Work of the Office of the Privacy Commissioner for Personal Data

Purpose

This paper summarizes previous discussions held by the Panel on Constitutional Affairs¹ ("the Panel") regarding the work of the Office of the Privacy Commissioner for Personal Data ("PCPD").

Background

2. The Office of PCPD is a statutory body responsible for overseeing the enforcement of the Personal Data (Privacy) Ordinance (Cap. 486) ("PDPO") which protects the privacy of individuals in relation to personal data. The Office of PCPD is headed by PCPD appointed by the Chief Executive. According to section 5(4) of PDPO, PCPD shall hold office for a period of five years and shall be eligible for reappointment for not more than one further period of five years. Section 8 of PDPO prescribes the functions and powers of PCPD as set out in Appendix I. The Office of PCPD is funded mainly by recurrent subvention from the Government. The incumbent PCPD, Mr Stephen WONG Kai-yi, was appointed on 4 August 2015.

3. Section 11(1) of PDPO provides for the establishment of the Personal Data (Privacy) Advisory Committee ("the Advisory Committee") to advise PCPD on matters relevant to the privacy of individuals in relation to personal data or implementation of PDPO. Chaired by PCPD, the Advisory Committee comprises members appointed by the Secretary for Constitutional and Mainland Affairs.

Amendment of the Personal Data (Privacy) Ordinance

4. In June 2012, the Personal Data (Privacy) (Amendment) Ordinance 2012 ("the Amendment Ordinance") was passed by the Legislative Council ("LegCo").

¹ With effect from the 2008-2009 legislative session, the policy area of personal data protection has been transferred from the Panel on Home Affairs to be placed under the purview of the Panel on Constitutional Affairs.
The Amendment Ordinance introduced amendments to PDPO, inter alia, to provide for regulation over the use of personal data in direct marketing ("DM") and provision of personal data for use in DM; to create a new offence for disclosure of personal data obtained without consent from data users; to empower PCPD to provide legal assistance to aggrieved data subjects in bringing proceedings to seek compensation from data users under PDPO; to impose a heavier penalty for repeated contravention of enforcement notices ("ENs"); and to create a new offence for repeated contravention of the requirements under PDPO for which ENs have been served. Some of the provisions therein came into operation since 1 October 2012. The remaining provisions relating to the use and provision of personal data for use in DM as well as the new legal assistance scheme were also brought into force on 1 April 2013.

Major issues discussed at Panel meetings

5. It is the usual practice of the Panel to receive a briefing by PCPD on the work of the Office of PCPD in each legislative session. The major issues raised at the relevant meetings are summarized below.

Financial provisions for the Office of the Privacy Commissioner for Personal Data

6. Members expressed concern about the adequacy of the financial provisions for the Office of PCPD at various meetings. At the Panel meeting on 16 February 2015, members noted that while the Administration had provided additional resources in the past few years, the funding still fell short of the Office of PCPD's needs to cope with the increasing workload. In particular, only 69 posts of the Office of PCPD out of a total of more than 80 staff members were provided with recurrent funding by the Government. Besides, there had been no increase in subvention despite the rent of the Office of PCPD had increased from $11/sq ft in the past decade to $33/sq ft in 2015. Some members urged the Administration to provide more resources to the Office of PCPD to strengthen protection of personal data privacy and to cope with the increased workload.

7. Some members suggested that the Office of PCPD should publish more investigation reports. The former PCPD advised that the number of published investigation reports had increased since 2010, and six such reports had been published in 2013. However, due to manpower and resource constraints, investigation reports would be published only on selected topics which were of wide public concern or would serve useful educational and promotional purposes.

Promotion and public education on protection of personal data

8. Some members expressed concern about the large increase in the number of complaints concerning cyber-bullying from six in 2013 to 34 in 2014. The
former PCPD advised that the increase was principally attributable to the increasing popularity of social network platform and the prevalent use of the Internet. The Office of PCPD had published an information leaflet called "What you need to know about cyber-bullying" in 2014 to raise public awareness of the precautionary measures to protect privacy on social network platforms and the remedies that victims of cyber-bullying might consider. Where there was contravention of Data Protection Principles ("DPPs")\(^2\) of PDPO, PCPD could serve an EN on the data user to remedy the contravention. However, for cases involving criminal offence like criminal intimidation, they should more appropriately be handled by the Police.

