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(English version only)

Communications Association of Hong Kong Limited

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Mr. Junius Ho, JP (Email: panel_itb@legco.gov.hk)
Room 617, Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr. Ho,

**Re: Legislative Council
Panel on Information Technology and Broadcasting
Proposed Real-name Registration Programme for SIM Cards ("Program")**

The Communications Association of Hong Kong (CAHK) represents more than 50 members in the Information and Communications Technology industries.

On behalf of the four mobile network operators in Hong Kong (the "MNOs"), I would like to submit their views, as attached, for your information and consideration. Please kindly help share the joint paper to the members of the Panel, so as to facilitate their understanding of MNOs' views and the issues faced by the telecom industry.

The CAHK and its members in the telecom industry understand the policy objectives of the Program. However, there is a concern that a few mission-critical, fundamental issues are not addressed, and that a change of business process, as well as further support from the Government are urgently needed.

For further details, please feel free to contact our Manager Ms. Irene Kwok at tel. 2688 1970 or email at irenekwok@cahk.hk.

Thank you again for your kind support to our Association as always.

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Yours sincerely,

Kenneth Lau
Chairman
Communications Association of Hong Kong
(Encl.)

Consultation Paper on Real-Name Registration (“RNR”) Programme

Key Messages to the Government by MNOs

1. **Insufficient Implementation Time:** The proposed 120 days for setting up the system is insufficient and unreasonable at all in view of the complexity and scope of the proposed arrangements. Experience in other regions and countries have shown that much longer system implementation timeframes are required. In addition, a much longer lead time is required to enable the existing pre-paid SIM (“PPS”) cards to be registered given that there are over 7 million activated PPS cards on the market (OFCA statistics, September 2020). With reference to Macau, it took around 1.5 – 2 years for the entire implementation process.
2. **Removal of the Quota Limit:** The limit of 3 PPS per customer (including corporate customer) should be removed, as the RNR requirements should be able to achieve the policy objective of prevention of crimes by anonymous PPS. Such quota limit would substantially restrict consumer choice. Further, it is impractical to impose such limit on corporate users who may require many SIM cards for their staff. (We understand that only less than 20% of the countries mandating SIM registration have imposed limits on SIM ownership).
3. **Postpaid Subscribers:** Since existing postpaid customers have already provided the personal particulars and identity proof to operators, they should not be required to register and provide the information again upon contract renewal. Otherwise, it will cause not only administrative burden to operators, but also hardship to the elderly and the needy groups.
4. **Corporate Customers:** Business registration (“BR”) is sufficient for registration given that the owners/directors of the company is traceable using the BR. It is inappropriate to collect and keep the ID copy of the designated person, who is likely an employee, and make him/her liable. At best, the company should provide the business contact details of a representative of the company (without providing the ID copy).
5. **Role of Operators/ Inability to Verify:** Operators are not in a position to verify the identity of customers. Operators’ role should be limited to checking the information submitted by the users against the identity proof provided (e.g. ID copy). The Government should follow the international practices and adopt the “capture and store” approach (about 81%, or 126 out of 155 countries, per GSMA research report).
6. **Penalty Concern:** Given that the operators are not in a position to verify the identity of customers or the documents provided is genuine, it’s unreasonable and disproportionate to impose any sanctions on the licensees as proposed in the Consultation Paper in the event that the customer’s identity document has not been authenticated by the operator.

7. **Clear Scope of the RNR Requirements:** We understand that the policy objective is mainly for prevention of crime by use of anonymous PPS, and hence PPS issued by overseas operators and multi-IMSI PPS (e.g. AirSIM,) which could be purchased and used in Hong Kong, are subject to the same RNR requirements as local PPS. Government should clearly define the scope of the RNR requirements, as well as the types of SIM card which are subject to the Regulation.
8. **Costs for Setting up the System and Accuracy:** The IT system (e.g. OCR) currently used by some operators can only recognize HKID card and the accuracy is not 100%. If the system needs to recognize BR and different types of passports, it must be upgraded, repurchased and/or combined to current system, which will involve not only time but extra operational costs and labour resources. Furthermore, one more concern is that whether it has any penalty if the system cannot effectively be collected, saved, maintained and/or amended.
9. **Impractical for the Endorsement Arrangements for Persons under Age 16:** On the requirement for persons below the age of 16 (young persons) to have an adult endorsing the registration, operators would not be in a position at all to confirm the relationship between the young person and the "appropriate adult". This peculiar requirement would increase the complexity of the system. If the quota limit is removed, this endorsement arrangement should be taken out as well, given that the "appropriate adults" could purchase the PPS cards.
10. **Definition of an LEA and Warrant Issues:** A list of Law Enforcement Agencies ("LEAs") which is authorized to request information from operators under the Regulation should be clearly defined. There are already exemptions under the Personal Data (Privacy) Ordinance ("PDPO") allowing an LEA to obtain personal data without a warrant in order to prevent crime, or in emergency situations, etc. Hence, it is unjustifiable to introduce further exemptions under the Regulation.
11. **Overall Costs:** The costs and resources required to be incurred by the industry to set up the necessary systems are substantial. The Government should finance or at least subsidize the system development and set up costs, in order to enable the RNR programme to be implemented quickly.
12. **Compliance with Data Privacy Laws:** The Government should confirm that the collection, storage and possible future provision of personal data to LEAs fully comply with the PDPO in Hong Kong and other relevant legislation overseas, such as the European's General Data Protection Regulations (GDPR). It is critical that the Government confirm such compliance before the implementation of the Regulation.