Legislative Council Panel on Constitutional Affairs Meeting on 21 January 2013

<u>Update on the Work</u> of the Office of the Privacy Commissioner for Personal Data

Members were last updated by the Privacy Commissioner for Personal Data ("the Commissioner") on the accomplishments of his office ("PCPD") in 2011 through circulation of an information paper at the meeting of the Legislative Council Panel on Constitutional Affairs on 19 March 2012. This paper serves to update Members of PCPD's work in 2012.

Enquiries and response to consultations

2. In 2012, PCPD received a total of 19,053 enquiry cases, a rise of 2% as compared with 18,680 cases in 2011. They were mainly concerned with employment practice, data access requests, use of personal data in direct marketing, and collection of ID card numbers or copies.

3. In particular, PCPD received 135 enquiries relating to the Personal Data (Privacy) (Amendment) Ordinance 2012 (the "Amendment Ordinance"), a substantial number (55%) of which were concerned with the new regulatory regime of direct marketing and the new definition of a data processor.

4. During the same year, PCPD provided detailed comments in response to consultations from various government bureaux and departments covering a wide range of subjects, and made submissions on various proposed legislative and administrative measures that have an impact on personal data privacy. Details are set out in **Annex A**.

<u>Enforcement</u>

Complaints

5. In 2012, 1,213 complaint cases were received, which represent a drop of 18% on the number of cases received in 2011 (1,486). Of these complaints, 867 cases were made against the private sector, 158 against the public sector/government departments and 188 against individuals. Of the complaints made against the private sector, financial institutions ranked highest in the number of complaints received (195 cases), followed by telecommunications (98 cases) and property management (98 cases).

6. With regard to the nature of complaints, the highest number of complaints related to the use of personal data without the consent of data subjects (554 cases), followed by complaints about the purpose and manner of data collection (481 cases), data security (137 cases), use of personal data for direct marketing (131 cases), and data access/correction requests (127 cases). The figures for the first three items are lower than those of 2011. However, the number of cases on the use of personal data for direct marketing purposes and data access/correction requests has increased as compared with 2011, reflecting raised public awareness of personal data privacy protection in respect of direct marketing and data access rights.

Compliance checks and self-initiated investigations

7. The Commissioner carried out 179 compliance checks in 2012 to review the practices of data users suspected or alleged of contravening the Personal Data (Privacy) Ordinance (the "Ordinance"). Where appropriate, the data users were advised to take remedial and/or improvement measures to safeguard data protection. This represents an increase of 16% on the figure of 154 compliance checks carried out in 2011. In addition, the Commissioner conducted 12 selfinitiated formal investigations in 2012, compared with 11 such investigations in 2011.

Investigation results

8. In 2012, the Commissioner issued 11 enforcement notices, directing the data user concerned to take steps to remedy the contraventions. This compares with one enforcement notice issued in 2011.

9. In 219 cases, the Commissioner issued warning letters and provided advice or recommendations to data users complained against. In one case, the Commissioner accepted a written undertaking by the data user complained against to take steps to rectify the contraventions.

10. As in 2011, the Commissioner published eight investigation reports in 2012, which are listed at **Annex B**. This compares with 15 investigation reports published previously (prior to 2011) since the Ordinance came into effect in 1996. More frequent publication of investigation reports, coupled with the new practice adopted since June 2011 to name the corporate data user which has contravened the legal requirements, has effectively served to invoke the sanction and discipline of public scrutiny and discouraged non-compliant behavior on the part of the subject data user and other data users facing similar investigation issues.

Inspection

11. In 2012, PCPD commenced an inspection of the CCTV systems used by MTR Corporation Limited to monitor the public areas of its stations and train compartments. A report on the inspection is expected to be published in the first half of 2013.

Prosecution

12. In 2012, 15 contravention cases were referred to the Police for consideration of prosecution. In the same year, there were two convictions. In one case, the data user complained against was convicted of contravening sections 34(1) and 64(10) of the Ordinance for sending repeated direct marketing materials despite the complainant's opt-out requests. In another case, an office assistant of the data user complained against was charged with the offence of obstructing the Commissioner in serving summonses to the staff of the data user in the course of investigating a complaint, thus contravening section 64(9) of the Ordinance. The conviction figures were four in 2011 and ten prior to 2010 since the enactment of the Ordinance in 1996.

