

**For discussion on  
15 March 2021**

**Legislative Council  
Panel on Information Technology and Broadcasting  
Real-name Registration Programme for SIM Cards**

**Purpose**

The Commerce and Economic Development Bureau (CEDB) is conducting a public consultation on implementing the Real-name Registration Programme for subscriber identity module (SIM) cards (registration programme). This paper seeks Members' views on the relevant proposals. The background and detailed proposals of the registration programme are set out in the consultation paper (as uploaded onto the website: [https://www.cedb.gov.hk/ccib/en/consultations-and-publications/SIM\\_Eng.pdf](https://www.cedb.gov.hk/ccib/en/consultations-and-publications/SIM_Eng.pdf)).

**Background**

2. Currently, mobile telephone services in Hong Kong are provided by the four Mobile Network Operators (MNOs), around 20 Mobile Virtual Network Operators (MVNOs) and many others operating under Class Licence for Offer of Telecommunications Services (CLOTS). MVNOs and CLOTS licensees procure network capacity/ data volume/ call minutes from MNOs or MVNOs and offer mobile services with different brand names, service features and price level to meet different market needs and business strategies. These telecommunications licensees sell SIM cards in the market through their retailers and distributors (e.g. convenience stores, malls specialising in computer products/equipment and street stalls, etc.).

3. As at August 2020, there are more than 20.9 million of mobile subscribers in Hong Kong, in which around 9.2 million (44%) are committed to SIM service plans (SSPs) and some 11.7 million (56%) use pre-paid SIM (PPS) cards. In general, it has been the established practice of the SSP operators to require users to provide personal particulars (such as name, identity document number and date of birth, etc.) for regular billing and customer service purposes prior to activation of services. Users generally will enter into contractual agreements with telecommunications operators to obtain

telecommunications services and commit to a specified minimum service period. Payment is settled normally on a monthly basis according to the service package subscribed and actual usage. On the other hand, PPS services generally operate on a pay-as-you-go basis, i.e. users can pay to top up talk time, data and other value added services as they wish. PPS users normally do not need to sign any fixed-term contract with the telecommunications operators. The PPS cards can be used immediately upon purchase after following simple set-up procedures. There is no requirement for the operators to register personal particulars of the PPS users for the use of service.

4. PPS services are generally offered at a lower price and are flexible and convenient for use. However, criminals have exploited the anonymous feature of PPS cards in committing serious and organised crimes, such as telephone scams, human smuggling, detonating home-made bombs, drug trafficking, syndicated burglary, technology crime, terrorist activities and immigration-related racketeering, etc.

5. The widespread abuse of anonymous PPS card services undermines people's confidence in the integrity of telecommunications services, jeopardises genuine and legitimate use of telecommunications services and creates obstacles for law enforcement. There is hence an urgent need to plug this loophole by introducing a real-name registration programme for better regulation of use of PPS cards and for facilitating the prevention and detection of crimes.

6. As regards SSPs, although currently the personal information of users are collected and kept by telecommunications operators for the purpose of billing and customer services, the arrangement is purely a commercial practice and the types/records of information collected are entirely up to individual telecommunications operators to serve their own business needs rather than to comply with any regulatory requirements. We see a need to put in place a real-name registration programme covering both PPS and SSP users to strike a balance between prevention and detection of crimes for enhanced enforcement and protection of privacy and freedom of communication.

7. Real-name registration programmes for SIM cards are common in most places in the world, with some 155 jurisdictions having implemented real-name registration requirements for SIM cards including the Mainland, Australia, France, Germany, Italy, Japan, Malaysia, Singapore, South Korea, Macau and Taiwan. Some jurisdictions such as the Mainland, Malaysia, Singapore and Taiwan have also imposed a cap to limit the number of PPS cards which can be registered by each user.

## **Proposed Registration Programme**

8. We propose that a Regulation should be made by the Chief Executive in Council under section 37(1)(a) of the Telecommunications Ordinance (Cap. 106) (TO)<sup>1</sup> to implement the real-name registration programme for SIM cards used for person-to-person communication. The proposals are summarised as follows.

9. Drawing reference to the registration practices of SSPs, we propose that the following information of PPS card users as set out in their identity document should be provided to the telecommunications operators for registration -

- (a) name in Chinese and English (as applicable);
- (b) identity document number (HKID number or serial number of other acceptable identity documents such as travel documents for visitors);
- (c) copy of the identity document; and
- (d) date of birth.

