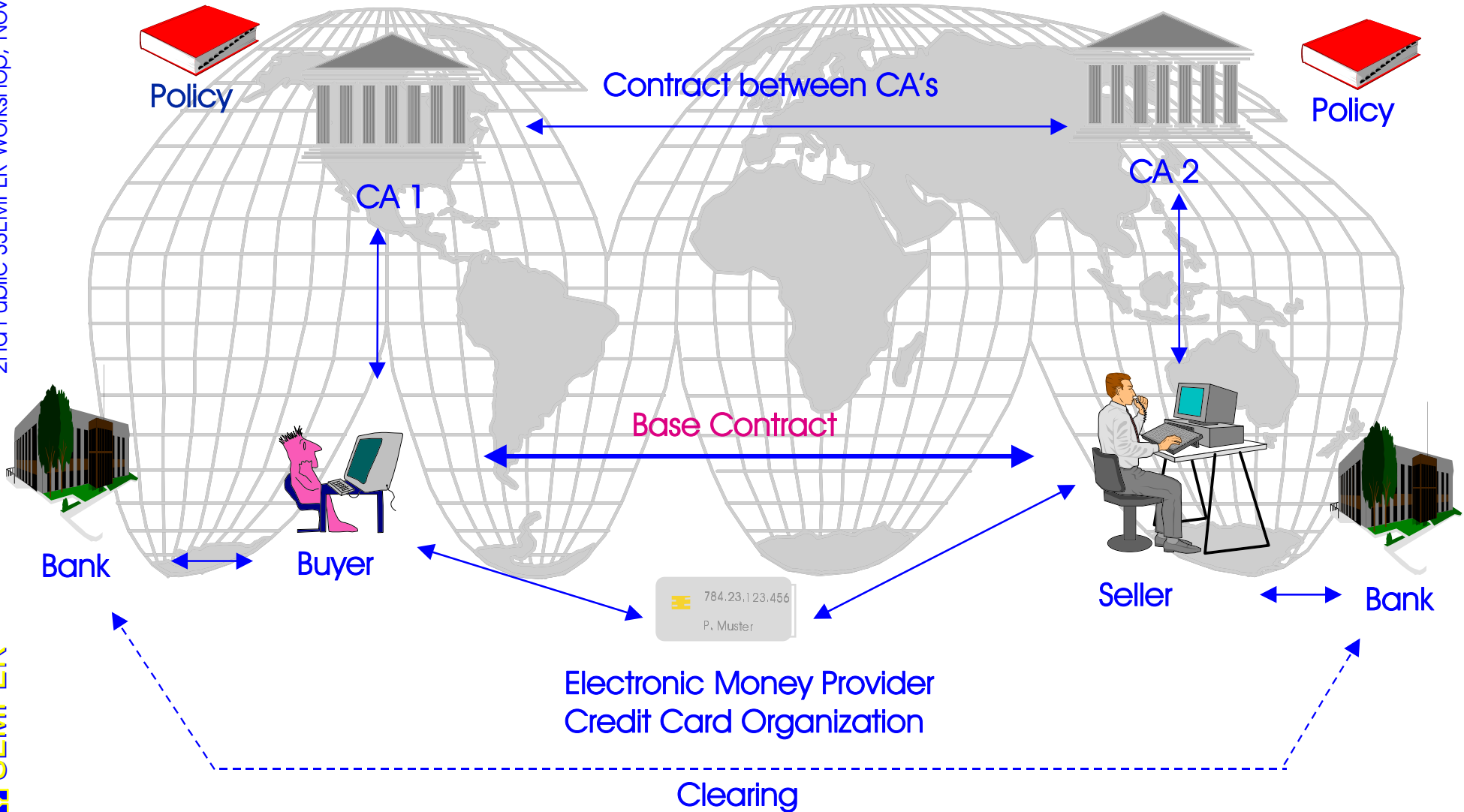


