Group Members:   
Muhammad Izham Bin Norhamadi (B032020039)   
Ahmad Sha Herizam Bin Tahir (B032020009)  
Affendy Elyas bin Azhari Sharidan (B032020024)  
Muhammad Imran Bin Rosli (B032020043)

This is summary of the article Legal Issues in e-Commerce and e-Contracting – An Overview of Initiatives in Malaysia by Ayyappan Palanissamy. It is about the development of electronic contracting whether in Malaysia or in global scale plus to examine the Malaysian legislation in order to protect e-consumers.

In this article, Ayyappan describes that the modern era can make any transaction that can be done in split seconds. It also said that Malaysia also included in having a legislation on e-Commerce compliance with the international organization.

The Internet is the fastest growing commercial marketplace in the world. Estimates of its growth indicate it to be at an all-time high. For the economy of underdeveloped countries, ecommerce is a critical instrument for empowerment. Many of the key legal challenges created by cross-border electronic trade in the 1970s and 1980s have already been resolved.

Ayyappan main highlight is how contracts should be regulated and who should be responsible to regulate them. With that, Ayyappan intends to discuss what law needs to be chosen in this situation. Especially when transactions may be legal in sovereign territory but illegal in other. In general, both parties are free to choose law applicable to the contract. Ayyappan also states that the real world’s rules and regulations are different than virtual communities due to the business organization integrating with information technology at a fast pace. This makes Online Dispute Resolution (ODR) quite important since it combines the Alternative Online Resolution with the internet to reduce cost and save time.

In the realm of international trade law, the United Nations Commission on International Trade Law (UNCITRAL) is the central legal body of the United Nations system. The commission’s overall objective is to further the unification and harmonization of international trade legislation. Malaysia ratified the UN Convention on the Use of Eletronic Communications in International Contracts, which became effective on March 1, 2013. When electronic communications are used in connection with international contracts, the Convention attempts to improve legal clarity and business predictability.

The Malaysian government passed the Electronic Commerce Act 2006 in 2006, allowing electronic messages to be legally recognised in commercial transactions. This Act is based on the Model Law on Electronic Commerce 1996 of the United Nations Commission on International Trade Law (UNCITRAL). This Act now protects consumers who engage in online transactions or e-commerce. Malaysia is a member of APEC and is working on developing E-commerce rules, regulations, and policies.

In conclusion, mechanical changes alone will not suffice to address ecommerce transactions. Rather, they've triggered a fundamental shift in relationships, expectancies, and subject matter, forcing contract law and scholars to confront the nature of its doctrines, practices, and presumptions. Malaysia has responded to technological advancements by establishing the Electronic Commerce Act 2006, which is based on the Model Law of UNCITRAL.