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## E-Commerce: Advantages and Challenges

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### Abstract

This research includes electronic trade subject that is used in the world these days for most trade deals, thus it leads to quick development in international trade business for earning money and time. The massive development in earnings has led to great competition; while the world has benefited from this type of trade while it still under development daily. On the contrary, the third world nations did not enter this field of trade only from a narrow way in spite of its benefits and challenges. In this research, we have stopped on the benefits and risks to put electronic trade on balance and encourage entering and using this field for servicing nations and individuals.

**Keywords:** E-Commerce, Electronic Trade and Servicing Nations.

### 1. Introduction

After the development that took place at the end of the last century of globalization, which has its pros and cons, it is a positive development of electronic commerce, which brought speed in the marketing of products. In fact, this trade has its economic effects that the world is witnessing today and is benefiting them greatly and always developing it in its service and serving the world. The talk now is where the world has come from all this development, which continues to develop this trade, which the world should benefit from this technology and spread it more so as not to There is a very narrow scope for third world countries, but in return this step is not enough

because we need to encourage. Technology these third world countries, especially the Arab countries to take advantage of them in making advanced world in the use of this trade and the level of development of the international economy and the Arab and open field door wider to be a real springboard to build state institutions based on most of the world's technology used and utilized.

## 2. Research Problem

E-commerce is one of the most prominent financial institutions in the contemporary advanced economic systems and in addition to its important role in the economy, it is the mirror of that economy, which reflects on its situation at every moment.

The importance of the role of electronic commerce came as a result of the development of economic, political and social conditions of developed countries. Thus, it is one of the signs of progress in various fields, especially in the economic field. Recognizing the importance of the process of economic transformation, and the significant role in mobilizing the financial resources necessary for the process of economic development, the countries that have converted to the free market system and the developing countries have adopted this trade.

Thus, it spread discrimination in order to strive and be able to play a role similar to the role and performance of its role in the economy and in the mobilization of resources and the use of mechanisms and tools of modern and advanced investment. In light of the economic, social and political realities of their countries, and in the light of the acquisition of electronic commerce on financial activity in this sector and domination of the world of finance and business because of its huge financial and material capabilities are difficult to keep up.

### 3. Research Objective

The research aims to look at the application of electronic commerce now used in the developed world and the possibility of its generalization after it has developed and has become a prominent and important role in finding a fast and easy way to reach the economic activity of the state in addition to traditional trade.

### 4. The Importance of Research

This research is gaining importance through the evolving role that electronic commerce has received in the global economy as a whole. E-commerce continued to evolve in its role at the global level and we are aware of the status of this development in the global markets to a level of influence for other countries that do not have this service.

### 5. Research Hypothesis

In spite of all the development in electronic commerce and services of this trade at the international level, there is a wide range of disadvantages of this trade and the possibility of its application to the economy in the third world fully.

#### **First: The Definition of Electronic Commerce**

The concept of e-commerce refers to the marketing of products through the international network and the evaluation of all electronic programs without going to the company or the store. In addition, e-commerce includes all communications between different companies at the local and international level, which makes the process of trade easy and simple as it increases the size (Sadat Academy for Administrative Sciences, 1999, 25).

The World Trade Organization (WTO) has defined electronic commerce as “an integrated set of transaction processes, linkages, distribution, marketing and sale of

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products and services by electronic means and methods” (National Bank of Egypt, 1999, 10).

The Arab Investment Guarantee Corporation also defined e-commerce as trade conducted using the technologies provided by the imminent wealth of information and communication through the electronic exchange of data that exceeds the time and place and covers many sectors, and establishes new rules for the processes of sale, registration and delivery (Shaheen, 2000, 62).

## Second: Types of Electronic Commerce

E-commerce is divided into two main sections:

- a. **Business to Business (B 2 B) Business to Business:** Dealing in this field is limited to companies, their employees and their big customers, who by secret words and addresses of the company is not announced or published.
- b. **Business to Consumer (B2C):** This difference is called e-marketing or e-retail.