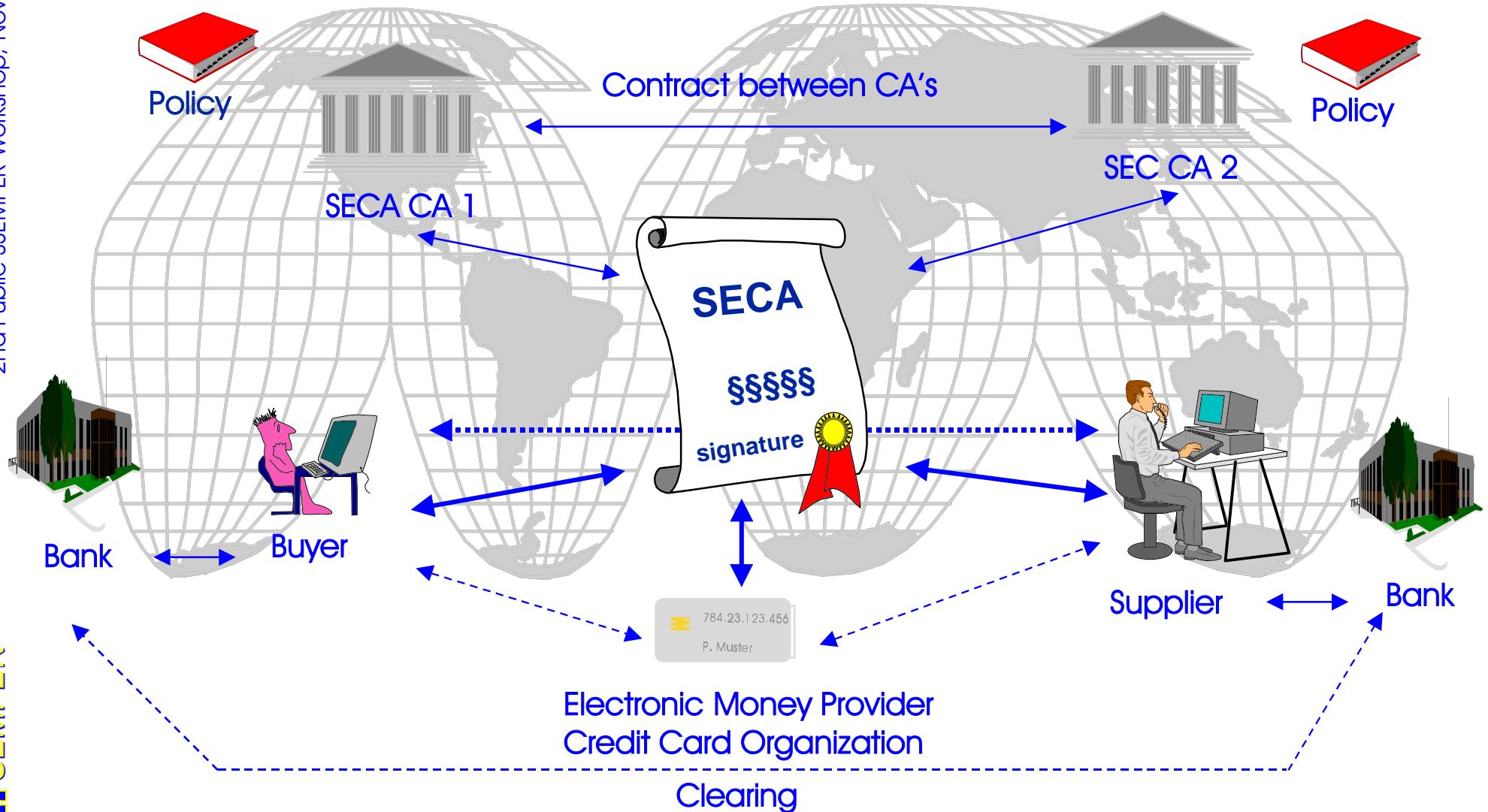
The SEMPER Electronic Commerce Agreement