9. Some members also raised concern about data security in the use of mobile Apps by the elderly. The incumbent PCPD advised that his Office had approached voluntary organizations and Government departments to discuss if the Office of PCPD could send representatives to attend activities organized for the elderly so as to explain to the elderly the precautionary measures. Moreover, the Office of PCPD had requested Apps developers to provide special alerts to users, particularly the youth and the elderly, regarding the collection and use of personal data.

10. At the meeting on 20 March 2017, members expressed concern about the large decrease in the number of self-initiated investigations from 76 in 2015 to 13 in 2016. The incumbent PCPD explained that this was due to better awareness of the general public of personal data privacy protection. He advised that his Office had endeavoured to promote the culture of "Protect, Respect Personal Data" to raise awareness of personal data privacy protection of organizational data users and the public, and released media statements to address concerns about privacy related issues in a timely manner.

**Enforcement power of the Privacy Commissioner for Personal Data**

11. During discussion on review of PDPO, members had expressed diverse views at its various meetings on PCPD's proposals of granting criminal investigation and prosecution power to PCPD, empowering PCPD to award

\(^2\) Data users must follow the fair information practices stipulated in the six DPPs in Schedule 1 to PDPO in relation to the purpose and manner of data collection, accuracy and duration of data retention, use of personal data, security of personal data, availability of data information, and access to personal data. PCPD is empowered to direct the data user concerned to take corrective actions for non-compliance with the provisions of DPPs by issuing an EN. With effect from 1 October 2012, if a data user fails to take corrective actions for his contravention by the date specified in an EN, he will be liable to a fine at Level 5 (at present $50,000) and imprisonment for two years. The data user is liable to a daily penalty of $1,000 if the offence continues. On a second or subsequent conviction, the maximum penalty is a fine at Level 6 (at present $100,000) and imprisonment for two years.
compensation to aggrieved data subjects, and requiring data user to pay monetary penalty for serious contravention of DPPs. Nevertheless, members in general expressed concern that PCPD had inadequate powers for the effective enforcement of PDPO.

12. At the Panel meetings on 15 and 20 November 2010, the former PCPD pointed out that the recent serious contraventions of PDPO and unauthorized sale of personal data had reflected the inadequacy of the enforcement power of PCPD. The proposal of granting PCPD criminal investigation and prosecution powers could meet the public expectations for enhancing deterrent measures against serious contravention of PDPO. The former PCPD advised that his team had the knowledge and experience to perform those roles efficiently and effectively. However, the discretion to prosecute or not still vested in the Secretary of Justice.

13. The Administration was of the view that in order to maintain checks and balances, PCPD should not be provided with the power to carry out criminal investigations and prosecutions, and the existing arrangement under which criminal investigation and prosecution were vested respectively in the Police and Department of Justice should be retained. The Government announced in April 2011 that proposals of granting criminal investigation and prosecution power to PCPD, empowering PCPD to award compensation to aggrieved data subjects and requiring data user to pay monetary penalty for serious contravention of DPPs under PDPO would not be implemented.

Enforcement of the Personal Data (Privacy) Ordinance

14. At the meeting on 21 January 2013, some members asked whether the increase in the number of ENs issued by PCPD from one in 2011 to 11 in 2012 indicated a deterioration of the protection of personal data privacy in Hong Kong. The former PCPD explained that the increase was largely due to the implementation of the relevant provisions of the Amendment Ordinance on 1 October 2012, which had provided PCPD with enhanced power to serve ENs. Under the relevant new provisions, an EN could be issued in situations where the data user had contravened a requirement under PDPO irrespective of whether there was evidence to show that the contravention would likely be repeated, whereas in the past, ENs could be issued only if PCPD was in the opinion that the contravention would continue or be repeated.

15. Some members expressed concern about the excessive collection of personal data online (e.g. age, sex, occupation and income) by some websites, and enquired about the regulation of online data collection. The incumbent PCPD advised that DPP 1 on collection purpose and means had to be observed in conducting online data collection. The Office of PCPD had also offered advice to relevant business organizations to promote compliance. PDPO stressed that organizations should ensure the proper handling and disposal of personal data
collected, and should take all practicable steps to safeguard personal data against unauthorized or accidental access, processing, erasure, loss or use.