## Third: The Basics of Electronic Commerce

1. **Infrastructure:** The structure of communications through electronic data construction with the expansion of the provision and use of the international network, as well as the provision of the use of electronic payment cards and other means that facilitate the contract transactions electronically.
2. **The System of Control and Administrative Payment Operations:** The system of payment operations through the international network of the most important pillars of the growth and spread of electronic commerce. As it helps electronic messages and plastic money (electronic payment cards) in securing the deal, as this system maintains the confidentiality of dealing and rights and obligations all parties working together.

- 3. Providing the Necessary Protection of Information:** There must be confidence and safety of consumers to deal with websites as the ease of setting up a website on the Internet can raise many concerns among customers and the protection and security of information from piracy in the creation of using credit cards in the field of Settlements, bill payments and more.

#### **Fourth: The Rules of Electronic Commerce**

There are a set of policies and principles that facilitate the principles of electronic commerce are as follows:

- 1. The Need to Assign Leadership to the Private Sector:**

In spite of the government's role in financing the international network at the outset, the subsequent expansion was mainly driven by the private sector. In order for e-commerce to flourish, leadership must continue to be entrusted to the sector Governed by market principles.

- 2. No Government Restrictions:**

The government should not put unnecessary restrictions on electronic commerce and therefore the parties should have the ability to enter into agreements for the sale and purchase of goods and services through the international network with the least participation or intervention by the government.

- 3. When Government Participation is Necessary:**

In the case of state intervention, the aim should be to support and achieve a legal environment for advanced trade with the development of methods of trade so that it is easy, consistent and non-contradictory in regulating commercial transactions by protecting the consumer and the seller and when

government intervention is necessary to facilitate electronic commerce so that the aim of it Ensuring fair competition, protecting intellectual property and privacy, preventing fraud, adopting transparency and supporting business transactions.

#### **4. The Need to Facilitate Electronic Commerce on the International Network:**

The international network is a global basis, emerges as a global marketplace, and therefore must govern the legal system on which business transactions on the international network consistent principles at the local and global levels that will lead to predictable results regardless of where the seller and buyer reside (Al-Sadat Academy for Administrative Sciences, 199, 26).

#### **Fifth: The Advantages of Electronic Commerce**

E-commerce provides many advantages and facilities for business transactions and allows consumers who prefer to rely on marketing many advantages, and companies that adopt them as a marketing tool to achieve net profits and increase the volume of sales. For example, low Dell sales in computers more than \$ 7 million per day Cisco's low sales in the computer industry also reached \$ 1 billion at the end of last year (Shaheen, 2000, 17).

E-commerce has proved its importance and has achieved many advantages including:

##### **1. Easier Entrance to Markets and Increase Competitiveness: -**

Owning a company to a website means that the company's business and products become available to millions of people from different parts of the world and it works there are enormous prospects for starting and entering its products without adhering to the limits of time and place, and the large and small size of the company in terms of capital is no longer a criterion for its

ability Access to markets and provide the wishes of consumers, many companies that have entered the world of electronic commerce, which did not exist before, are now able to compete with the largest companies.

## 2. Low Cost and Time Saving

Reducing business costs is one of the advantages of e-commerce achieved since the cost of setting up a website is much lower than the cost of opening several points by selling and designing an advertising campaign (www.c4arab.com).

In addition, the design of a web site can reach the largest number of consumers, which cannot be achieved by traditional marketing methods and even if we look at the costs of updating the site and follow-up, it is considerably lower compared to what can be spent on the printing of investment advertising. In terms of time, e-commerce allows the company to be available 24 hours without any holiday. Two minutes at most and costs 15 US cents (Shaheen, 2000, 17).

## 3. Easy Access to Information:

The information in the world of trade has become a digital nature that can be stored and circulated by computers and retrieve it effortlessly, as e-commerce makes it easy and easy to communicate company information to dealers with them, and it becomes possible through the international network to inform customers of all the developments that occur with regard to New products, payment methods and delivery of goods, so that customers and all dealers with the company are aware of the changes that occur in the market.

#### 4. Greater Interaction With Consumers:

The company's presence on the international network allows us to benefit from the feedback feed (feedback) which allows to identify consumers' tastes and desires, and thus adapt their products to these needs, where the phrase (contact us) important on the relevant site an opportunity for customers to express their views regarding the company's products (www.islasm.com).

