

## Digital signatures—a slow sign up



Despite the fact that all 25 EU member states have now implemented the general principles of an EU Directive ensuring a basic legal recognition of digital signatures, their actual use has been disappointingly slow to get started.

### *What is an electronic signature?*

Put simply, an electronic or digital signature as it is sometimes known, is the electronic equivalent of a written signature. It allows people to sign documents and carry out transactions electronically, providing a guarantee that the creators and signatories of e-mails or electronic files are who they claim to be. It is not a picture of a handwritten signature but an electronic means of linking people with electronic documents and e-mails, which verifies the sender's identity and ensures that the content has not been tampered with. New laws came into force in the UK as far back as March 2002, implementing the EU Directive and dealing with the legal recognition of electronic signatures, the process under which they are verified, generated or communicated, and the removal of obstacles in other legislation to the use of electronic communication and storage of electronic documents in the place of traditional paper files.

### *Are there different types of electronic signature?*

Three forms of electronic signatures are envisaged by the EU Directive:

The simplest form serves to identify and authenticate data. It can be as straightforward as signing an e-mail message with a person's name or using a PIN. The second type is called the advanced electronic signature and in practice refers mainly to electronic signatures based on a public key infrastructure (PKI). This technology uses encryption requiring a public key to encrypt the message and a private key to decrypt it. The third type consists of an advanced electronic signature based on a qualified certificate and created by a secure-signature-creation device.

### *Why has take up been so slow?*

There is no easy answer as to why the take up of electronic signatures has been so slow, but it may be because of the complexity of the technology and because many people are still very unsure as to what is meant by an electronic signature and what the benefits of it might be. People are also suspicious of technology they do not fully understand and many consumers are very aware of the increasing amount of fraud and identity theft which is perpetrated on-line.

### *What are the benefits of digital signatures?*

**Speed** – signed and legally binding documents are received almost instantaneously.

**Cost** – once the system for electronic signatures is set up it costs virtually nothing to send a document.

**Time saving** – there is no need for a mailroom, messenger or secretary to process mail.

**Security** – the electronic signature applies to each page of the document not just the last page so should provide more comfort than a traditionally signed paper copy.

**Evidence** - the sender and recipient are automatically logged so it should be easy to establish that the document was received.

**Less Duplication** - Processing documentation in this way should remove the need to re-key information with its attendant cost and possibility for errors.

For more information on any aspect of digital signatures contact [LFCameron@Paull-Williamsons.co.uk](mailto:LFCameron@Paull-Williamsons.co.uk)