



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

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To: Chief Executive Officers of National Banks and All Examining Personnel

The OCC is pleased to enclose "Internet Banking," a new booklet in the *Comptroller's Handbook*. This booklet provides a general overview of the factors influencing business decisions regarding Internet banking. Factors discussed include electronic commerce, increased customer contact, geographical reach, branding, and delivery channels. The guidance distinguishes between the different types of Web sites banks can construct and the role of outsourcers in site development and hosting. The discussion includes internal controls and various types of cyber attacks banks must guard against.

The booklet discusses issues related to Internet banking and electronic commerce. These include security, authentication, trust, nonrepudiation, privacy, and systems availability. Each of the nine categories of risk are discussed as they relate to Internet banking. Appendices discuss firewalls and cryptography. The discussion of cryptography includes examples of how this technology can be used to authenticate transactions and maintain trust in electronic commerce.

Any questions regarding this booklet should be directed to Clifford A. Wilke, director, Bank Technology Division at (202)874-5920.