#### Sixth: Modern Electronic Payment Methods:

Electronic payment methods are divided into two sections:

A. Non-credit cards are those cards which do not allow the holder to obtain credit and are divided into:

##### 1. Civil Card:

These are cards that depend on the existence of actual balances to work with the bank in the form of current accounts to meet the expected withdrawals of the cardholder work, where he is allowed to pay his budget and is withdrawn at the bank directly opposite to credit cards, the work transfers the money belonging to the seller when using this card.

##### 2. ATMs:

It was known in the 1970s as an alternative to exchange staff in banking branches, to reduce the number of transactions within the bank, but in the 1980s after attention to reduce costs and then seek to achieve a competitive advantage In the nineties technological developments led to the establishment of small ATM stations with low cost (Research Center Finance and Exchange, 1999, 79). We find in these devices that the banks have benefited from these machines in electronic cash management as follows: -



- Reducing the volume of network transactions for each employee in the bank.
- Low volume of cash required for operations.
- Reduce the outgoing and incoming network processing costs.
- Avoid delays during which networks delay each communication to the other party.

### 3. Prepaid Cards:

This card is based on fixing a specific amount so that the card can be entered in that amount to be gradually reduced the amount of the card whenever used, such as circulation cards, calling cards, and public transport cards.

**B. Credit Cards:** These are the cards that allow the holder to obtain credit (loan). It is divided into the following:

#### 1. Renewable Credit Cards:

These cards came into existence in the late nineties in the United States through two famous cards (VISA) and Master Card (Master Card) and this type is issued by banks within certain amounts, in this type of cardholder is the choice between the full payment of the value of the card bill during the period of benefit or In the above mentioned operations, we update the first loan to the cardholder, so it is called a revolving credit card. It is characterized by saving both the time and effort of the cardholder and increasing the revenues of the bank specified for it. Services or benefits this card is not issued until after a good study of the customer's position and some banks resort to demanding the customer to show the amount of money he keeps subject to the operations of the card. This type is called secured credit cards. The card (Bakhti, 2002, 137).

## 2. Non-Renewable Credit Cards:

These non-renewable cards differ in that the payment must be made in full by the customer to the bank during the month in which the draw was made (ie the credit period in this case does not exceed one month) (Radwan, 1999, 47).

## Seventh: Electronic Financial Transfers System

### 1. Definition of the System:

Electronique funds transfert is known as the process of granting authority to a particular bank that electronically transfers debit and credit funds from one bank branch to another bank branch, as the transfer is done electronically via telephone, computers and modems instead of using paperwork (www.itep.com).

This system is a very important part of the fundamentals of modern banking that work through the international network, and this area permits clean electronic ways to transfer money or transactions through a bank branch to another bank branch, in addition to the transfer of information in these transfers to the accounts of customers, The electronic money transfer system is highly secure, easy to use and reliable.

### 2. Electronic Money Transfer:

The electronic transfer process is carried out by the customer signing a model for the benefit of the beneficiary (the merchant) and this form can deduct the amount imposed by the customer according to a specific time (daily, weekly or monthly). With Realtors their job is to give a specific programming role to conversions. (www.newsofcd.com).

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## **Eighth: Positive and Negative Features of Credit Cards**

### **1. Positive Features:**

#### **a. For its Holders:**

The owner of the credit card by obtaining financing without paying any money between 25-55% and this facilitates him by taking advantage and work of the credit card and not to use the cash in a cash manner and to stay away from its risks.

#### **b. For Customer:**

Most international malls and Arab countries use this feature because this leads to high sales with the commission paid by these malls to banks approved card, but the high number of units sold easily repay the costs of this method, while these malls reach sales through the sale of forward and get The amount of sales immediately if the number of units sold at the end of the month by proving the work of banks to the nearest bank, also enable these malls to take advantage of the difference between currency rates and discount rates if the customer wants to sell goods not cash and use bills of exchange at another time Make cash value, the agent bears the credit defect when using cards in sale in case of refusal to pay the holders are discharged, knowing that the bank is to bear this risk.