The Amendment Ordinance

Personal Data (Privacy) (Amendment) Bill 2011

13. During 2012, PCPD continued to offer advice to the Administration and exchange views with other stakeholders on the Personal Data (Privacy) (Amendment) Bill 2011 (the "Amendment Bill"). In particular, the Commissioner attended the Bills Committee meeting on 23 April 2012 and presented his major concerns on specific clauses of the Amendment Bill. He also made follow-up submissions to the Bills Committee to explain his position:-

LC Paper No.	Paper	Bills Committee Meeting Date
CB(2)1777/11-12(01)	Major Concerns on Specific Clauses as at 18 April 2012	23 April 2012
CB(2)1854/11-12(02)	Major Concerns on Specific Clauses as at 26 April 2012	2 May 2012
CB(2)1921/11-12(01)	Major Disagreement with the Administration on Specific Clauses as at 4 May 2012	7 May 2012

14. After thorough examination and deliberation by the Bills Committee, a number of Committee Stage Amendments were made by the Administration and incorporated into the Amendment Bill. The revised Bill was finally passed by the Legislative Council on 27 June 2012, with most of the concerns raised by PCPD duly addressed.

Implementation of the Amendment Ordinance

15. The majority of the provisions under the Amendment Ordinance came into force on 1 October 2012, save for the provisions relating to direct marketing and legal assistance which shall take effect on 1 April 2013, subject to confirmation by the Administration through public gazettal.

16. To promote the understanding of and compliance with the Amendment Ordinance, PCPD launched various promotional and public educational activities in 2012 and these efforts will continue in 2013. A list of past activities in 2012 and future activities in 2013 is attached at **Annex C**.

The regulatory regime for direct marketing activities

The regulatory regime for direct marketing activities has been 17. substantially revamped by the Amendment Ordinance. More stringent requirements are introduced in relation to the use of personal data and provision of personal data for use in direct marketing. The promotional and public educational work associated with the implementation of the new regime is detailed in Section C of Annex C. In particular, to facilitate data users' compliance with the new requirements (the breach of which constitutes a criminal offence), PCPD has on 15 January 2013 issued a new Guidance on Marketing Direct (http://www.pcpd.org.hk/english/publications/files/ PCPD has also issued a new information leaflet for GN DM e.pdf). (http://www.pcpd.org.hk/english/publications/files/opt_out_e.pdf) consumers on the exercise of their right of consent to and opt-out from direct marketing activities under the new direct marketing regime.

The Legal Assistance Scheme

18. To prepare for the launch of the new legal assistance scheme, PCPD has issued an information leaflet (http://www.pcpd.org.hk/english/publications/ files/legal_assistance_e.pdf) on 15 January 2013 covering prerequisites to application for legal assistance, factors to be considered in vetting an application, forms of legal assistance, and review of the decision to refuse or discontinue legal assistance.

19. In contrast to the Legal Aid Ordinance, there is no express provision under the Amendment Ordinance which empowers the in-house lawyers of PCPD to provide legal services to the public, such as provision of legal advice and attendance in court. There is also uncertainty as to whether the legal advice given by PCPD's in-house solicitor/barrister to the aided person can enjoy legal professional privilege. At the Bills Committee stage, the Administration decided not to take up PCPD's proposal to address these uncertainties in order not to cause delay to the passage of the Bill. Subsequently, the Law Society of Hong Kong advised PCPD that the Legal Practitioners Ordinance does not prohibit PCPD's in-house solicitors to provide legal advice and services to members of the public, including representation in The Hong Kong Bar Association, however, advised that PCPD's court. barristers do not have the rights of audience in the court.

20. To allow PCPD's in-house barristers to take up the necessary legal work under the legal assistance scheme and to remove uncertainty over the issue of legal professional privilege, PCPD has requested the Administration to initiate further legislative amendments.

Data User Returns Scheme ("DURS")

21. PCPD issued a consultation document in July 2011 which sets out the operational framework and implementation plan of the DURS. On this basis, briefings were made to and views collected from the industries to be regulated upon launch of the DURS, namely, the public sector, banking, telecommunications and insurance.