16. Members expressed concern that most of the complaints received by the Office of PCPD in 2015 were related to the financial industry which involved unauthorized use of personal data by money lenders or other intermediaries for fraudulent activities, and enquired about the follow-up actions taken by the Office of PCPD. The incumbent PCPD advised that preliminary investigations had been conducted in respect of all these complaints. The Office of PCPD noted that the financial institutions concerned had already taken the necessary remedial and/or improvement measures. The Office of PCPD had stepped up public education and publicity to raise public awareness of personal data protection. Besides, it had strengthened liaison and collaboration with the Police with a view to facilitating the investigations of fraudulent activities involving unauthorized use of personal data.

Implementation of section 33 of the Personal Data (Privacy) Ordinance

17. Some members expressed grave concern about the slow progress in bringing section 33 of PDPO into operation to regulate the transfer of data outside Hong Kong. The incumbent PCPD advised that his Office had submitted recommendations to the Government in 2014 and remained in close communication with the Administration on the matter. The Administration explained that the implementation of section 33 could bring about significant and substantive impact on businesses. The Administration had commissioned a consultant to study the compliance measures that data users would have to adopt in order to fulfil the requirements under section 33.

18. At the meeting on 15 May 2017, the Panel received a briefing by the Administration on the preliminary findings of the business impact assessment on the implementation of section 33 of PDPO. Some members relayed the concerns expressed by the industrial and commercial sectors about the potential impacts of the implementation of section 33 of PDPO, especially on the small and medium-sized enterprises ("SMEs"), such as the high compliance cost that might be involved as a result of adopting measures to fulfil the requirements under section 33, as well as impacts on their operations and their online business.

19. The Administration advised that the consultant would first consolidate the final business impact assessment report, which was expected to be completed before the end of 2017. The representative of the Office of PCPD informed members that, upon receipt of the business impact assessment report, the Office of PCPD would study a number of issues relating to section 33 of PDPO, such as the Office of PCPD's mechanism for reviewing and updating the "white list" of jurisdictions with privacy protection standards comparable to that of Hong Kong, whether the industries already subject to stringent regulations could be regarded
as having met the requirements of section 33 by means of compliance with the data protection requirements of their regulatory authorities, and the support measures required by SMEs to comply with the relevant requirements. The study would take at least a year's time to complete. The Administration advised that it would then formulate the steps forward in the light of the outcome of the Office of PDPO's study.

Regulation of person-to-person telemarketing calls

20. At the meeting on 16 February 2015, some members expressed concern about the need to step up regulation of person-to-person telemarketing calls ("P2P calls"). The former PCPD advised that his Office had proposed expanding the Do-not-call registers administered by the office of the Communications Authority to include P2P calls. The Administration informed members that the Commerce and Economic Development Bureau was about to commission a consultant to conduct a survey with a view to soliciting views from the public, the business sector and the industry on the regulation of P2P calls, as well as the employment and business situations of the industry. It was expected that the survey would be completed in the first half of 2015.

21. At the meeting on 20 March 2017, members expressed concern that while 112 cases had been referred to the Police for criminal investigation and prosecution in 2016, of which 109 related to contraventions involving the use of personal data in DM, only three were substantiated and resulted in a fine or a Community Service Order of 80 hours. Members enquired whether the penalty was too light to have sufficient deterrent effect. The incumbent PCPD advised that it was only until the previous year when relevant cases first went to court after the new DM regulatory regime took effect on 1 April 2013, and it was the first time the court had imposed a Community Service Order of 80 hours. The incumbent PCPD considered this penalty of Community Service Order to be a deterring penalty to a certain degree, and his Office would keep in view of the penalties imposed in the future.