#### **c. For the Bank:**

- This method is a publicity to the bank.
- This method gives huge amounts to the bank.
- Make the cardholder a permanent customer of the bank.
- Forcing the international malls to open an account in the bank because the customer must transfer the money to his account and this raises the liquidity

of the bank and in this way the money is paid out and return again as deposits.

## 2. Negative Features:

- a. Inaccuracy due to some mistakes by employees in dealing with invoices and with repeated mistakes lose confidence between the bank and the customer.
- b. Theft, loss or use of credit cards by third parties.
- c. The bank's high costs of distributing and printing cards and granting interest-free loans for 55 days.
- d. The risk of liquidity on the bank in case of excessive use of the card by the dealers. In case the dues are not paid on time.
- e. Competition by commercial banks and financial institutions because in any business there is competition and multiple banks that are exposed to credit card services and improve the risk of competition among commercial banks.

## Ninth: The Success Elements of the Credit Card

The credit card has success and continuity elements must be considered by the Commercial Bank as follows:

1. The large number of dealers: - The greater the number of dealers, the chances of success and continuity of this system is more appropriate because the adoption of this system is expensive and must cover costs by increasing the number of dealers.
2. Accuracy in the selection of dealers: - Is to ensure the reputation of each customer, whenever the investigations are accurate and real decision in granting the card to the customer well whether acceptance or rejection.
3. The multiplicity of shops participating in the system and accuracy in the selection because the number of dealers is very large and therefore must be the

- number of shops and diversification, especially stores with a good reputation and with goods and services that have a wide variety of consumption.
4. Availability of a supervisory system capable of avoiding the increase of bad debts. During the period of repayment, the doubtful debts are not effective and the bank continuously applies the debts and thus prevents the bank from having a precise control and accounting system.
  5. Provide a high degree of banking awareness to give information on the use of credit card. (Mahmoud, 2003, 68--70)

## **Tenth: The Advantages and Risks of Electronic Commerce**

### **1. Advantages of E-commerce:**

The latest technological development witnessed by the world as the twenty-first century entered the information revolution called the Third Industrial Revolution after the agricultural wave and the care that humanity experienced in its long history, as this information revolution is expected to lead to the establishment of a new economy called the information economy (Information Economics) The quality, structure, mechanisms and theories of the traditional economy, studies conducted by the Economic Cooperation Organization (ECO) predict that this new economy (information economy) will dominate about 80% of the total activity in the coming years (Tawil, 2001, 22).

You will now sum up the benefits of electronic commerce via the Internet at the business level once, the level of individuals (consumers) again and the national level a third time.

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## **First: The Benefits of Electronic Commerce at the Level of the Business Sector**

### **1. Expanding the Market:**

E-commerce works to expand the domestic market as well as access to global markets and the formation of new markets that were to be found in the traditional trade because the practice of trade via the Internet makes products of goods and services available to as many consumers as possible, and this allows even small and medium enterprises to attend In the domestic and international markets, this gives the consumer a greater opportunity to choose from the products offered (Radwan, 1999, 41).

After effective entry into the domestic and international markets of businesses is one of the direct benefits of e-commerce, which depends on the Internet, so that any individual can become a trader on the Internet at very low costs. In addition to access to global markets, companies that have proven e-commerce emphasize the existence of other benefits and benefits of this trade, such as reducing the times or periods of supply and shortening times of production cycles and simplification of procurement processes and procedures, in addition to low inventory because producers and consumers become close to each other Through direct contact between them, without the intervention of traditional intermediaries such as suppliers, exporters, wholesale and retail trade.

### **2. Activating the Concept of Full Competition in the Market:**

When e-commerce works to reduce the distances between producers and consumers, which opens the door to the near electronic presence between the seller and buyer, which leads to improve the level and quality of the product through pre-sale and after-sales services, and provides information on the

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nature of products and prices and products in the markets, as well as rapid response to requests Market leading ultimately to improve the degree of competitiveness in electronic markets.

