Statement on Smart ID Card

Submitted to LegCo Panel on Security
Special meeting on 11 November 2000

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The HKID card is scheduled to be replaced in 2003, and the government is now considering the adoption of a smartcard version of the ID card. The smartcard has a built-in microprocessor, which allows the implementation of very sophisticated security technologies. Recently, some concerns have been raised on whether there are sufficient safeguards to protect the cardholder's data privacy. In fact, there are some that argue an ID card is unnecessary. After all, some countries, such as the US, do not have a national ID card. Today, I am very honoured to give my personal opinion on these issues.

Do we need an ID card?

The primary purpose of an ID card is for the identification of the cardholder, and to allow the cardholder access to certain services. For example, your library card allows you to borrow books, your driver's license allows you to operate a car, your club membership card allows you to use the facilities of a club, your VISA credit card allows you to get credit in a store, etc. Your HKID card identifies you as a legal resident of HK, and also allows you to use such facilities as a government clinic. All these cards are necessary. In fact, while we complain about the inconvenience of having to carry all these cards, it is difficult to imagine life without them!

An ID card, therefore, is necessary because it is for the protection of the cardholder. It ensures that only those people entitled to certain services are allowed to use them. A smart ID card enhances this protection because it will implement security features that make it very hard to counterfeit. As cardholders, we want to ensure that a criminal cannot create a counterfeit card and make us liable for their criminal activities. For example, a smart ID with the VISA cash function will ensure that even if it is stolen, the criminal will not be able to use the electronic cash stored in the card. Incidentally, I have lived in the US for many years, and I assure you that they do have their share of ID cards. For example, when we go shopping and use a credit card or a check to pay for our purchase, the shopkeeper will ask for a picture ID. For most people, that would be their driver's license. We are happy to cooperate because we realize this protects the credit cardholder in case the card is lost or stolen.

But do we need a smart ID? How can a smart ID help the economy of Hong Kong?

I believe one of Hong Kong's greatest strengths is our ability to adapt. We have transformed from an entrepot economy to a manufacturing economy, and more recently to a service economy. The next transformation will be to an IT-based economy. The

1

government of Hong Kong has embarked upon a plan to develop Hong Kong into an e-commerce hub of the region. While HK enjoys many pre-requisites of an e-commerce hub, such as an excellent telecommunication infrastructure, a highly educated population, and a cosmopolitan city with an international outlook, it suffers in that there is a low level of IT readiness among its businesses, especially among the Small and Medium Enterprises (SMEs). I believe the government's role is to provide the infrastructure to encourage e-commerce development. I am very happy to see that the government has enacted the Electronic Transaction Ordinance, which gives electronic transactions and signatures the same legal status as their written counterparts. A smart ID card will be another important component of this infrastructure. Some organizations in Hong Kong, such as my employer, the University of Hong Kong (HKU), have already deployed smartcard systems. Now each HKU employee has one smart card that serves as the staff ID card, the library card, and the sports facilities card. This card also serves as an electronic purse, and as the entry key to our parking lots. We find it very convenient. The University is developing additional functions on this card. I believe that many large corporations and organizations in Hong Kong will also be deploying smartcard systems, which allow them to better manage their staff, and to serve their customers better, giving them a great competitive edge. SMEs, on the other hand, cannot afford to deploy such systems on their own, and must therefore rely on the government to build the infrastructure. If the smart ID is adopted, all potential customers of the SMEs will already have the proper platform, namely the smart ID, and the SMEs can just focus on developing applications that operate on this platform. Big corporations and organizations will like it too since it means they will not have to replicate the platform. For the taxpayers, the additional cost of deploying a multi-function smart ID vs. a single function smart ID, or a non-smart ID, is relatively small. The resultant benefits, in terms of increased tax revenues if we manage to develop into the e-commerce hub of Asia, will be enormous. Therefore, financially, it is certainly a win-win situation for all.

Will the smart ID allow invasion of privacy?

Hong Kong has enacted a Privacy Ordinance that ensures the privacy of her citizens. The smart ID as proposed by the government will have privacy safeguards built in such that information stored will be available only to authorized parties. In fact, security can be enforced in a compartmentalized fashion, allowing different data to be accessible to different authorized parties. Existing and mature security technologies, such as the Public Key Infrastructure (PKI) may be used to enforce such security measures.

My personal recommendation

I recommend the government adopt a multi-function smart ID card which supports the Immigration Department's core business, and which will allow additional functions to be added on a voluntary basis by the cardholder.

2