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Panel on Information Technology and Broadcasting

Meeting on 10 May 2019

Background brief on electronic identity project

Purpose

This paper provides background information on the electronic identity ("eID") project. It also summarizes the views and concerns expressed by Members in previous discussions of the subject.

Background

2. The Chief Executive announced in the 2017 Policy Address to embark on three key smart city infrastructure projects, which included providing an "eID" for all Hong Kong residents. The Administration released the Smart City Blueprint for Hong Kong ("the Blueprint")¹ on 15 December 2017. The Blueprint outlines the vision and mission of building Hong Kong into a world-class smart city, and maps out development plans in the next five years. The eID project is one of the smart city initiatives under the Blueprint.

3. According to the Administration, the proposed eID could be understood as a common key for digital identity authentication for members of the public to access various government and commercial electronic services in a simple and secure manner. The use of eID is voluntary. The eID system would support digital signing with legal backing under the Electronic Transactions Ordinance (Cap. 553) for

¹ Smart City Blueprint for Hong Kong can be downloaded at the dedicated smart city portal (www.smartcity.gov.hk).

handling contracts, statutory documents and procedures, important commercial transactions, etc.

4. For e-government services, eID can be used to submit online applications for licence renewal, venue booking, appointment scheduling, or document signing. An eID could also be used for authorizing retrieval of information stored in electronic service system to pre-fill online forms or update address; and, by way of a unified identity authentication, for facilitating the development of cross-departmental or institutional electronic services and streamline business processes. The Administration's long-term goal of eID development is to make it mandatory for all government departments and public bodies to support the use of eID.

5. The Administration has indicated that it would actively promote public and private organizations to adopt eID. When designing the eID system, the Administration would open up Application Programming Interfaces ("API") to allow flexibility in supporting future services to be provided by public and private organizations.

6. On 11 May 2018, the Finance Committee ("FC") of the Legislative Council approved the creation of a commitment of \$112 million for implementing a one-stop online system for the provision of eID. The Administration expected the system to be launched by 2020.

Previous discussions

7. The Administration briefed the Panel on Information Technology and Broadcasting ("the Panel") on the major components of the Blueprint at the meeting on 8 January 2018. At the meeting on 12 March 2018, the Administration sought the Panel's support for the funding proposals for three key infrastructure projects including the eID system. Panel members supported the funding proposals but raised questions relating to the application of eID. Relevant issues were also discussed at the FC meeting on 11 May 2018. The major views and concerns expressed by Members, and the Administration's responses are summarized in the ensuing paragraphs.

Measures to popularize the eID system

8. Some members enquired how the Administration would promote the use of eID. In particular, members asked whether the Administration

would implement a one-stop registration for using various public services (including voter registration) and accessing personal records in the public and private sectors. The Administration explained that the objective of building the infrastructure was to encourage the wider use of eID in public e-services and online transactions with the Government and the commercial sector. Registration would be convenient and accessible. For example, individuals could register for the use of a service using eID through their smartphones, and their identities could also be verified through the eID system using smartphones.

9. Members commented that the relevant legislation must be fine-tuned in order to prevent the abusive use of eID-related personal data and secure public confidence in the eID system. Some members enquired whether, when eID was in operation, the public could still transact business or services in the usual manner without using eID, such as passing hardcopies of personal data to service providers and attending to the relevant procedures in person. Some members expressed concerns that it would be difficult to fully popularize the application of eID because many elderly persons did not have smartphones.

10. The Administration advised that members of the public were free to choose whether they would use eID or conventional methods in various transactions when eID was in operation. In promoting the use of eID, the Administration would endeavour to create a favourable environment, such as providing APIs to facilitate e-service providers to incorporate eID in their services. As regards elderly users, the Administration acknowledged the difficulties of changing the habits of elderly people; more time should be allowed for them to adapt to the new technology.