The low costs of business operations and low barriers to entry in the market would reduce some differences in commercial markets, and move economic activities and access to be an economy based on full competition. (The Lakes, 2010, 56)

### **3. Decreasing the Costs of Commercial Processes:**

The costs of the commercial deals represents by collecting information, negotiation, medium fees, commission of sales, administrable procedures and others all these consider a very important part in the production price. E-commerce plays an important role in decreasing costs by improving the information pump and increasing the cooperation between works beside decreasing costs of searching for information related with buyers and sellers in market, also the e-commerce enables institutions to coordinating their strategies, incomes and skills in conforming a long relationships especially those institutions or technological companies with heavy information via the electronic nets which apply share in information, some researchers think that the shapes of these nets that organized e-commerce will dominate in the forthcoming future and become the organizing structure for all the social communications between people (Hamad, 2003, 48-50).

### **4. Better Controlling of Store Administration:**

E-commerce contribute in decreasing stores by using drawn processes in importing administration system, when the process start to obtain the commercial demand from the buyer and providing him with his demand by suitable temporary manufacture, this help in decreasing the commercial circle

with a big degree where the product is charged directly from the factory to the last buyer, and this appears clearly in the numerical productions, i.e, goods and services which are delivered electronically, then the e-commerce become an important device in store administration and it decreases costs of storing, so this have an economic influence upon the entire level if we know that 10% of annual quarter changeable in the production growth rates are because of the investing changeable of the store.

If e-commerce aimed to decrease the store to the lowest limit, so it is expected that decreasing in the effects of commercial circle resulting from changeable of store is one of e-commerce effects. With the development of information techniques and communication and information pumping in a better way we expect decreasing in store effect upon the commercial circle to the lowest limit or may be over (Radhwan, 1999, 41).

## **Second: The Benefits of Electronic Commerce at the Level of Consumers**

### **1. Fast and Easy Shopping:**

Where the consumer has a wider range of shopping online and around the clock and any day he wants and any place on the surface of the earth, anyone with an account and connected to the international network can become a global consumer at home, and only deal with the buttons of the computer, And browse open business websites on the Internet.

### **2. Multiple Options:**

E-commerce offers many options for the consumer because there is no place to access the products and shopping centers were not available near the consumer, with the entry of the consumer searches through commercial sites in the international network, while in the case of traditional marketing, the consumer



has only the products offered in the traditional markets , And is unable to search in other markets because of the lack of information on other markets as well as the high costs of research and access to the product.

### **3. Low Prices and Fast Access to the Product:**

In light of the multiplicity and variety of products in commercial and electronic sites, the consumer will search for the cheapest and best quality product by comparing the prices and types of products easily and quickly, which ultimately makes the consumer able to choose the best offers, while it is more difficult in the case of traditional trade Because it requires visiting each geographical location in order to compare the prices and types of products (www.J-bradford-delong.net.).

In addition, the prices of products in electronic commerce are lower than those in traditional trade due to the lower administrative costs used by producers, which will reduce the prices of products displayed in commercial sites in the international network, and the electronic consumer through the Internet is characterized by rapid access to the product Who ordered and purchased it electronically, especially if it is a service product or a product that can be converted into digital products such as books, researches, magazines, computer programs, audio and photographic materials, etc. After the completion of the purchase process from the site, the non-digital products are obtained faster than if ordered by traditional methods because the process of ordering and payments and all information related to the order is done electronically, enabling the product to send the order quickly and easily to the buyer, while it takes weeks It may be months if traditionally ordered.

#### 4. Quick and Easy Exchange of Information Between Consumers:

The international network provides the possibility to exchange information, opinions and consumer experiences related to products and services through electronic communities such as forums and others, which provides data and information in the community on economic products, and raise the level of consumer education and awareness of the consumer, while this may be impossible or requires effort And more time in the world of electronic commerce.

#### Third: The Benefits of Electronic Commerce at the National Level

##### 1. Supporting Foreign Trade:

E-commerce provides opportunities to increase export rates through easy access to major consumption centers, the possibility of shopping for goods and services globally at a specific cost and the ability to quickly conclude and finalize business transactions, as well as the ability to analyze markets and respond to changing consumer requirements.

The impact of electronic commerce is more pronounced in the services trade between countries, which in turn leads to an increase in the degree of economic openness in this area, where the services sector represents an important proportion of about 60% of the total global production, however, its volume does not exceed 20% of international trade This may be due to the fact that many services require communication as well as geographical proximity between consumers and producers.