22. PCPD has gathered from the consultation exercise that while there is no dispute over the objective of DURS to promote a higher standard in the protection of personal data privacy, there was much scepticism from the consultees towards the adoption of the scheme to achieve this objective. At the same time, PCPD has learned that the European Union ("EU") data protection system, upon which the Hong Kong model is based, is undergoing reforms. Among other things, the EU is considering replacing the notification requirement with new and improved systems which emphasize accountability and transparency in the collection and use of personal data, including the mandatory designation of a data protection officer in public authorities and bodies, as well as private enterprises employing 250 persons or more.

23. In the absence of general support from the classes of data users identified for DURS and in light of the EU developments, PCPD is considering putting the project on hold until the reforms in the EU have been finalised and useful lessons can be learnt from the exercise.

24. Meanwhile, to meet the high public expectation for protection of personal data privacy in the classes of data users identified for DURS, PCPD has suggested to the sectors concerned to make an open pledge for developing, maintaining and improving a privacy management program ("PMP") which ensures that appropriate policies and procedures that promote good privacy practices are in place. At the minimum, the outcome of PMP is a demonstrable capacity to comply with the Ordinance. Executed well, it will also promote trust and confidence amongst the public, enhance the concerned organizations' reputation and thus serve the same purpose as DURS. While DURS operates on the basis of strict compliance with the requirements under the Ordinance, PMP is flexible and holistic in data protection. PCPD thus considers that PMP is a good interim substitute for DURS.

Regional and global data protection activities

25. PCPD continued to cooperate and partner with overseas privacy authorities on data protection enforcement and promotion issues. A notable achievement in 2012 related to Google's new privacy policy which took effect on 1 March 2012 and has generated privacy concerns worldwide. As the convenor of the Technology Working Group of the Asia Pacific Privacy Authorities, PCPD initiated dialogue and exchange of correspondence with Google and as a result, was able to secure their clarifications and improvements to the new policy.

Operation of Section 33 of the Ordinance

26. To assist the Administration to carry out a stakeholder consultation to assess the impact of implementing section 33 of the Ordinance, PCPD has engaged a consultant to provide the following:-

- (a) advice on whether Hong Kong's principal trading partners have in force any law which is substantially similar to, or serves the same purposes as, the Ordinance;
- (b) recommendations on the model contract or model contract clauses to be used by data users transporting personal data outside Hong Kong, in order to comply with section 33; and
- (c) recommendations on compiling a guidance note for data users relating to the transfer of personal data to a place outside Hong Kong and resolving the anticipated implementation issues of cross-border transfer.

It is estimated that the project will be completed in the first quarter of 2013.

Promotion and education activities

27. To promote the awareness and understanding of, and compliance with the provisions of the Ordinance, PCPD has embarked on a number of promotional and educational activities.

Seminars and workshops

28. In 2012, PCPD conducted a total of 238 talks, seminars and workshops (with a total audience of over 16,000). These included free introductory seminars on personal data protection and the Amendment Ordinance for the public, and free I.T. seminars educating the public on protection of personal data privacy in the use of the Internet and advanced communications products, including social networking.

29. During the year, a total of 71 professional workshops (an increase of 37% over the previous year), tailored to the needs of executives dealing with personal data in different work contexts, were held. They cover the subject areas of marketing, property management, human resource management, I.T. management, data access request handling, banking operations, financial services and insurance. The workshops have the support of 26 professional organizations and trade associations.

Inculcating youths with the notion of privacy and personal data protection

30. PCPD continued to promote privacy awareness among youths and encourage them to protect their personal data while engaging in online activities such as social networking.

31. Under the Student Ambassador Programme launched by PCPD, secondary school students are encouraged to promote the importance of protecting personal data privacy to their peers through an interactive educational programme. A 4-Panel Comic Drawing Competition with Privacy Protection as the theme was organized by PCPD for students to learn and express their understanding of privacy protection. Over 2,000 students from 42 secondary schools took part in these programmes.

32. During the year, PCPD continued to launch the University Privacy Day programme on the university campus to promote privacy and data protection for staff and students of eight universities and tertiary educational institutions. Seminars were also organized for students in some disciplines for which data protection is directly relevant (e.g. Business Administration and Information and Technology).

Data Protection Officers' Club

33. The Data Protection Officers' Club is a forum organized by PCPD for personal data officers from a broad range of organizations to exchange views and experiences on compliance with the Ordinance. Membership stood at 353 as at 31 December 2012. PCPD continued to update members of the club of the latest developments of PCPD and privacy issues, particularly matters regarding the application of the Ordinance.