Protection of personal data contained in public registers

22. At the meeting on 15 February 2016, some members considered that sufficient protection measures should be taken against abuse of the personal data (including names, identity document numbers and addresses) contained in public registers maintained by Government bureaux and departments. Noting that the Office of PCPD had published a report on the "Survey of Public Registers Maintained by Government and Public Bodies" ("the Survey Report") in July 2015, some members requested the Administration to give an account of the follow-up actions taken in response to the findings and recommendations of the Survey Report. The Administration provided an information paper (LC Paper No. CB(2)981/16-17(05)) in July 2016 on its follow-up actions taken.
23. At the meeting on 20 March 2017, members further requested the Administration to provide information on the protection of personal data in the records of the Land Registry ("LR"). The Administration advised that, to enhance the awareness of users of LR's search services about the proper use of its records and compliance with PDPO, LR had put in place a number of administrative measures including requiring users to indicate their agreement to accept the "Terms and Conditions" of using the services, which included a restriction that the information obtained from the searches should not be used for any activities in violation of any provisions of PDPO. At the Panel's request, the Administration provided supplementary information on the protection of personal data in the records of LR (Appendix II).

Recent developments

24. PCPD will brief the Panel on an update of the work of his Office at the next meeting on 14 February 2018.

Relevant papers

25. A list of the relevant papers on the LegCo website is in Appendix III.

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12 February 2018
then the Chief Executive may, by notice in writing, appoint a person to act as the Commissioner until, as the case requires—

(i) a new Commissioner is appointed under section 5(3); or

(ii) the Commissioner resumes his office.

(2) A person appointed under subsection (1) to act as the Commissioner, whilst he is so appointed—

(a) shall perform the functions; and

(b) may exercise the powers,
of the Commissioner under this Ordinance.

(3) Section 6 shall apply to a person appointed under subsection (1) to act as the Commissioner as if that person were the Commissioner.

8. Functions and powers of Commissioner

(1) The Commissioner shall—

(a) monitor and supervise compliance with the provisions of this Ordinance;

(b) promote and assist bodies representing data users to prepare, for the purposes of section 12, codes of practice for guidance in complying with the provisions of this Ordinance, in particular the data protection principles;

(c) promote awareness and understanding of, and compliance with, the provisions of this Ordinance, in particular the data protection principles;

(d) examine any proposed legislation (including subsidiary legislation) that the Commissioner considers may affect the privacy of individuals in relation to personal data and report the results of the examination to the person proposing the legislation;

(e) carry out inspections, including inspections of any personal data systems used by data users which are departments of the Government or statutory corporations;

(f) for the better performance of his other functions, undertake research into, and monitor developments in, the processing of data and computer technology in order to take account of any likely adverse effects such developments may have on the privacy of individuals in relation to personal data;

(g) liaise and co-operate with any person in any place outside Hong Kong—

(i) performing in that place any functions which, in the opinion of the Commissioner, are similar (whether in whole or in part) to any of the Commissioner’s functions under this Ordinance; and

(ii) otherwise assisting such person in the performance of his functions under section 5(3).
(ii) in respect of matters of mutual interest concerning the privacy of individuals in relation to personal data; and

(h) perform such other functions as are imposed on him under this Ordinance or any other enactment.

(2) The Commissioner may do all such things as are necessary for, or incidental or conducive to, the better performance of his functions and, in particular, but without prejudice to the generality of the foregoing, may—

(a) acquire and hold property of any description if in the opinion of the Commissioner such property is necessary for—

(i) the accommodation of the Commissioner or of any prescribed officer; or

(ii) the performance of any function which the Commissioner may perform,

and, subject to the terms and conditions upon which such property is held, dispose of it;

(b) enter into, carry out, assign or accept the assignment of, vary or rescind, any contract, agreement or other obligation;

(c) undertake and execute any lawful trust which has as an object the furtherance of any function which the Commissioner is required or is permitted by this Ordinance to perform or any other similar object;

(d) accept gifts and donations, whether subject to any trust or not;

(e) with the prior approval of the Chief Executive, become a member of or affiliate to any international body concerned with (whether in whole or in part) the privacy of individuals in relation to personal data; 

(f) exercise such other powers as are conferred on him under this Ordinance or any other enactment.

(3) The Commissioner may make and execute any document in the performance of his functions or the exercise of his powers or in connection with any matter reasonably incidental to or consequential upon the performance of his functions or the exercise of his powers.

(4) Any document purporting to be executed under the seal of the Commissioner shall be admitted in evidence and shall, in the absence of evidence to the contrary, be deemed to have been duly executed.

