



東風



TUNG FENG

香港東區扶輪社週報 THE ROTARY CLUB OF HONG KONG ISLAND EAST

**What Happened at our Meeting
on
12th May, 2004**

Pres. Henry opened the meeting by welcoming everyone. He made three announcements they are:

- 1) Rotary Club Makati North will have their induction ceremony on the 21st of July & they have invited us to attend it.
- 2) We are planning to visit the Zhaoqing school in China on the 16th-18th of July. He invites all member to participate.
- 3) He proposed to handover his office on the 23rd of June because he commitments on the 30th. So please plan this change.

Acting Sergeant-at-arms Andy came up to report his collection of \$980 plus a last minute contribution from PP John of \$120 to round it out to \$1,000.

Dir Heron then came up to introduce our guest speaker of today.

Dr. Franklin Leung received his B.A. in Computer Science from Southern Illinois University, U.S.A, majoring in psychology and computer science. He gained his M.Sc. in Computer Science from the University of British Columbia, Canada, specializing in image analysis and artificial intelligence. He had pursued part-time study in Hong Kong Polytechnic University and obtained his M.Sc. in Business Management in 1997 and Doctor of Business Administration in 2001. Dr. Leung has been working in the computing industry for over fifteen years and has participated in some large-scale system development and e-commerce infrastructure projects. Dr. Leung is a Certified Information Systems Security Professional (CISSP), Certified Information Systems Auditor (CISA) and Certified Software Quality Analyst (CSQA). He is also the Director of Professional Development (honorary) for QAI (Quality Assurance Institute) Federation Asia Inc. He teaches part-time graduate courses for the department of computing in the Hong Kong Polytechnic University and he is also a registered subject specialist with the Hong Kong Council for Academic Accreditation (HKCAA), participating in validating degree programmes for Hong Kong tertiary institutions.

The subject of his talk is "E-banking Security". Please welcome Dr. Leung.

e-Business Security

1. Different levels of security : What you know (e.g. userid and password); what you have (e.g. possessing an ATM card or Smartcard); what you are (e.g. iris check), fingerprint; Among these three forms, "what you are" authentication provides the highest security level.
2. Ways to handle "fake" web sites: A. Customer verification of electronic certificate in web server; B. Use HKMA's suggested domain naming method under 'bank.hk' umbrella;
3. A hacker may send you an e-mail containing Trojan Horse (a program that will be automatically installed into your computer and then capture everything you type in your personal computer such as userid and password logging into Internet Banking). Measures to prevent the installation of Trojan horse: Installing a personal firewall software into your PC besides the anti-virus program.

Electronic banking Development in HK

Local banks and foreign banks offer electronic banking services

About 30 banks offer such services:

Bank of East Asia, Dao Heng Bank, Wing Lung Bank, Citibank, Shanghai Commercial Bank, Fortis Bank Asia HK, Dah Sing Bank, Chekiang First Bank, ABN AMRO Bank, International Bank of Asia, HSBC, Hang Seng Bank, Standard Chartered Bank, etc.

HKMA Survey on Internet Banking (Mar 2004)

By the end of 2003, there are 2.2 Million Personal Internet Banking accounts, an increase of 37% over last year

There are 67,000 Corporate Internet Banking Accounts in 2004 (116% increase from 31,000 in 2003)

Electronic banking Development in HK

Phases:

Banking services information

Basic banking transaction

Account enquiry, funds transfer, bill payment, rates enquiry, etc.

Value-added services

Travel insurance, mortgage application, property valuation, personal loans application, etc.

Personalised services

Portfolio overview

Investment banking

Cyberbanking

Concept of "All-in-one" and "One-for-all"

Operate by one single account number through multiple electronic channels anytime, anywhere

Wide Scope of Electronic Channels

Internet

Phone

Mobile Phone

Kiosk

PowerPhone™

Internet-on-TV

PDA

The Internet

Adopt Secure Socket Layer (SSL) 128-bit and 1024-bit Java Applets encryption

With VPN and other security component to enhance the security www.hkbea-cyberbanking.com

Follow the guidelines issued from HKMA Full range of consumer banking services

Phone

Fully automated voice response units integrated with Call Centre

Adopt CTI technology to provide comprehensive banking service

Personalized services by Customer Service Representatives over phones

Mobile Phone

PowerPhone™

Multi-media payphone system

Over 700 PowerPhones throughout

Hong Kong (MTR, KCRC, Airport and shopping malls)

Access to the websites of the Bank

PDA

Adopt Secure Socket Layer (SSL) 128-bit encryption

Windows CE based PDA

Functions: Account Enquiry, Fund

Transfer, Bill Payment, etc.

Free of Charge

Scope of Service

Account enquiry for up to 1 year account history

Funds transfer to BEA's or other local banks' accounts

Bill Presentment & Payment

Schedule funds transfer & bill payment instructions

Enquiry, placement, uplifting or renew Time Deposit

Application of Telegraphic Transfer, Demand Draft or Cashier Order

Rates enquiry

Value-Added Services

CyberMortgage

CyberConsumer Loan

CyberInsurance
CyberCredit Card
CyberMPF
CyberFund
MyCyberWorld

Total financial profiles at a glance

A customer can consolidate all portfolios of accounts and investments with BEA and other banks at one location

Distinct Functions:

Is e-banking secure?

