PRESS RELEASE

Internet trade – development challenges

Belgrade (12 November 2007) – Shopping by credit cards through Internet that is a normal thing in the world for many years, has recently started in Serbia as well.Internet trade is introducing Serbia in the world of International electronic trade and opens possibilities for new aspects of business operations that will positively influence the entire development and Serbian economy.For example, only in Q1 of 2007, through Internet sale in the USA, a turnover of USD 30 billion was realized.By introducing this service, new chances and perspectives are being opened for the national economy as Internet erases all limits.In the moment when companies enable acceptance of all international cards for payment of their products and services sold on the Internet, they will potentially have a large number of buyers from all over the world.

Banca Intesa is the only bank on the domestic market that introduced the service for payment cards acceptance via Internet for domestic traders,which was the precondition that domestic products and services may be offered on global network. E–commerce service of Banca Intesa enables traders and bank's clients to sell goods / services through acceptance of Visa, MasterCard, Maesto cards, regardless whether issued by a domestic or a foreign bank.Implementation of American Express cards is in progress, and soon Dina cards holders will also be enabled to buy in domestic on–line stores.

So far, on–line shopping on the domestic market has been offered by Telenor, SezamPro Online, Eunet, YU net and Comtrade, but apart from those mentioned, there is a significant number of domestic companies, leaders in their areas of work, with whom the service has been agreed and which are in the process of implementation.

Type of goods and services that traders may sell on–line is not limited, but it has to be in accordance with legal regulations and rules in trade area, meaning that in on–line points of sale various consumer goods may be sold. E–commerce service supports currently the highest security standards for on–line shopping – 3D Secure Technology (verified by Visa, MasterCard Secure Code)which protects all participants in on–line transactions. When you pay, card data are entered on the protected web page (through application of SSL protocole) to which the user is directed in payment process, which allows direct communication between the user and the issuing bank. In practice, this means that the merchant does not have access to the data on the buyer's payment card, and thus is unable to abuse the data.

With increased use of payment cards in Serbia and domestic companies' product offer on the Internet, number and total volume of on–line shopping by credit cards recorded growth. Considering that Internet shopping transaction is performed in the so–called "card not present" environment, with neither goods nor the user (buyer) being present at the point of sale, generally there is a possibility of mistake or abuse. Mistakes typically happen if the offered products are not adequately described, if there is no precise information on the way and distribution period of the product or there is no clearly defined way in which to complain about the goods or return it.In those cases, it may happen that the buyer does not get the requested product at a predicted price.Reclamation process itself and attempts to prove

responsibility in it take up a lot of resources and time for both the bank and the user.Apart from that, the biggest problem with on–line shopping is unauthorised use of payment cards i.e. their misuse. Misuse is, primarily, possible if someone without authorisation takes hold of the data on the payment card, usually in consequence of user's negligence and carelessness.

When buying on Internet, payment card users ought to pay particular attention to which web sites they access and where they leave their payment card data.It is advisable to buy at the renowned Internet shops recognized as reliable and belonging to those companies that are able to fullfil the said buying / ordering conditions and thus guarantee the delivery of the sold goods or service.

The most up–to–date technical standards developed by MasterCard and Visa system – 3D SECURE, considerably increase the safety and trust in on–line shopping as they disable the most common types of malpractice such as unauthorised use of payment card by unauthorised persons.If the internet point of sale has registered Secure Code and Verified by Visa signs, it means that it is a legitimate trader who guarantees safety and reliable payment.You should avoid smaller and unknown Internet stores without strong reputation.You should pay special attention to the announced shopping conditions and general terms the user needs to comply with before effecting payment.