To prevent young persons from being exploited by criminals, registration of an SSP or PPS user below the age of 16 should be endorsed by an “appropriate adult”<sup>2</sup>.

10. A company or corporation can be registered as a PPS user if it can provide similar business registration information (including name of the company, business registration number (normally with a copy for record) and payment information, etc.) and designate a person (and furnish his or her personal particulars same as those requested in paragraph 9 above) as representative or responsible person for the company/corporate user.

11. Drawing reference to the implementation arrangement in other major jurisdictions and to enable PPS card users to meet their genuine needs, we

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<sup>1</sup> The Regulation will be scrutinised in the Legislative Council subject to negative vetting procedure.

<sup>2</sup> As proposed in the consultation document, an “appropriate adult” may include the parent, relative or guardian of the young person or someone who has experience in dealing with the young person having special needs (e.g. a registered social worker). The personal particulars of the appropriate adult should also be registered to prevent exploitation of minors for unscrupulous purposes.

propose that each user (including company/corporate user) can register no more than three PPS cards with each telecommunications operator.

12. The registration programme only regulates SIM cards issued by local telecommunications operators for use in Hong Kong and for person-to-person communication. Tourists who opt for SIM cards issued in Hong Kong are also required to register in accordance with the Regulation. The registration programme does not regulate SIM cards used for machine-type connections (e.g. for development of Internet of Things services). The registration programme will therefore not impede the development of innovation and information technologies. The Communications Authority (CA) will promulgate guidelines to provide guidance for telecommunications operators on implementation details of the registration programme (e.g. the requirements on registration, collection and storage of information, the methods for operators to verify users' identity information, etc.) to facilitate their compliance with the registration requirements.

#### Phased Implementation

13. Under the registration programme, telecommunications operators will be required to adjust their work flow and internal business processes. We will also request telecommunications operators to provide for remote registration by users through multiple means including online platforms and mobile apps. They will also need some time to upgrade their systems or database infrastructure. We will implement the real-name registration programme in phases as follows –

- (a) First phase: telecommunications operators to set up the registration system with a database ready within the first 120 days after the date of commencement of the Regulation. On the 121<sup>st</sup> day, i.e. the Registration Day, all new PPS cards that are available for sale on the market as well as new SSPs effective from this day will need to comply with the registration requirement before service activation;
- (b) Second phase: all existing PPS cards sold by telecommunications operators before the Registration Day will need to comply with the registration requirement before the end of a 360-day period after the date of commencement of the Regulation.

A summary of the proposals under the real-name registration programme and a flow chart illustrating the key procedures are at **Annex**.

14. To keep the impact on existing SSP users and telecommunications operators minimal and considering that operators should have already collected and stored the personal particulars of their SSP users, we do not intend to mandate telecommunications operators to re-register their customers all over again or to contact them for updating their database of personal particulars. That said, licensees are required to ensure that information of their SSP customers comply with the registration requirements under the Regulation.

15. We understand that some users (especially the elderly and some needy groups) might have difficulties in the registration of SIM cards. We will collaborate with the telecommunications operators as well as relevant non-governmental organisations to assist them to register in order to comply with the real-name registration requirements.

#### Responsibility of Telecommunications Operator

16. Under the proposed registration programme, the three different types of telecommunications operators set out in paragraph 2 above are subject to the same set of requirements. All the information registered by users under the registration programme are collected and safe kept by respective telecommunications operators through installing relevant systems and database. They should check, clarify and verify the information provided by users where appropriate, or to deregister the concerned SIM cards if there is reasonable ground to believe that the information provided is false, misleading or incomplete. To ensure that perpetrators having committed crimes would not become untraceable even if they deactivate and destroy the concerned SIM cards immediately afterwards, telecommunications operators will be required to maintain registration records of their users for at least 12 months after the SIM cards are deregistered. All telecommunications operators will be required to designate a contact person who will be responsible for communication with the regulatory authorities and provide information as requested by Law Enforcement Agencies (LEAs) under the Regulation. The personal particulars so registered will be stored in a format stipulated in the guidelines promulgated by the CA and should be in compliance with the relevant requirements including the Data Protection Principles under the Personal Data (Privacy) Ordinance (Cap. 486).