2nd Public SEMPER Workshop
Rüschlikon, Switzerland, November 4th 1998

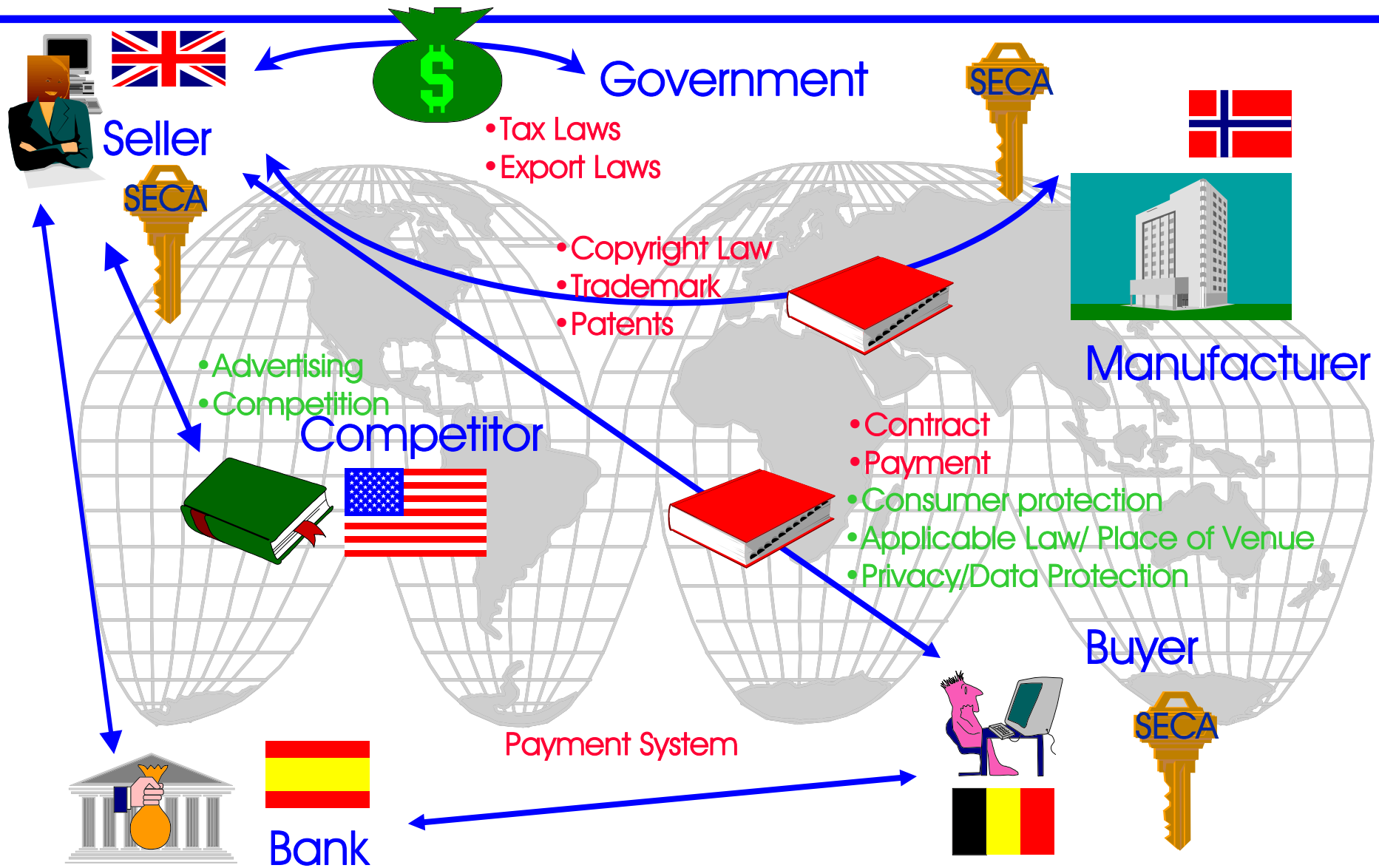
Current Situation in Electronic Commerce



Situation in Electronic Commerce with SECA



Scenario of a Business Transaction over Open Networks



Main Obstacles to Electronic Commerce

- 
- Various legal systems with individual regulations
 - Without Digital Signatures players do not trust in Electronic Commerce
 - No unified requirements for CA's and no harmonized CPS
 - No or not sufficient regulations on liability for digitally signed messages

Focus of the Selected Approaches

UNCITRAL Model Law (1996)



- Functional equivalent of digital signatures to traditional signatures
- No regulations on Liability

OECD Guidelines (1992)



- General recommendations for electronic commerce and for liability

EU Directive
(Proposal 1998)