Publications

34. PCPD continued to step up its efforts to publish guidance notes, information leaflets and other publications in specialized areas and on topical issues of public interest. A list of these publications issued in 2012 is at **Annex D**.

Other promotional programmes

- 35. Other promotional programmes conducted in 2012 included:-
 - (a) PCPD Partnership Award Awards were presented to selected partners in recognition of their exemplary contributions in the areas of enforcement, regulation, benchmarking, media exposure, education, promotion and training.
 - (b) Privacy by Design Conference PCPD organized the "Privacy by Design Conference" on 13 June 2012 to promote embedding privacy as the default into the design, operation and management of information and communications technology systems, across the entire information life cycle. The Conference speakers included the Privacy Commissioners of Australia, Canada, Federal Trade Commission (United States) and New Zealand, as well as international consultants and local privacy professionals. It was attended by 253 participants.
 - (c) Industry-Specific Privacy Campaign In September 2012, PCPD launched the "Privacy Campaign for Property Management Industry" jointly with the Hong Kong Association of Property Management Companies to raise the property management practitioners' awareness of protecting personal data in their daily work.

- (d) Television docudrama "Privacy Beyond Price" The 6-episode television docudrama series on protection of personal data which was produced by Radio Television Hong Kong and supported by PCPD was broadcast from September to October 2012. Each episode attracted an average of over 1 million television viewers.
- (e) Out-reaching events PCPD took up a booth at the Careers and Education Expo organized by the Hong Kong Trade Development Council in February 2012 and reminded over 6,000 visitors to be cautious about the disclosure of personal data when seeking jobs. From November to December 2012, PCPD staged consumer roadshows at six shopping centres and MTR stations which attracted over 37,000 visitors.

Highlights of the 2013 Work Plan

36. During 2013, PCPD will assume a re-invigorated role in regulating direct marketing activities and launch the new legal assistance scheme. With the introduction of new offences and the enhanced power to serve enforcement notices for contraventions under the Amendment Ordinance, an increase in the volume and complexity of complaints on personal data protection is expected. PCPD will cope with this challenge by improving operational efficiency, proactive case management and work prioritisation.

37. In promoting corporate data users' compliance with the requirements under the Ordinance, including the new provisions, PCPD will continue to issue guidance material, organize professional training courses, and publish investigation reports to invoke the sanction and discipline of public and media scrutiny. Self-initiated investigations and compliance checks will be made. Further, special efforts will be made to promote adoption by major corporate data users of a holistic privacy management programme which ensures that appropriate policies, procedures and practices are in place throughout an organization to safeguard personal data privacy.

38. In promoting consumers' awareness and understanding of personal data privacy, PCPD will continue its efforts through public engagement and promotion programmes, publication of information leaflets, as well as free talks and seminars. Emphasis will be made on the new provisions of the Amendment Ordinance, including those relating to use of personal data in direct marketing, and the privacy risks associated with the use of information and communication technologies.

Office of the Privacy Commissioner for Personal Data January 2013

Annex A

Responses to Consultations / Vetting of Bills in 2012

PCPD vetted altogether 16 bills and regulations published in the Government Gazette. PCPD provided comments on Residential Properties (First-hand Sales) Bill in light of its personal data privacy implications. It has no comments on other Bills.

PCPD also provided comments in response to 3 proposed legislations and government administrative measures listed as follows:-

- (1) Security Bureau : Comprehensive Review on the Interception of Communications and Surveillance Ordinance;
- (2) Financial Services and the Treasury Bureau : Provision of Legal Framework of Entering into Tax Information Exchange Agreements; and
- (3) Transport Department: Arrangement for Issuing Certificate of Particulars of Motor Vehicles.

Furthermore, PCPD responded to the following public consultations from the perspective of personal data protection:-

- (1) Second Draft of the Code of Practice for Online Service Providers;
- (2) Stalking;
- (3) Proposed Guidelines on Election-related Activities in respect of the Legislative Council Election;
- (4) Improved Proposals on Non-means-tested Loan Schemes;
- (5) The Legal, Privacy and Security Framework for Electronic Health Record Sharing; and
- (6) Subsidiary Legislation for Implementation of the new Companies Ordinance.

