

**Response to Comments made by
the Hong Kong Computer Society**

Recognised Certification Authorities

- Under the Electronic Transactions Bill (the Bill), we propose a voluntary recognition scheme for certification authorities (CAs) whereby CAs, whether based locally or overseas, may apply for recognition if they so wish and will be granted recognition if they meet the criteria stipulated in the Bill. CAs which have not obtained recognition from Government are allowed to offer their service in Hong Kong. Their activities and their relationship with their clients will be governed by common law and we consider this arrangement adequate.
- The Bill will give legal recognition to digital signatures supported by recognised certificates issued by certification authorities recognised under the Bill. It is up to individuals to decide whether they wish to engage the service of recognised certification authorities or non-recognised certification authorities in conducting local and cross-border transactions having regard to their intended purposes.

Role of Director of Information Technology Services

- The Director of Information Technology Services (DITS) will issue a code of practice for recognised certification authorities under Clause 39 of the Electronic Transactions Bill. The DITS has issued a draft version of this code of practice on 25 October 1999 for public and industry consultation. A copy of the draft has been sent to the Hong Kong Computer Society for comment.
- The Information Technology and Broadcasting Bureau has a division within its set-up to deal with policy matter relating to electronic commerce. The Bureau is supported by the Information Technology Services Department in discharging this policy responsibility.

Public Key Infrastructure (PKI) and Technology Neutral Approach

- Under the Electronic Transactions Bill, we have proposed to give legal recognition to digital signatures generated by PKI technology. This is because PKI technology is currently the only technically mature technology which provides security service of a quality that satisfies the need for user authentication, ensuring the integrity and confidentiality of data and protecting non-repudiation of transactions. In the absence of other forms of readily available electronic signature technologies which are supported by open and common standards in the market, we consider it appropriate to recognise digital signature only under the Bill for the time being. This approach is technology neutral in the sense that the granting of legal recognition is not based on particular types of algorithm products in the market. Moreover, it is up to the parties to electronic transactions to decide the appropriate level of security for the digital certificates to be used to suit intended purposes.

We will closely monitor technological developments and keep the legislation under review so that it will keep pace with new developments in cryptographic technology.