- Validity of Digital Signatures
- Liability of CA's
- Mutual recognition of certificates

German Digital
Signature Act (1997)



- Establishing a secure infrastructure for digital signatures
- Licensing of CA's
- Liability of CA's for issuing certificates

Utah
Digital Signature Act (1995)



- Building of a CA
- Duties and liabilities of a CA
- Duties and liabilities of the subscriber

EDI Agreements



- Legal Protection on a bilateral commercial relationship

The Principles and the Solution of SECA

→ Principles



- Establishment of a well defined legal basis for players doing electronic commerce
- Regulate liability for digital signatures
- Enable fair cross-border commerce between b-b, b-p and p-p, including non technical players
- Enhance awareness of the players

→ Solution

- Agreement with provisions of liability among other provisions
- Liability limit for claimed compromised keys
- Code of Conduct that has to be followed, including defaults
- Guidelines with criteria for electronic commerce software

The Structure of SECA

1. 'The Agreement'



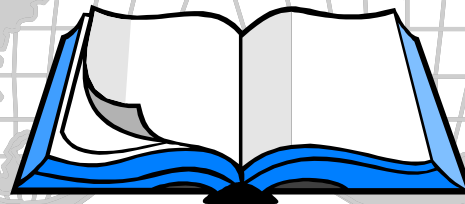
- provisions
- handwritten signature of the player
- deposit at the SECA CA

2. 'Code of Conduct'



Behavior related to business

3. 'The Guidelines'



- Requirements for technical equipment
- 'SECA compliant' components
- Protection from attacks

'The Agreement'



Agreement between the SECA player and the SECA CA with effect to other SECA players or non-SECA players

Scope of Agreement

- Acting according SECA whenever player uses or offers to use the SECA key for signing digitally
- Area of applicable business transactions
- Obligations of the SECA Players

Formation and Validity of Contracts

- Applying SECA defaults
- Validity of digitally signed contracts
- Assent of digital signatures

Liability

- Liability for digitally signed messages
- Liability for claimed compromised keys
- Liability of CA's and Manufacturers
- Liability limits