Annex B

PCPD's Investigation Reports January – December 2012

- Collection of Vehicle Owners' Personal Data from Register of Vehicles for Direct Marketing by Imperial Parking (HK) Limited (Report Number: R12–3428; Date issued: 14 February 2012)
- Collection of Employees' Personal Data by Covert Recording Device by Hong Yip Service Company Limited (Report Number: R12–4839; Date issued: 14 February 2012)
- Unfair Collection of an Artiste's Personal Data by Sudden Weekly Limited (Report Number: R12–9159; Date issued: 28 March 2012)
- Unfair Collection of Two Artistes' Personal Data by FACE Magazine Limited (Report Number: R12–9164; Date issued: 28 March 2012)
- The Collection and Use of Personal Data of Members Under the MoneyBack Program run by A.S. Watson Group (HK) Limited through "Watsons" (Report Number: R12–3890; Date issued: 11 October 2012)
- 6. The Collection and Use of Personal Data of Members Under the MoneyBack Program run by A.S. Watson Group (HK) Limited through "PARKnSHOP" (Report Number: R12–3888; Date issued: 11 October 2012)
- The Collection and Use of Personal Data of Members Under the Fun Fun Card Program run by The China Resources Vanguard (Hong Kong) Company Limited (Report Number: R12–0080; Date issued: 11 October 2012)
- 8. The Collection and Use of Personal Data of Members Under the Mann Card Program run by The Dairy Farm Company Limited (Report Number: R12–0079; Date issued: 11 October 2012)

Promotional and Public Educational Activities for introducing the Personal Data (Privacy) (Amendment) Ordinance 2012

A. Overview of the amendments

- a) Creation of new offence of disclosure of personal data obtained without data user's consent
- b) Indirect regulation of data processor
- c) Strengthening the enforcement powers of the Privacy Commissioner
- d) Creation of new exemptions
- e) Legal assistance to aggrieved data subjects
- f) Revamping of direct marketing regulatory regime

Target Audience	Implementation date of the amendments	Activities	Progress
The general public	U	 To arrange a media briefing. To produce a short video (around 20 minutes) introducing the major amendments to be broadcast on PCPD website and other channels. To introduce the amendments in public seminars. To introduce the amendments in the usual introductory seminars organized for the public. To introduce the amendments in the PCPD newsletter. To issue information leaflet: 	Held on 26 Sep 2012. Uploaded onto PCPD website on 1 Oct 2012. Held on 17 & 25 Sep 2012, as well as 18 Oct 2012. On-going (average 3 seminars a month).
		 General omnibus to give overview of changes New offence for disclosure of personal data obtained without data users' consent 	- Issued on 27 Sep 2012

Target Audience	Implementation date of the amendments	Activities Progress
		7. To introduce the major amendments in "Privacy Protection TV-drama episodes" sponsored by PCPD and produced by RTHK.Episodes broadcast from 26 Sep 2012 for six consecutive Wednesdays at TVB Jade Channel; together with a series of articles published from Sep 2012 for five consecutive weeks in Metro Daily.
		8. To promote through radio "Hong Kong Letter" broadcast on 13 October 2012. programmes.

B. Overview of the amendments

- a) Creation of new offence of disclosure of personal data obtained without data user's consent
- b) Indirect regulation of data processor
- c) Strengthening the enforcement powers of the Privacy Commissioner
- d) Creation of new exemptions
- e) Legal assistance to aggrieved data subjectsf) Revamping of direct marketing regulatory regime

Target Audience	Implementation date of the amendments	Activities	Progress
All data users	1 October 2012	 To line up talks to major Chambers of Commerce. To issue information leaflets: General omnibus to give overview of changes New offence for disclosure of personal data obtained without data user's consent 	 Talks delivered: 5 Sep: Hong Kong General Chamber of Small and Medium Business 10 Sep: Government bureaux and departments 18 Sep: Employers' Federation of Hong Kong 5 Oct: Hong Kong General Chamber of Commerce - Issued on 26 Sep 2012 - Issued on 27 Sep 2012
		3. To organize briefing session to members of the Data Protection Officers' Club.	Held on 12 Sep 2012.

Target Audience	Implementation date of the amendments	Activities	Progress
		4. To provide education/training in response to requests from individual organisations and government departments.	