Internet Banking Incidents in Hong Kong

There are 8 cases of "fake" web sites in the year 2003 but there is an average of 2-3 incidents per month in 2004

There are 8 cases of frauds involving financial transactions (up from 6 cases in 2002)

Consumer Protection

AIs must set out clearly in their terms and conditions the respective rights and obligations between the institutions and their customers. These terms and conditions should be fair and balanced to both the institutions and the customers. In line with the Code of Banking Practice, the HKMA's view is that unless a customer acts fraudulently or with gross negligence, he should not be responsible for any direct loss suffered by him as a result of unauthorized transactions conducted through his account.

Difficulties to distinguish fake web sites from authentic web sites

www.hsbc.com.hk

www.hkhsbc.com.hk?

www.hkbea.com

www.bankofeastasia.com?

Customer Education

In particular, the Code of Banking Practice requires AIs to warn their personal e-banking customers of the obligations to take reasonable security precautions.

Preventive controls relating to fake e-mails or websites

Customers should be asked not to access the AI's transactional e-banking website through hyperlinks embedded in e-mails unless they have verified the genuineness of the website

Administration of e-banking accounts

It would also be helpful if the e-banking account is prohibited from effecting online transfers to unregistered third parties until AIs are satisfied that the customer concerned has received the confirmation

Controls over Fund Transfer

the default transaction limit for online transfers to unregistered third parties (including both local and overseas payees) should be set to zero when the e-banking user account is first activated.

Customer Education

safeguards against social engineering techniques. Customers should be reminded not to disclose their personal information (e.g. information on their identity card or passport, addresses, or bank accounts) to any persons failing to prove their identities or any doubtful websites. In particular, customers should be alerted that they should never disclose their passwords to anyone including the AI's staff or the Police *** Social engineering is a scheme using social techniques to attempt to gain information or access. For example, a perpetrator may claim to be someone from an AI to get the victim to reveal his personal information, user ID or password.

Conclusion

Follow Banks' advices in how to take security precautions

Installation of Personal Firewall

Use of Electronic Certificate

Pres. Henry then thanked the speaker himself as we ran out of time. He then closed the meeting by proposing a toast to the Rotary Club of Hong Kong Island West & Rotary International.

Rotary Information

The following are the decisions accepted by the Rotary International Board :

1. The Board agreed to recognize the Humanitarian Service Resource Fellowship (HSRF). Their aim is to develop an international network of Rotarians who are involved in organizing service projects. Through their fellowship, Rotarians are expected to share their expertise and experience with others engaged in the same type of humanitarian efforts.

2. 2005 International Institute. An International Institute will be held from 17-18, June 2005 in Chicago, Illinois, USA. Those eligible to attend the institute are past, current and incoming officers of RI (including reported governors-nominee) and current RI committee members.

3. Extension to Non-Rotary Countries. The Board reaffirmed its decision not to establish additional provisional Rotary clubs in the People's Republic of China. The Board also commended District 3450 for its work with the Hepatitis B project, and encourages other clubs and districts to support it.

Joke & Cartoon

Love Thy Husband

A woman accompanied her husband to the doctor's office. After his checkup, the doctor called the wife into his office alone. He said, "Your husband is suffering from a very severe disease, combined with horrible stress. If you don't do the following, your husband will surely die."

"Each morning, fix him a healthy breakfast. Be pleasant, and make sure he is in a good mood. For lunch make him a nutritious meal he can take to work. And for dinner, prepare an especially nice meal for him."

"Don't burden him with chores, as this could further his stress. Don't discuss your problems with him; it will only make his stress worse. Try to relax your husband in the evening by wearing lingerie and giving him plenty of backrubs."

"Encourage him to watch some type of team sporting event on television. And most importantly, make love with your husband several times a week and satisfy his every whim. If you can do this for the next 10 months to a year, I think your husband will regain his health."

On the way home, the husband asked his wife, "What did the doctor say?"

"You're going to die," she replied.



Photographs of our Meeting on 12th May, 2004





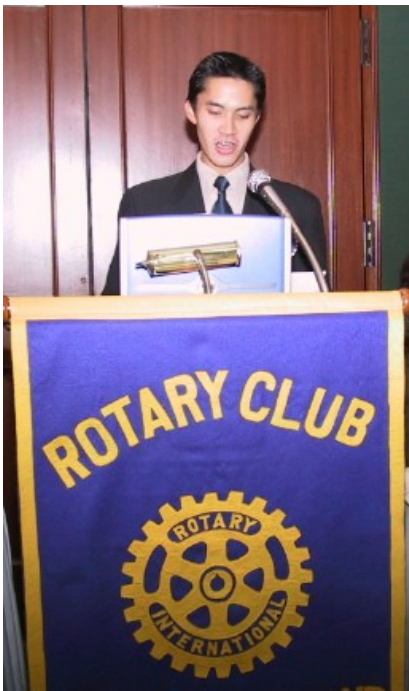
Dr. Franklin Leung is our guest speaker today & his subject is "E-Banking".



At the left head table are PDG Uncle Peter, our guest speaker Dr. Franklin Leung, & Pres. Henry.



At the right head table are Hon. Sec. Eddy, Mr. Dominic Notario & PP Peter Tse (TSTE)



Our Rotary Scholar from New Jersey Mr. Dominic Notario saying his farewell but also see you again in the near future.



Pres. Henry presenting Dominic with a souvenir of our club.



(L to R) PE Rudy, PP Steve Lau (HKIW), Dir's. Heron, Stephen, Laurence & Jason.



(L to R) Rtns. Alex, Kenny, PP's Taj, Tim, Andrew, & John IV.



Pres. Henry presenting a photograph to the speaker.



Group Photo of Pres. Henry, PDG Uncle Peter, guest speakers, & our members on 12th May, 2004.

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