(5) The Commissioner may from time to time cause to be prepared and published by notice in the Gazette, for the guidance of data users, guidelines not inconsistent with this Ordinance, indicating the manner in which he proposes to perform any of his functions, or exercise any of his powers, under this Ordinance.
Ms Joanne Mak  
Clerk to Panel on Constitutional Affairs  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong  

10 May 2017  

Dear Ms Mak,  

Follow-up actions arising from the meeting of the Panel on Constitutional Affairs on 20 March 2017  

Under agenda item V of the meeting of the Panel on Constitutional Affairs on 20 March, Hon Alice MAK requested the Government to provide information on the protection of personal data in records of the Land Registry ("LR"). Hon CHAN Chi-chuen requested information on our work in relation to section 33 of the Personal Data (Privacy) Ordinance ("PDPO"). Whereas section 33 of the PDPO will be the subject of the Panel’s agenda item IV on 15 May, the ensuing paragraphs provide the requested information relating to the LR.  

2. The LR is a public office responsible for registration of instruments affecting land and provision of land records for public search in accordance with the Land Registration Ordinance ("LRO") and the Land Registrations Regulations ("LRR"). The purposes of keeping the Land Register and providing land records for public search are to prevent secret and fraudulent
conveyances, and to provide means whereby the title to real and immovable property may be easily traced and ascertained. According to the LRR, the Land Registrar shall upon request and payment of the prescribed search fees, make available records of the LR to any person.

3. Personal data contained in records of the LR are subject to the provisions of the PDPO. Under the PDPO, without voluntary and express consent by the data subject, personal data must only be used for the purpose for which the data is collected or for a directly related purpose. In case of contravention, the Office of the Privacy Commissioner for Personal Data ("PCPD") is empowered under the PDPO to serve enforcement notices directing the data user to remedy and prevent any recurrence of the contravention. A data user who contravenes an enforcement notice served on them commits an offence and is liable to fine and imprisonment under the PDPO. Besides, disclosure of personal data without the consent of data subject to obtain gain or to cause loss is an offence punishable by 5 years’ imprisonment and a fine of HK$1,000,000. A data user who uses personal data in direct marketing without the consent of data subject commits an offence and is liable to imprisonment of 3 years and a fine of HK$500,000.

4. To enhance the awareness of users of the LR’s search services about the proper use of its records and compliance with the PDPO, the LR has put in place a number of administrative measures over the years, including requiring users of online services and self-service terminals to first indicate their agreement to accept the “Terms and Conditions” of using the services, which include a restriction that the information obtained from the searches shall not be used for any activities in violation of any provisions of the PDPO. The LR has also reminded searchers through different channels, including putting up notices at the LR offices and adding a statement in the land record documents that the use of information provided in the land records is subject to the provisions of the PDPO.

5. To further enhance the protection of personal data in its records, the LR has extended the measure applicable to on-line users and users at the self-service terminals to users of counter services with effect from 29 August 2016, so that all users will be required to acknowledge the
purposes for establishing the land registers and the land records, the restrictions of use and the consequences of any abusive use of data before their search requests are accepted. The LR will continue to explore with the PCPD possible ways to enhance the protection of personal data in the records of the LR. When there is a need to amend the LRO and the LRR in future, LR will also consider whether a more specific formulation of the purposes of keeping the Land Register can be adopted, the declaration of the purposes of the search required to be made by searchers and the imposition of liability for abuse of personal data on the Land Register.

6. There has been public concern that some financial intermediaries for money lending have been using deceptive tactics to induce prospective borrowers to engage them for arranging loans and charging very high fees in the process. The Government implemented a four-pronged approach in 2016 to tackle the problem, viz. enhanced enforcement, enhanced public education and publicity, enhanced advisory services to the public, and more stringent conditions on all money lender licences. In particular, one of the additional licensing conditions requires that all money lenders must take appropriate safeguard measures before obtaining or collecting any personal data of borrowers from another party or using such personal data for the purposes of their money lending businesses. The key features of the measures have been set out in detail in the relevant Legislative Council paper (LC Paper No. CB(1)736/15-16(03) and LC Paper No. CB(1)221/16-17(01) refer) prepared by the Financial Services and the Treasury Bureau.

Yours sincerely,

(Britney Choi)

for Secretary for Constitutional and Mainland Affairs
### Appendix III

#### Relevant documents on the Work of the Office of the Privacy Commissioner for Personal Data

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