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Panel on Security

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 5 December 2017**

New smart Hong Kong identity card

Purpose

This paper provides background information and summarizes past discussions of the Panel on Security ("the Panel") relating to the new smart Hong Kong identity ("ID") card.

Background

Introduction of the smart ID card

2. The existing smart ID card was introduced in June 2003 to replace the old computerized paper form ID card, the design and supporting computer system of which had become aged and outdated after a decade of use. According to the Administration, the smart ID card employed state-of-the-art technologies to make it more secure and fraud-resistant. To combat forgery, the smart ID card has incorporated a number of sophisticated security features, including optical variable ink, multiple laser image, kineprint with colour-changing images when viewed at different angles and high-quality laser engraved photograph on the polycarbonate card body. The relevant funding proposal was approved by the Finance Committee ("FC") at its meeting on 9 March 2001.

Legislative framework for the introduction of a smart ID card and the ID card replacement exercise

3. To provide for the introduction of the smart ID card, the Administration introduced the Registration of Persons (Amendment) Bill 2001 ("the Bill") into the Legislative Council ("LegCo") in December 2001. When the Bill was considered by the relevant Bills Committee, members expressed concern about the inclusion of personal data beyond the purposes of the Registration of Persons Ordinance (Cap. 177) ("ROPO") in the smart ID card. Having

considered members' concern, the Administration moved Committee stage amendments ("CSAs") to the Bill to expressly provide that the inclusion of non-registration of persons data in the smart ID card required the consent of the cardholder and to provide for the removal of such data stored in the smart ID card if so requested by the cardholder concerned. The Bill as amended by these CSAs was passed in March 2003.

4. A territory-wide exercise for replacement of ID cards with smart ID cards commenced in August 2003 and was completed in March 2007. According to the Administration, the Immigration Department ("ImmD") had issued more than 11 million smart ID cards between June 2003 and December 2013. During the period, there were about 55 000 cases involving card replacement, representing approximately 0.49% of the total number of cards issued.

New smart Hong Kong ID card

5. In January 2015, the Panel was briefed on the Administration's proposal to implement the Next Generation Smart ID System and to introduce the next generation smart ID card through a one-off territory-wide ID card replacement exercise from 2018 to 2022. Members were advised that the Smart ID Card System was designed for optimal use for about 10 years. Being developed in the early 2000s, its hardware and software were becoming obsolete. It was becoming increasingly difficult to secure system maintenance and technical support due to limited and dwindling market supply of the outdated technologies. The core software packages supporting the Smart ID Card System had become obsolete and ultimate support from the manufacturers had ceased. The funding proposal was subsequently approved by FC at its meeting on 15 May 2015.

Deliberations of the Panel

6. The Panel had discussed issues relating to the new smart Hong Kong ID card at a number of meetings and the major deliberations are summarized in the following paragraphs.

Whether there was a need for replacement of smart ID cards

7. Some members expressed concern about the need to replace the smart ID cards seven years after completion of the last card replacement exercise in 2007. According to the Administration, the serviceable life span of the existing smart ID cards had been guaranteed by the manufacturer for 10 years under normal usage. While the Administration had secured extension of the existing system maintenance agreements to the end of 2018, the first batch of smart ID cards

issued in 2003 would by then have been in use for about 15 years. Since its first issuance in 2003, there had been over 64 000 cases of malfunction of the chips in existing smart ID cards till end 2014. Members' attention was drawn to the possibility of increasing massive card failure following the ageing of existing smart ID cards. The Administration stressed that it would be irresponsible to continue using the existing smart ID cards and related system far beyond their serviceable lifespan, as a massive breakdown and malfunction of existing smart ID cards might result in confusion in immigration clearance and pose threat to the security of Hong Kong.

Protection of privacy of ID cardholders

8. Members expressed concern about whether there would be adequate protection of information stored inside a new smart ID card and examined in detail the proposed new chip interface. Some members also expressed concern about whether the use of Radio Frequency Identification ("RFID") technology would enable the reading of information stored inside smart cards within a certain distance without being noticed by the cardholders. The Administration explained that the proposed new smart ID cards would adopt a bi-level encryption mechanism. To read information stored inside a smart ID card, an authorized optical card reader would first be needed for reading a "key text string" from the smart ID card face. Only after the authentication was successful, encrypted communication would be established between the smart ID card and the card reader.

