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11 July 2018

By email

Council Business Division 1  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong  
(Attn: Ms Ada LAU)

Dear Ms Lau,

**Legislative Council Finance Committee  
Follow-up to Meeting on 22 June 2018  
FCR(2018-19)26 - EC(2018-19)4**

In response to the request of the Legislative Council Finance Committee at the meeting on 22 June 2018, we have consulted the Department of Justice (“DoJ”) and the Hong Kong Monetary Authority (“HKMA”) and would like to provide the following information for Members’ reference.

Class Action Regime

2. Regarding the progress of introducing a class action regime in Hong Kong, the DoJ has established a cross-sector working group to study and consider the recommendations in the Report of the Law Reform Commission (“LRC”) on Class Actions. In the Report, the LRC recommended an

incremental approach to introducing a class action regime, starting with consumer cases.

3. According to the DoJ, the LRC's recommendation to introduce a class action regime in Hong Kong involves in-depth and extensive study of not only complex and technical issues in law, but also issues regarding policy directions. The issues that need to be studied are interrelated. Since its establishment in December 2012, the Working Group has held 22 meetings, and its sub-committee has met 28 times following its inception in April 2014. The study is progressing well, but still needs more time to complete. Upon completion of the study, the Working Group will put forward its recommendations for the Government to consider and to map out the way forward.

#### Faster Payment System

4. The HKMA requires the operator and participants (including banks and stored value facility licensees) of the Faster Payment System to implement appropriate and adequate security measures in relation to technology risk management and online payment services (e.g. introducing two-factor authentication for large value funds transfer services and setting default transaction limits) to ensure that their clearing and settlement systems and online payment services are safe and robust, and to provide customers with appropriate protection. The relevant operator and participants are expected to continue to review their security measures in place and to enhance the controls where appropriate on an ongoing basis, taking into account the trend and development of information security. In addition, the relevant operator and participants should carry out an independent assessment to ensure that appropriate and adequate security measures are in place in relation to the systems and services concerned.

5. In protecting personal privacy, the HKMA has always attached great importance to the security of information, particularly customer information, and has required the operator and participants of the Faster Payment System to implement adequate security measures at all times, and continue to comply with

the Personal Data (Privacy) Ordinance and the relevant guidelines issued by the Office of the Privacy Commissioner for Personal Data to ensure the confidentiality and integrity of the database so as to protect the payment transactions and personal data of users.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'J. Fung', written in a cursive style.

( Miss Jeanne FUNG )  
for Secretary for Financial Services  
and the Treasury