

立法會
Legislative Council

LC Paper No. CB(1)1224/10-11(04)

Ref. : CB1/PL/ITB

Panel on Information Technology and Broadcasting

Meeting on 14 February 2011

**Background brief on
Hongkong Post Certification Authority e-Cert services**

Purpose

This paper sets out the background to the business review of the Hongkong Post Certification Authority (HKPCA) e-Cert services in 2005. It also provides a summary of views and concerns expressed by the Panel on Information Technology and Broadcasting (the Panel).

Background

2. The HKPCA was set up in January 2000 by the Hongkong Post (HKP) to offer public certification authority (CA) services (e.g. e-Cert) as a commercial venture under the operation of the Post Office Trading Fund.

3. In mid-2005, the Administration conducted a review of the HKPCA operation. In view of the accumulated operating loss suffered by the HKPCA in the past five years, the Administration came to the view that the mode of the HKPCA operation, which required substantial funding support from the Government and the HKP through cross-subsidization from its other services, was not sustainable in the longer term. The Government therefore decided to explore possible synergy with the private sector by inviting the latter to participate in running the e-Cert services and to come up with new value-added services/businesses that could engender a self-financing public CA operation.

Outsourcing the operation of the Hongkong Post Certification Authority e-Cert services

4. At the Panel meeting on 12 December 2005, the Administration briefed members on the outcome of the business review of the HKPCA and its way forward. Members noted that the major reasons for the low utilization of e-Cert by the general public were the mismatch of security/authentication requirements and a lack of "killer applications" that could drive the adoption of e-Cert services. Some members expressed concern whether these two shortcomings could be overcome merely by entrusting the operation of such services to the private sector. They were also worried that the Administration's plan to outsource the HKPCA operation to the private sector might reduce the confidence and interest of the public in using e-Certs because of concerns about privacy and data security when such services were no longer run by the Government.

5. The Administration advised that unlike HKP, commercial operators could have greater flexibility in providing value-added or bundled services under separate brand names to drive the adoption of e-Certs and generate other income to support their CA operations. Notwithstanding the contracting-out arrangement, the Postmaster General, being the recognized public CA under the Electronic Transactions Ordinance (ETO) (Cap. 553), would still be responsible for monitoring the performance of the contractor to ensure that its future operation of the CA service would fully meet the Government's requirements. This would help sustain users' confidence in the use of e-Cert services under the future mode of operation.

6. Following consultation with the Panel, HKP requested proposals from the private sector to run the e-Cert operation through conducting an open tendering exercise in mid-2006. The Administration subsequently announced that the proposal submitted by E-Mice Solutions (HK) Limited was selected. In accordance with the contract conditions, the contractor started to operate the e-Cert services from 1 April 2007 for four years until 31 March 2011. The contractor was required to ensure that all value-added services riding on the e-Cert complied with the ETO, the Code of Practice for Recognized CAs, Government security rules and regulations and the privacy requirements under the Personal Data (Privacy) Ordinance (Cap. 486), in addition to the terms and conditions of the contract.

Latest position

7. The Administration will update the Panel on 14 February 2011 on the operation of the HKPCA e-Cert services.

Relevant papers

Administration's paper for the Information Technology and Broadcasting Panel meeting on 12 December 2005

<http://www.legco.gov.hk/yr05-06/english/panels/itb/papers/itb1212cb1-460-5e.pdf>

Minutes of Information Technology and Broadcasting Panel meeting on 12 December 2005

<http://www.legco.gov.hk/yr05-06/english/panels/itb/minutes/itb051212.pdf>

Administration's paper on outsourcing the operation of the Hongkong Post Certification Authority

<http://www.legco.gov.hk/yr05-06/english/panels/itb/papers/itb1212cb1-229-1-e.pdf>

Administration's paper on review of the Electronic Transactions Ordinance

<http://www.legco.gov.hk/yr06-07/english/panels/itb/papers/itbcb1-1596-1-e.pdf>

Council Business Division 1
Legislative Council Secretariat
8 February 2011