9. Members were reassured that the question of information stored in a new smart ID card being read from a distance with RFID technology would not arise. On members' concern about privacy protection, the Administration advised that ImmD would commission qualified independent consultants to conduct Privacy Impact Assessment ("PIA") during each critical stage, including the feasibility study stage, system analysis and design stage, the pre-implementation stage and post-implementation stage. The Administration had provided a copy of the PIA report on the feasibility study stage to the Privacy Commissioner for Personal Data and no adverse comments had been received.

Scope of information stored in the chip of a smart ID card

10. Some members enquired about the scope of information stored in the chip of a smart ID card. Concern was also raised about the possibility of storage of information other than that set out in ROPO in the chip of a smart ID card. According to the Administration, information stored in the chip of an existing smart ID card was provided for in ROPO. Information such as name, Chinese Commercial Code of the Chinese name, sex, photograph, fingerprint templates, right of abode status as well as the condition of stay, if any, in the case of a

non-permanent resident, was stored on the smart ID card. The storage of information other than that provided in ROPO would require the consent of the cardholder concerned. In this connection, the Office of the Government Chief Information Officer was conducting a separate technical study to review other possible uses of smart ID cards.

Arrangements for ID card replacement

11. Noting that the coming card replacement exercise involved the replacement of 8.8 million ID cards, some members expressed concern about the adequacy of the number of card replacement centres for the card replacement exercise. The Administration advised that the proposed nine card replacement centres had been drawn up having regard to experience gained in the last card replacement exercise as well as the geographical distribution of population in Hong Kong. Notably, experience indicated that the public were more concerned about the availability of public transport to card replacement centres than the number of centres.

12. Regarding members' suggestion of allowing a cardholder to take more photographs to enable the choosing of the best one for use in the new ID card, the Administration responded that it was the practice of ImmD to allow applicants for ID cards to choose the photograph to their satisfaction from those taken. The Administration would also consider members' suggestion to take more photographs in the coming card replacement exercise.

13. Some members were concerned about the improvements in the process and time involved in the coming card replacement exercise in comparison with the previous one. According to the Administration, the improvement initiatives in the coming replacement exercise included online form filling, automatic record checking for application assessment and self-service collection kiosks with e-cabinet, which would enhance operational efficiency and shorten the processing time. The Administration further advised that a contingency plan for the replacement exercise would be drawn up to deal with any undesirable situation.

Recent development

14. The Administration will brief the Panel on the new smart Hong Kong ID card design and the territory-wide card replacement exercise at the meeting on 5 December 2017.

Relevant papers

15. A list of the relevant papers on the LegCo website is in the **Appendix**.

Council Business Division 2
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Relevant papers on smart identity card

Committee	Date of meeting	Paper
Panel on Security	3.3.2000 (Item I)	Agenda Minutes
Panel on Security	1.6.2000 (Item IV)	Agenda Minutes
Panel on Security	24.10.2000 (Item II)	Agenda Minutes
Panel on Security	11.11.2000 (Item I)	Agenda Minutes
Legislative Council	6.12.2000	Motion on "Smart identity Card
Panel on Security	18.1.2001 (Item IV)	Agenda Minutes
Panel on Security	6.2.2001 (Item IV)	Agenda Minutes
Panel on Security	14.2.2001 (Item I)	Agenda Minutes
Panel on Security	7.11.2001 (Item II)	Agenda Minutes
Panel on Information Technology and Broadcasting and Panel on Security (Joint meeting)	20.12.2001 (Item II)	Agenda Minutes
Panel on Security	9.4.2002 (Item III)	Agenda Minutes
Panel on Security	10.7.2002 (Item IV)	Agenda Minutes

Committee	Date of meeting	Paper
Legislative Council	2.6.2004	Official Record of Proceedings (Question 7)
Legislative Council	2.3.2005	Official Record of Proceedings (Question 6)
Legislative Council	16.1.2008	Official Record of Proceedings (Question 18)
Legislative Council	23.1.2008	Official Record of Proceedings (Question 7)
Legislative Council	15.5.2013	Official Record of Proceedings (Question 10)
Legislative Council	26.2.2014	Official Record of Proceedings (Question 9)
Bills Committee on the Registration of Persons (Amendment) Bill 2001	---	Report
Panel on Security	6.1.2015 (Item IV)	Agenda Minutes
Panel on Security	3.2.2015 (Item IV)	Agenda Minutes
Panel on Security	3.3.2015 (Item VI)	Agenda Minutes
Finance Committee	8.5.2015	Agenda Minutes

Committee	Date of meeting	Paper
Finance Committee	15.5.2015	Agenda Minutes
Panel on Security	1.3.2016 (Item IV)	Agenda Minutes

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