

E-commerce Legislation Enacted

October 25, 2000

The Electronic Transactions Act will come into force in early November 2000. The first part of the act specifies that a transaction will not be invalidated simply because it is achieved by means of electronic communication rather than on paper. It goes on to deal with practical points as to place, date and time of deemed receipt.

The second part of the act paves the way for legal recognition of the supply of information, authorized signatures, production of documents and storage of information, which may all be achieved by means of electronic communication in place of paper. This part of the act works on two levels. Firstly, it allows for government departments and other official bodies to provide for the use of electronic communication in appropriate circumstances, and to impose specific requirements or limitations on the form of electronic communication used if they wish. Secondly, the use of electronic communication is permitted in other circumstances, but only with the consent of the recipient. This means that, for instance, a bank can choose whether to allow customers to use electronic communication facilities.

The final part of the act allows for the possible registration of service providers which will certify electronic signatures, although the details will be dealt with in subsequent regulations. Such regulations may also set out offences in connection with applications for registration.

This statute will help to create a favourable environment for the continuing development of e-commerce in the Isle of Man by encouraging the use of electronic communications as a business medium. However, regulations already made under the act specifically exclude certain transactions including marriage, wills, property conveyance and mortgage and certain other formal documentation, which will still require paper.

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