



LYNDA MILLIGAN - WHYTE & ASSOCIATES
Barristers & Attorneys

Ram Re House, 2nd Floor, 46 Reid Street, Hamilton HM 12, P.O. Box 1913, Hamilton HM HX, Bermuda
Telephone: (441) 295-1302 Facsimile: (441) 295-8555 E-mail: lmw@milligan.bm

Electronic Commerce Developments in Bermuda

E-Commerce from Bermuda

Bermuda is considered one of the world's leading business-friendly jurisdictions that has been able to strike a good balance between government regulation and business innovation. This approach to economic development in Bermuda has led to significant success in the insurance and reinsurance industry and Bermuda is now positioning itself to be a leading E-Commerce centre. Bermuda's technological infra-structure is sufficiently advanced to support the speed, security and stability necessary for the long-term growth and success of Bermuda in the electronic commerce field.

The only thing preventing B2B electronic commerce from reaching its full potential is the lack of a safe, secure and predictable environment with the legal infra-structure to enable electronic transactions to take place.

Bermuda has addressed these issues by the passing of the Electronic Transaction Act, 1999 and providing for the creation of the first Electronic Contracts' Exchange called 'the World E-Commerce Exchange'. This internet enabled contracts exchange provides its members (who may or may not be located in Bermuda) with all of the jurisdictional advantages of Bermuda by virtue of its Charter. For further information on WECX see its website at www.wecx.com.

It has been recognised by both the private and public sectors of Bermuda's economy that e-business is complimentary to the existing international business sector that has developed in Bermuda and that any initiatives in this area that do not place undue pressure on Bermuda's physical and social infra-structure, would be a welcomed additional segment to our economy.

Legislative Initiatives in Bermuda

Bermuda is now poised to become the premier E-Commerce domicile because of its leadership in addressing legal and regulatory issues that have yet to be addressed in other major financial centres.

The Government of Bermuda passed the Electronic Transactions Act, 1999 which introduced the legal frame-work for the development and operation of electronic commerce in and from Bermuda in a jurisdiction that has developed a reputation for integrity, security and innovation.

The Act draws upon a variety of sources including the UNCITRAL Model Law on Electronic Commerce, the European Parliament and Council Directives for a common framework for electronic signatures, the 'safe harbor' principles' of the European Union relating to data protection.

The Act lays a foundation for the conduct of electronic transactions on a technology neutral basis that is sufficiently flexible to embrace new technological developments and that contemplates a high degree of self-regulation.

WECX – An Internet Contracts Exchange

The World E-Commerce Exchange ('WECX') which was incorporated on August 15th, 1999 by a Private Act of the Bermuda Legislature is the first institution of its kind in the Internet world. It provides the electronic base with servers located in Bermuda for companies located anywhere in the world upon becoming a member of WECX to trade goods and services through the Exchange with complete confidentiality, security and legal validity of an electronic contract.

For further information on WECX,. log on to www.wecx.com.