But with the advent of modern information technology, e-commerce through the international network has created the lost means of communication between the consumer and the producer, thus contributing to the removal of geographical obstacles to many services.

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One benchmark study has shown that a 10% increase in the use of the international network in foreign countries leads to growth of US exports and imports of 1.7% and 1.1%, respectively (Freund and Weinhold, 2002, 236-240).

## 2. Supporting the Economic Development:-

The middle and small projects represent a principle center in the economic development. These projects suffer from the absence of the economic sources which are necessary for reaching the international markets, e-commerce considers one of devices which present to the small and middle projects the ability of participating with international trade actively by presenting decrease in marketing and announcement costs and by time and place saving that help in developing the economic development, an economist refers that decreasing in the costs of commercial trade via e-commerce between work sectors can lead to a permanent increase in the production level in about 5% of the advanced countries economics along the forthcoming years, what means a decrease in growing the entire international production in ratio 0.25 yearly (Hamad, 2003, 444).

## 3. Employment Support:

E-commerce offers many opportunities for employment, as it allows the establishment of small and medium enterprises for individuals and linking them to global markets at the lowest investment costs, especially the services trade in which electronic commerce is available to specialized individuals to provide their services at the regional and global level without the need to move, which opens the way for them to start in Entrepreneurship, on the other hand, provides e-commerce career opportunities in many different fields related to e-commerce applications such as specialists in the creation of e-

commerce sites, workers and management Yen technicians in electronic stores, in addition to providing career opportunities in information and communications that rely on e-commerce who networks and programs necessary for e-commerce applications and other engineers sector

#### 4. Supporting the Technological Sectors:

The spread of e-commerce at the national level allows the creation of an environment and a favorable environment for the emergence of specialized sectors in the information and communication technology, to support the electronic infrastructure for the applications of commerce via the Internet.

With the development and growth of electronic commerce and widespread use in commercial transactions, there are investment opportunities to direct capital for investment in the development, improvement and modernization of electronic infrastructure, and investment in services for the accompanying sector of information and communication technology, which leads to the creation or localization of advanced technological sectors that support the national economy (World Trade Organization, 1998, 27).

### Eleventh: Electronic Banking Services

#### 1. Phone Bank:

With the development of banking services at the global level, banks have established a service (telephone banking) to avoid crowding customers inquiries about their accounts or some other services, where this service continues throughout the day. These services can be summarized as:-

- a. In the Midland ranks, this service is provided under the name (First Direct Account) through which the bank's telephone calls are made through a special secret number that enables the customer to withdraw or transfer funds

or order payment in favor of creditors such as paying the telephone or electricity bill. You can inquire about all the information requested by the client.

- b. In Britain, this service was introduced in 1985, where it works by a screen available at the client in his home has a direct contact with the bank enables him to know all the information related to his account in terms of money transfers or withdrawal of commercial papers or various other operations, either in 1987 has been added service The use of telephone banking, transferring money, paying obligations and conducting routine banking operations to contract in various loan contracts using more sophisticated techniques (Taha, 2000, 165).

## 2. Electronic Funds Transfer:

Many banks participate in a computer network that handles electronic trading of millions of accounting entries for various credit and debit operations between different banks. Various global banks.

The electronic funds transfer system aims to facilitate and accelerate payments and settlements between banks to ensure better services to customers, and will give banks a competitive advantage in global markets, as it will allow these banks the possibility of immediate settlement of payment and receipt of funds through their current accounts with central banks and provide immediate payment For its customers, this system also includes settlement of payments made through network payments, electronic system of stock trading, and clearing networks.

## 3. Online Banking Systems With the Client:

A group of major international banks started to apply online banking systems with their customers through the computer at home or in the office. Through

this system, the client can perform most routine banking operations such as transferring money from his account to other accounts. Account statement, payment of various invoices, requests to stop the exchange and others, also enables these systems to the customer to get the required services quickly as these services are available at any time convenient to the customer, and this system is characterized by the breadth of financial operations that can be made available to customers (B. & Wiley, 1996, 236-237).

