



## Australian Business Online

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Submitted by Contributing Editor Mary-Anne Goldsworthy. Note that the JIBC Editorial Board reserves an unrestricted right to shorten any original document submitted for publication.

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The CEC is a national independent consulting, training and research centre for electronic commerce services to assist industry and government, and specifically SMEs (small to medium enterprises).

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### Contributing Editor's comments:

*We have two articles to reprint with permission in this edition. The first, from **IT Focus** Feb/March 1996, discusses SESA, the Singapore Enterprise Security Architecture, will support secure on-line transactions and electronic commerce for local companies in Singapore in the near future.*

*The second article from the Australian Financial Review is titled **Technology Tipped to Ease Worldwide Share Trading** .*

*SESA will provide a framework that will offer flexible encryption configurations of up to 128 bits. It will also support public key encryption, a public key directory and an authentication service, so users can check on the authenticity of message senders from a secure central site.*

*The project is funded by the National Science and Technology Board and consortium of seven local companies, and was initiated by the National University of Singapore's (NUS) Dept of Information Systems.*

### SESA Paves Way for Electronic Commerce

The launch of the research and development project to develop the Singapore Enterprise Security Architecture (SESA) will pave the way for local companies to support secure on-line transactions and electronic commerce.

The SESA project, spearheaded by the National University of Singapore (NUS) Department of Information Systems and Computer Science, aims to develop a security framework for use by local industries deploying client/server technology in an open system environment.

The project is funded by the National Science and Technology Board and a consortium of seven local organisations -- the Development Bank of Singapore, Overseas Union Bank, Port of Singapore Authority, Sembawang Media, Singapore Cable Vision, Singapore MRT Ltd, and Singapore Telecom. Upon completion of the on-year project, the software will be transferred to each participant.

Two vendors -- GemPlus and Novell Singapore -- also donated computing resources to the NUS which will be supported by the SESA software. They will provide the SESA development team access to smart card and networking

technologies and products relevant to the project.

The SESA project is both appropriate and timely. Most local organisations are moving rapidly towards open client/server systems to improve the efficiency and competitiveness of their business operations. Many are actively looking at the Internet as a new platform for electronic commerce. It is therefore vital that security issues in open systems be addressed.

According to Professor Hang Chang Chieh, Deputy Vice Chancellor at NUS, the software and systems resulting from this project will have a significant impact on local companies. SESA will give them a capability to use advanced security tools and concepts for commercial transactions.

SESA will provide a framework that will offer flexible encryption configurations of up to 128 bits. This allows it to be used not only locally but also with systems in other countries which support different encryption standards.

Based on encryption technologies, the architecture will also support public key certification, a public key directory and an authentication service, so users can check on the authenticity of message senders from a secure central site.

Article taken from:

IT Focus - Feb/March 1996

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## **Contributing Editor/s Comments:**

*Our second article comes from the Australian Financial Review and features Westpac, one of Australia's largest banks. At a recent Dealing Room conference in Sydney, one of Westpac's senior managers outlined how the Internet will allow banks to consolidate their risks in global portfolios to enable true worldwide trading. Telephone calls will be replaced by Internet transactions for simple trades, allowing traders to concentrate on more complex transactions.*

## **Technology Tipped to Ease Worldwide Share Trading**

### **By David Crowe**

The dealing rooms of the future will be centralised in just a few centres worldwide, connected to the Internet, and could enable customers to initiate transactions and become their own traders, according to a senior manager at Westpac Bank.

The result could see telephone calls replaced by Internet transactions for simple trades, allowing traders to concentrate on the more complex - and more lucrative - transactions.

Mr David Isaa, the Chief Manager for Financial Markets Technology at Westpac Bank, told a Sydney conference this week that new technology would also allow risks in global portfolios that would enable true worldwide trading.

The new techniques would also help cut costs in the face of thinning profit margins for trading floor operations, he said.

"I believe the future will be about running your book globally rather than using different centre's around the world managing your risks", he said.

"If you concentrate your risk-taking in a few centres, and then use your other centres for distribution, you'd get better use from your dollar."

This improved risks because it meant that a trader in Sydney would be aware of the risks carried by a trader in Tokyo, as they operated from the same "book", or portfolio.

"Instead of running similar risks in all portfolios, you're amalgamating those risks into a single portfolio," said Mr Issa.

There would be a greater need for new technology such as desk top videoconferencing.

Customers who currently used the telephone to place orders would one day place orders over a network - perhaps the Internet.

"Do you use a proprietary network as we do now, or do you use a public network like the Internet? It's a question of when the Internet is ready for real-time transactions", Mr Issa said.

Simple transactions would be conducted by the customer, leaving the banks traders and operators more time for more complex trades with higher margins.

"You're diverting your resources towards what is most important to you, just like the ATMs used in retail banking," he said.

But this system would have to have reliable, real-time data so that the customer and the bank were using the same pricing information at exactly the same time when the trade was initiated.

Mr Isaa told the IBC Dealing Room Technology Conference in Sydney that high technology would continue to cut costs by automating some of the simpler tasks on the trading floor.

Australian Financial Review

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