

Chapter 7

The Effects of Cybercrime on the Banking Sector in ASEAN

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ABSTRACT

The main objective of this chapter is to investigate the effects of cybercrime on the banking sector in ASEAN. Global challenges on the evolution of cybercrime are in continuous dynamics in the case of emerging or developing countries, so that sustainable development plays an essential role. Moreover, the propagation effects can generate significant damages in the banking sector. Efficient bank management is essential in the context of providing advanced techniques for cyber security. Traditional cyber security measures are insufficient to ensure data protection and online information privacy. Consequently, investigations of cyber-criminal activity must become a priority especially in the context of globalization.

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INTRODUCTION

The digital age offers infinite opportunities for proliferation of cyber attacks based on highly sophisticated damaging tools. Nevertheless, in the case of cybercrime, developing countries such as ASEAN are characterized by incoherent and insufficient legal regulations issued by government authorities. The Association of Southeast Asian Nations also known as ASEAN was founded on 8 August 1967 in Bangkok, Thailand based on the ASEAN Declaration or Bangkok Declaration by the founding parent member countries, i.e Indonesia, Malaysia, Philippines, Singapore and Thailand. Afterwards, Brunei Darussalam joined the Association of Southeast Asian Nations (ASEAN) on 7 January 1984, and Viet Nam joined the ASEAN on 28 July 1995. Moreover, Lao PDR and Myanmar joined the ASEAN on 23 July 1997, and Cambodia joined the ASEAN on 30 April 1999.

The effects of cybercrime on the banking sector are extremely damaging, but also being propagated through innovative web-based technology and internet communications. In addition, cybercrime is distinguished by various dimensions such as: cyber terrorism, malware attacks, identity theft, cyber stalking, cyber espionage, spam attacks, copyright infringement, computer viruses. Cybercrime activity has reached a very high level in recent years mostly in developing countries. Official statistics provide alarming data on cyber attacks based on different patterns.

The action of effectively combating the negative phenomenon of cybercrime is based mainly on clear and predictable legal framework. Implementing rigorous cybersecurity standards are essential in reducing the effects of cybercrime. Malicious virtual applications represent one of the most prolific forms of cybercrime. Moreover, an action of great financial importance for bank customers is combating bank frauds as essential component of cybercrime that affects the banking system. A cybernetic hacking attack represents an illegal activity focused on obtaining financial benefits due to the deception, cheating and trust extortion of individuals, public institutions, business firms or financial institutions such as banks.

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