#### 4. Internet Banking:

The Internet system based on the home bank is of great importance, both at the bank level and at the level of customers who have access to the Internet lines, it is underscored that the establishment of a line on the Internet is cheaper than establishing a branch of the bank as many forms as follows: -

- a. A simple form of electronic bulletins advertising them electronically.
- b. Provide customers with information about their assets.
- c. Provide customers with payment methods for bills of exchange drawn on them electronically.
- d. How to manage portfolios (stocks and bonds) for clients.
- e. Ways of transferring money between different customer accounts.

The world is looking forward to the post-Internet stage, which is called the information highway, they are as follow:

1. Notebooks computers are the smallest and most portable computers known today, but soon there are computers in pocket size with color screens in the size of a normal photo, called the PC or wallet (The Wallet PC) can display all messages, letters and schedules Reading and sending e-mail, and to keep it safe and secure, Pocket PC stores the secret codes used by the client to identify himself and will

be able to revoke these codes, which he chose easily to avoid piracy and theft of operations.

2. The emergence of the so-called spatial navigation (Spatial Navigation), which allows the customer to move to where the information is found by enabling him to deal with a visual model of a real world or as if it were exactly.
3. The emergence of the so-called proxy on the rapid information network, which is a refinery has taken the form of a personal capable of initiative where the task is to help the client in the search for any information requested and quickly.
4. The emergence of a technology called Integrated Services Digital (Network) (ISDN), where this technology transfers the image and data at a rate ranging from 64000 bits to 128000 bits per second, which means that it can accomplish anything accomplished by the previous technology but at a speed of ten Implications which confirm a revolution in communication, speed in performance and time savings in a way that no one had imagined before (Egypt Research Papers, 1998, 45).

## Twelfth: The Risks of Electronic Commerce

In spite of the many advantages provided by electronic banking transactions, at the same time, the risks have arisen as follows:

### 1. Organizational Risk:

Because the international network allows the provision of services from anywhere in the world, there is a danger that banks are trying to evade supervision and regulation, what is the case that regulators can do, in this case can demand from banks that provide their services from far away through The international network to obtain a license to do so, and the license and appropriate means especially when the supervision is weak and when there is not enough cooperation between the other licensed bank and the work of local supervision,

and the license is the rule as in America and in most of the European Union, Its work outside the areas of jurisdiction and who wishes to provide electronic banking services and receive deposits in those countries set up a licensed first branch.

These procedures imposed by the laws and directives of central banks have risks that may affect many services provided electronically, especially in developing countries that have not yet reached the development of laws and legislation related to this type of banking activity.

## 2. Legal Risks:

E-banking transactions result in a high degree of legal risks for banks, and electronic services have facilitated money laundering operations, which is a continuous and deliberate attempt to introduce illegal funds resulting from the illegal hidden activities that are practiced through the so-called hidden economy. (Hamid, 2003, 234).

## 3. Operational Risk:

The reliance on technology in the provision of electronic banking services is a threat to the security of the banking system and its presence, as the exposure of the information network to any sabotage may affect the entire banking and violates the secrecy of information relating to customers, in which case the customer is often known about electronic banking transactions.

## 4. Reputation Risk:

The greater the bank's reliance on e-service delivery channels, the greater the likelihood of reputational risk. If an electronic bank encounters problems that cause customers to lose confidence in e-banking channels or any failure to consider banks' failure to oversee the entire system, these problems can affect



Other depositors of electronic banking services, where banks supervisors have developed internal guidelines for those conducting the examination, and many bodies have distributed guidelines on the management of bank risk (Nsouli and Schechter, 2002, 50).

## Conclusions

1. E-commerce has many benefits and is present globally and is always evolving.
2. Electronic commerce benefits the state and the consumer through the exploitation of time and effort.
3. There are risks and caveats can be avoided and this does not mean to stay away from them and not to benefit from them.
4. There are countries so far that do not have this trade because of the risks resulting from improper use.

## Recommendations

1. Issue laws that allow this trade to operate in all state activities.
2. Through the development of this trade, the state is experimenting with issuing a law that allows electronic commerce to work to benefit from it in a way that contributes to raising the level of the economy.
3. Giving a wider role to the private sector in allowing it to introduce and use this technology.
4. Control and supervise it to check on the progress of work and introduce amendments to it to contribute to raising the efficiency of the work assigned to it.

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