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We bring you this client alert on recent developments in the IT industry, licensing issues and government initiatives.

S'pore Firms Not Protecting Data Enough

A global survey by Ernst & Young has shown that Singaporean organisations have to do more to protect their data, despite steps taken by organisations to safeguard information. Damage to reputation and brand, as compared to loss of revenue, would cause the most significant impact to a firm if a security incident were to occur, cited 85% of surveyed senior executives.

But despite the industry sentiment of the importance of information security (IS), not enough is being done by organisations, with less than 1 in 5 firms including IS in their business strategy. However, firms acknowledge that security cutbacks will reduce stakeholder confidence, and more than half of the organisations surveyed plan to increase their budget for security.

Fair Dealing Guidelines Reviewed

The Monetary Authority of Singapore (MAS) plans to review guidelines on 'fair dealing' in the finance sector - for financial institutions' boards and senior management to take responsibility for the issues of mis-selling, and alignment of remuneration structures with the best interests of customers. The main thrust of the proposed guidelines include: ensuring consumer confidence, product

suitability for consumers, competence of institutions and their services, and prompt response to consumers. However, these guidelines remain more as 'principles of conduct' than rigid rules, and while Association of Banks in Singapore (ABS) director Ms Ong-Ang Ai Boon has noted that the guidelines are not ideally fitting to all firms, due to differences in firm size and complexity, she proposes that financial institutions adopt a standard equal or better to the proposed guidelines.

Singapore to Standardise Medical Terms

Singapore is to help standardise worldwide medical terminology, by being the first Asian country to join the International Health Terminology Standards Development Organisation (IHTSDO).

Its membership would ensure safe exchange of patients' health records across the nation, to prevent confusion by doctors who might use different terms to describe the same medical symptoms.

The Ministry of Health Holdings (MOHH) is also working on a multilingual tool to map these medical terms. Named SNOMED Clinical Terms, the standard is now used in more than 40 countries worldwide.

Trio Charged For ‘Scandalising’ Tees While in Court

Three men have been charged for contempt of court, for wearing tee-shirts with a picture of a kangaroo in judge’s robes, while attending a hearing to assess charges against the Singapore Democratic Party (SDP) and Chee Soon Juan. SDP assistant secretary-general John Tan Liang Joo, 47, was further accused of having remarked, ‘This is a kangaroo court’ to MM Lee Kuan Yew.

Tan, along with Muhammad Shafiq Syahmi Sariman, 20, and activist Isrizal Mohamed Isa, 33, have been accused of ‘impugning the reputation and undermining public confidence in the Singapore Judiciary’, and a hearing date will be set soon.

Stratech Loses IT Suit

After a problem-riddled deal with Singapore technology firm Stratech Systems, Indonesian firm Panasonic Gobel Indonesia has won its lawsuit against Stratech, which had been accused of misrepresentation and breach of contract.

In 2001, Panasonic hired Stratech to revamp its data management systems for \$2.8million. Nearly a year after the 2002 deadline, work remained incomplete, with imminent server crashes and slow test-runs.

Stratech then cited hardware inadequacies, asking Panasonic for a further \$1.4million. Panasonic refused to pay the extra sum, and Stratech halted all progress on the project.

Justice Judith Prakash ruled that Panasonic may be awarded potential damages of up to \$1.83million based on damage assessment claims to be heard at a later hearing.

Legality of Virtual ‘Gold-Farming’

Online gamers who accumulate in-game currency for sale, or ‘gold farmers’, may find themselves prosecuted under the Computer Misuse Act if they engage in hacking activities. They can also be sued for breach of contract, if they have signed the terms & conditions of the online games not to indulge in gold-farming when they first registered for the game.

A more serious matter would be when gold farmers install key loggers to hack into accounts to steal currency and then sell them off. For this, they can be prosecuted for ‘securing access without authority’, and can be fined up to \$5000, or jailed up to two years.