Breach of Agreement

- Exclusion from SECA
- Blacklists

SECA Limit, Partner Specific Limit, Liability Cover Limit



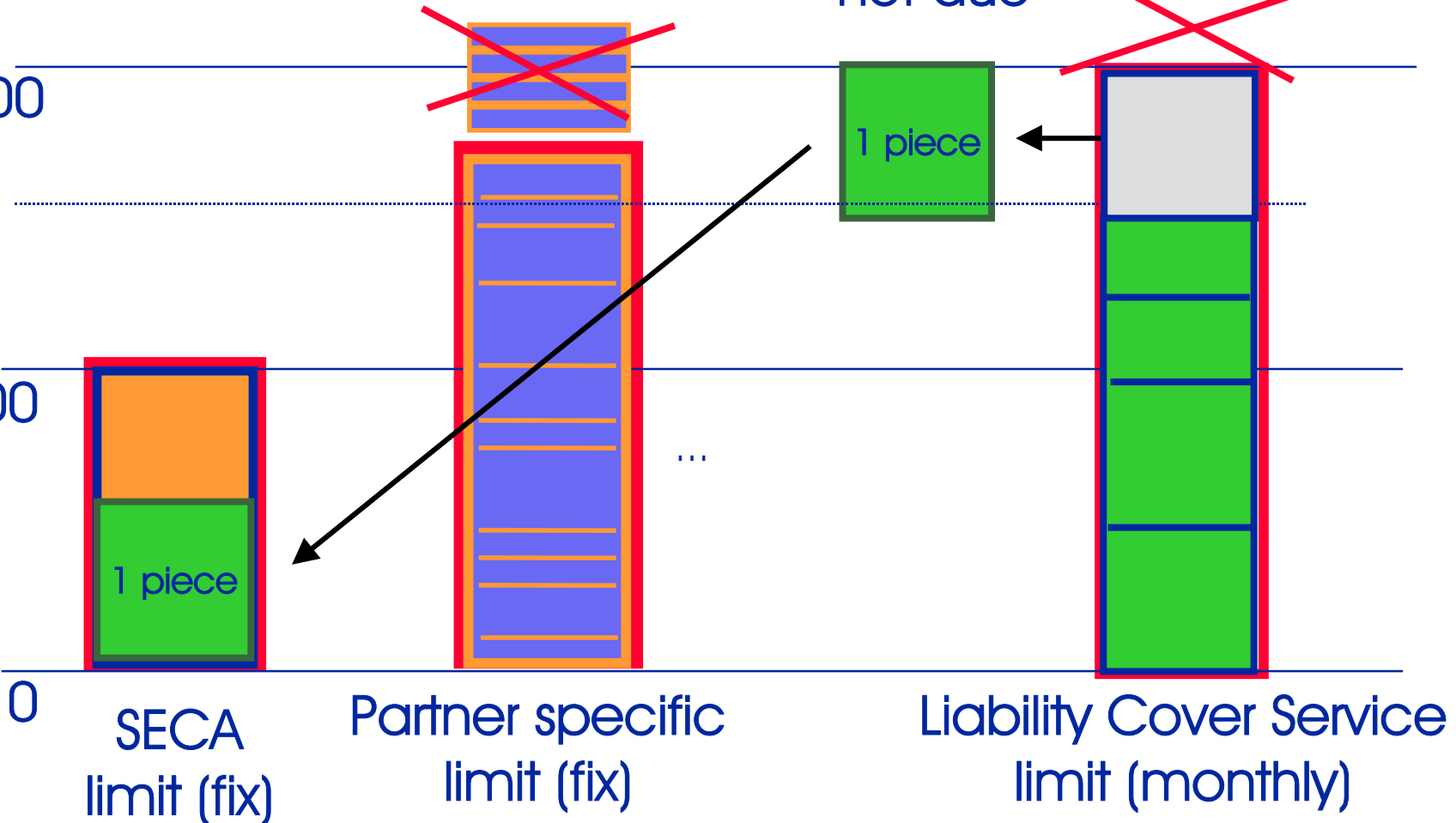
only relevant for compromised signature

guarantee always issued on request, normally not due

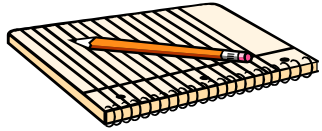
Euro 2000

Euro 1000

Euro



'The Code of Conduct'



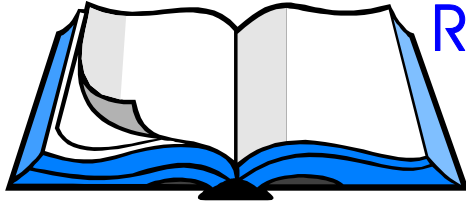
SECA Defaults

- Applicable Law
 - Conclusion of contract
 - Personal Data and Confidentiality
-

Behavior related to Business

- Advertising and Competition
- Negotiation
- Offers and Acceptance
- Consumer Protection Issues
- Content of Contracts and Internet Pages
- Privacy and Data Protection
- Dispute Handling

'The Guidelines'



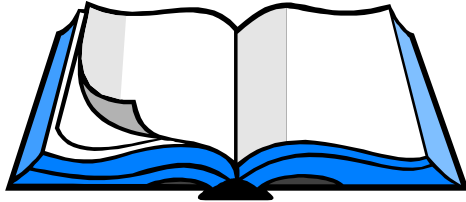
Requirements for 'SECA compliance' of components:

- provide user interface well comprehensive for non technical users
- provide and inform users of means to protect themselves
- prevent attacks
- enforce fair commerce

Recommended user equipment for best protection

Defines equipment levels and shows risks from low [no secure HW used, any downloaded software used] to high [secure HW, secure OS used]

'The Guidelines'



Gives recommendations for **best protection**

- **Care for keys** (and access to keys)
- No using any other keys without **liability limit**
- **Care for data**
- Use '**SECA compliant**' components
- Use a good combination for committed **limited liabilities**
- Ensure **fair commerce**

The Benefits of SECA



- SECA combines essential regulations in one single agreement
- SECA is open for everybody
- SECA protects the key holder from unpredictable damage
- SECA protects the relying party from unpredictable damage
- SECA enforces the awareness of the players

SECA enables fair electronic commerce even for non technical players, NOW!