C. Revamping of direct marketing regime

Target Audience	Implementation date of the amendments	Activities	Progress
Data users involved in the	1 April 2013 (tentative)	1. To arrange media briefings.	General briefing to all media held on 15 Jan 2013.
collection and use of personal data for direct marketing activities		 2. To issue guidance notes on : New requirements on the Collection and Use of Personal Data in Direct Marketing, and Sale of personal data to third parties for direct marketing 	Issued on 15 Jan 2013.
		3. To organize introductory seminar to members of the Data Protection Officers' Club.	To be held on 22 Jan 2013.
		4. To place advertisements in professional publications/ newsletters of major relevant associations.	Placement to be made from Jan to Mar 2013.

		5. To organize new DM professional workshops.	10 workshops and one special seminar planned for Q1 of 2013.
Data subjects	-ditto-	6. To produce a short video.	Uploaded onto PCPD website in October 2012.
		7. To generate coverage in mass media.	Special article published on 16 October 2012 in Metro Daily; Special ATV report broadcast on 31 Dec 2012; and Pitch for coverage in print and electronic media from Jan to Mar 2013.
		8. To issue information leaflet on the exercise of the right of consent to and opt-out from direct marketing activities.	1050000 011 15 5011 2015.

D. Legal assistance

Target Audience	Implementation date of the amendments	Activities	Progress
Datasubjects(generalpublic)	1 April 2013	1. To arrange media briefing.	Held on 15 Jan 2013.
and data users		2. To issue information leaflet on "Legal assistance for civil claims under the Personal Data (Privacy) Ordinance".	Issued on 15 Jan 2013; available at PCPD website and copies of the leaflet will be distributed at District Offices.
		3. To produce a short video.	Uploaded onto PCPD website in Oct 2012.

Target Audience	Implementation date of the amendments	Activities	Progress
Parents and social work practitioners	1 October 2012	 To provide an article for inclusion in the newsletter of Hong Kong Council of Social Services. 	Issued on 27 Dec 2012.
		2. To provide an article to "Committee on Home-School Cooperation" (appointed by Education Bureau, consisting of parents, educators and professionals).	Issued on 4 Jan 2013.

E. Amendments to DPP3 – allow a relevant person to give prescribed consent for the data subjects under specified conditions

F. Indirect regulation of data processor

Target Audience	Implementation date of the amendments	Activities	Progress
Data users	1 October 2012	1. To arrange seminar for IT professionals and other interested parties.	Held on 24 Sep 2012.
		2. To issue a leaflet titled "Outsourcing the Processing of Personal Data to Data Processors".	Issued on 27 Sep 2012.

<u>Annex D</u>

PCPD's Publications January – December 2012

Guidance Notes

- 1. Guidance on the Collection of Fingerprint Data (Revised in May 2012)
- 2. Guidance on the Proper Handling of Data Access Request and Charging of Data Access Request Fee by Data Users (June 2012)
- 3. Guidance on the Proper Handling of Customers' Personal Data for the Insurance Industry (November 2012)
- 4. Guidance on the Collection and Use of Personal Data in Direct Marketing (Revised in November 2012)
- 5. Guidance on the Proper Handling of Data Correction Request by Data Users (December 2012)

Information Leaflets

- 1. Information leaflet on online behavioural tracking (July 2012)
- 2. Information leaflet to provide an overview of the major provisions of the Personal Data (Privacy) (Amendment) Ordinance 2012 (September 2012)
- 3. Information leaflet to provide information on the offence of disclosing personal data obtained without consent from the data user (September 2012)

- 4. Information leaflet to provide information on the new obligations and the recommended means of compliance by data users when outsourcing the processing of personal data to data processors (September 2012)
- 5. Information leaflet to advise smartphone users to get smarter about privacy (November 2012)
- 6. Information leaflet to advise mobile apps developers on compliance with the Personal Data (Privacy) Ordinance (November 2012)
- 7. Information leaflet to advise SMEs of the privacy concerns in cloud computing, and of the factors that they should consider before engaging cloud service providers (November 2012)

Booklet

1. Booklet titled "Protecting Privacy – Using Computers and the Internet Wisely" (April 2012)

Video

1. Video to introduce the Personal Data (Privacy) (Amendment) Ordinance 2012 (October 2012)