Microsoft Crackdown on Sim Lim Shops

\$70,000 in damages has been paid to the software giant, as part of an out-of-court settlement by the two accused computer retailers in Sim Lim Square. The two shops, Best Bytes and Powersys, had counterfeit copies of high-end Microsoft products, worth \$65,000, seized from them in the biggest such haul in Singapore to date. The two retailers have since closed down. Microsoft gave out plaques to 11 Sim Lim Square retailers that sold genuine software, as part of a scheme to let shoppers know which retailers can be trusted.

Bank Ordered To Disclose Account Details

Under an order by the Court of Appeal, a Singapore bank has been ordered to submit details of a client’s account to the Attorney-General (AG).

A foreign government, through the AG, had asked for the full details of the account holder, into which it was conducting a

criminal probe on suspicion of conspiracy and fraud. A request was made under the Mutual Assistance in Criminal Matters Act, which aims to facilitate trans-national criminal investigations.

The rare case was cited by lawyers as being significant, as it sent a signal that Singapore was willing to take any measures necessary to fight trans-national crime, even so far as to override client-confidentiality claims by banks.

S’pore to Adopt Fair Value Rules

Following the International Accounting Standards Board (IASB) decision to adopt recent amendments dealing with fair value or mark-to-market accounting rule, Singapore’s Accounting Standards Council (ASC) has adopted similar measures, to give companies more flexibility in alleviating the impact of the global financial upheaval.

Under these changes, firms can reclassify certain investments, so as to avoid booking paper gains and losses while credit markets fluctuate. Singapore firms can also backdate their numbers to the start of the third quarter, as these amendments can be applied from July 1.

These changes will only apply to trading securities, available-for-sale securities and other non-derivative financial assets which meet the required conditions.

Paperless Govt Transactions from Nov

All suppliers billing the government will have to submit their invoices electronically from November 1. Benefits of the e-Invoice system include costs saved by going paperless, easy access and tracking of records, and promptness of payment.

Suppliers will need their company's registration number, E-Services Authorisation System (EASY) Access Code, and their employees' personal SingPass(s) to perform their transactions. Via the Vendors@Gov online portal (www.vendors.gov.sg), suppliers can electronically submit their invoices to any of the 461 government agencies, including schools, ministries and statutory boards.

Commercial Grid Computing Activated In S'pore

The Infocommunications Development Authority of Singapore (IDA) has appointed

three service provider-groups to commence running of a commercial pay-per-use computing grid, starting November 1. The National Grid, aimed at small and midsize businesses (SMBs), will enable on-demand access to computing power and storage.

One of the new grid platforms, named Alatum, will go on the market, headed by the biggest of the three providers, a consortium led by Singapore Computing Systems (SCS) and Hewlett-Packard (HP), along with 20 partners including Microsoft, Citrix Systems and IBM WebSphere Commerce. The partnership will make available

2,400 cores and 16 terabytes of storage.

The second consortium, nGrid, will offer applications such as Microsoft Office, virtualisation and remote content publishing. Future services include digital media streaming and 3D rendering. The third service provider, PTC System, will allocate over 12TB of storage for its service, which will only be offered to research institutions at launch.

The IDA has not confirmed any public sector take-ups, but said that the government would help generate up to 40% of the demand for the grid services.

Keystone Law Corporation is a boutique technology law firm with an emphasis on information technology, telecommunications, competition and dispute resolution, in the areas of commercial and construction arbitration and litigation. The firm is committed to client care based on its principles of hard work, integrity, competence, responsiveness and reasonableness.

The firm is recommended for its work in Information Technology and Intellectual Property by Legal 500, Asia-Pacific 2005/2006, 2006/2007 and 2007/2008 Editions.

The information contained in this newsletter is correct to the best of our knowledge and belief at the time of writing. Specific professional advice on such information should be sought before any action is taken.

If you are interested in any of the topics presented in this newsletter, please contact us using the contact information in the box on the right.

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KEYSTONE LAW CORPORATION

9 Shenton Way #06-01
Singapore 068813

PHONE:
+65 6226 2539

FAX:
+65 6220 6539

E-MAIL:
info@keystonelawcorp.com

CONTACT



Bryan Tan
Director

Contact Details

E-mail:
bryantan@keystonelawcorp.com

For more information and updates, please visit our website at www.keystonelawcorp.com