Participation by the private sector

11. Members asked if the Administration would engage third party companies in the design and development of APIs in order to speed up the launch of services that make use of eID. Some members enquired if eID would be used in financial applications such as know-your-customers ("KYC") utilities to enable more effective compliance with regulatory requirements by financial institutions. The Administration informed members that details regarding the development of APIs and KYC utility applications were being examined in collaboration with the relevant stakeholders/regulators.

Protection of privacy

12. As the Administration would be able to collect a large amount of personal data of the public and would share such data with other parties for big data analytics purposes, some members expressed concerns that personal data and privacy might be exposed, especially through the use of the eID system. The Administration assured the Panel that the Government had the responsibility to protect personal data in accordance with the Personal Data (Privacy) Ordinance (Cap. 486). Besides, a person would not disclose his/her personal data when using eID to authenticate his or her identity when accessing government services online because the eID system verified the user's identity by his/her unique biometric information such as fingerprints, facial, retinal scans or voice features. No personal data would need to be transmitted over the Internet.

Timeframe for commencement of operation

13. Some members noted that tenders would be invited for the eID project in the second half of 2018, the target of commencing operation by mid-2020. They requested the Administration to speed up the process. Some other members queried whether the Administration would have sufficient time to prepare for the launch of eID by 2020.

14. The Administration advised that the target of introducing eID by 2020 should be achievable and the Administration expected that eID, when launched in 2020, could be used to access government services currently available online. The public e-services of all government departments were expected to support eID within five years. Other services provided by public bodies such as Hospital Authority and Hong Kong Monetary Authority might also be covered.

Questions raised at Council meetings

15. Members, including Hon Charles Peter MOK, Hon CHAN Chun-ying and Hon AU Nok-hin, have raised questions related to the eID project at Council meetings. Details of the questions and the Administration's replies are given in the hyperlinks in the **Appendix**.

Latest position

16. The Administration will brief the Panel on 10 May 2019 on the

progress of the eID project.

Relevant papers

17. A list of the relevant papers is set out in the **Appendix**.

Council Business Division 1
Legislative Council Secretariat
7 May 2019

List of relevant papers

Issued by	Meeting date/ Issue date	Paper
The Administration	18 January 2017	The Chief Executive's 2017 Policy Address Policy Address
Council meeting	22 November 2017	Question No. 14 raised by Hon Charles Peter MOK Provision of an electronic identity for Hong Kong residents
	28 March 2018	Question No. 15 raised by Hon CHAN Chun-ying Developing Hong Kong into a smart city
	25 April 2018	Question No. 1 raised by Hon AU Nok-hin Multi-functional smart lampposts installed in Hong Kong Science Park
	11 July 2018	Question No. 7 raised by Hon AU Nok-hin Measures for immigration clearance
	17 April 2019	Question No. 15 raised by Hon Charles Peter MOK Implementation of electronic identity system
Panel on Information Technology and Broadcasting	8 January 2018	Administration's paper on the Smart City Blueprint for Hong Kong LC Paper No. CB(4)429/17-18(03) Updated background brief on the smart city development LC Paper No. CB(4)429/17-18(04) Minutes of meeting LC Paper No. CB(4)699/17-18

Issued by	Meeting date/ Issue date	Paper
Panel on Information Technology and Broadcasting	12 March 2018	<p>Administration's paper on the key infrastructure projects for smart city development LC Paper No. CB(4)701/17-18(03)</p> <p>Administration's response to issues raised at the meeting on 12 March 2018 LC Paper No. CB(4)1051/17-18(01)</p> <p>Minutes of meeting LC Paper No. CB(4)1197/17-18</p>
Finance Committee	11 May 2018	<p>CAPITAL WORKS RESERVE FUND HEAD 710 – COMPUTERISATION Office of the Government Chief Information Officer New Subhead "Electronic Identity (eID)" New Subhead "Digital Transformation for Agile Delivery of e-Government Services" FCR(2018-19)9</p> <p>Minutes of meeting LC Paper No. FC9/18-19</p>