17. The regulatory requirements under the real-name registration programme will only apply to telecommunications operators offering SIM services. Retailers and distributors whose business involves only the sale and distribution of SIM cards issued by these telecommunications operators are not subject to the regulation of the proposed programme. Users of PPS cards

are only required to register their personal particulars with the telecommunications operators through online platforms, mobile apps or other means when they activate their SIM cards. Hence, the registration programme will not affect retailers selling SIM cards.

18. In addition, under the existing regulatory framework for CLOTS, only licensees with a customer base of 10 000 subscriptions or more are required to register their information with the CA. For more effective enforcement of the registration programme and other regulatory purposes, we would invite the CA to consider revising the relevant licensing guidelines before implementation of the registration requirements to request all CLOTS licensees offering SIM services to register with the CA.

### Provision of Information to LEAs

19. In line with the existing mechanism, LEAs can request telecommunications operators to provide registration records (i.e. records of the particulars referred to in paragraphs 9 and 10 above) pursuant to a warrant issued by a magistrate. Considering the nature of certain crimes (e.g. detonating home-made bombs, kidnapping, drug trafficking and smuggling, etc.) that necessitates swift enforcement actions to be taken, relevant LEAs could, with the authorisation of an officer not below the equivalent rank of Superintendent, request telecommunications operators to urgently provide SIM card registration records in urgent or emergency situations<sup>3</sup>. Such arrangements are similar to those under existing legislation. We must emphasise that the Regulation only empowers LEAs to obtain users' registration information in necessary circumstances. Such information will not include relevant call logs or content and browsing histories, etc.

### Sanctions

20. We have not proposed to create any new criminal offences to complement the enforcement of the proposed real-name registration programme. The current penalty or sanctions framework applicable to non-

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<sup>3</sup> Such exceptional circumstances refer to those situations where there is reasonable ground for suspecting that a serious offence (i.e. an offence punishable by a maximum penalty that is or includes a fine of not less than \$1,000,000 or a term of imprisonment of not less than 3 years) has been, is being, or is about to be committed that it is necessary to obtain a SIM card registration record kept by a telecommunications operator for investigation or prevention of the offence, and any delay caused by an application for a warrant may result in loss or destruction of evidence, or for any reason it is not reasonably practicable to make the application.

compliance and breaches by telecommunications operators under the TO would be applicable to those for the proposed real-name registration programme and hence no need for new penalty provisions. As regards general users, those who fail to complete the registration as required by the Regulation will not be able to use the concerned SIM cards, and may result in suspension or deactivation of the concerned SIM cards. Any abuse or crimes relating to the use of SIM cards may be punishable by relevant existing legislation in Hong Kong depending on the nature of the offences.

## **Public Consultation**

21. The public consultation on Real-name Registration Programme for SIM Cards will be conducted from 30 January to 20 March 2021<sup>4</sup>. Since commencement of the public consultation, we have conducted over 20 meetings and discussion sessions with various stakeholders, including major political parties, telecommunications operators offering SIM services (including the four MNOs and various MVNOs and CLOTS licensees), telecommunications industry groups, a number of innovation and technology groups, relevant statutory bodies and other stakeholders from the retail and service sectors, so as to listen to their views on the registration programme. Stakeholders in general are supportive and recognise the need for the Government to implement the registration programme, and consider this would facilitate law enforcement and enhance people's confidence in the integrity of the telecommunications system.

22. We note from the meetings with various stakeholders that they have concerns and views over specific proposals of the programme, such as the need to relax the proposed cap on PPS cards in particular that for company/corporate users which should be allowed to register more PPS cards. In addition, a number of operators asked that the Government should extend the grace periods of implementing the registration programme so as to allow them to have more time to establish a reliable/credible registration system to ensure a smooth implementation of the registration procedures and safe custody of users' information. In addition, the telecommunications sector expects that the guidelines promulgated by the CA on the registration programme will cover more specific requirements and details regarding the operation of the registration programme, such as the specific requirements on

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<sup>4</sup> The public consultation was scheduled to end on 28 February 2021. CEDB subsequently announced to extend the consultation period to 20 March to allow more time for the relevant industry and members of the public to study and discuss the proposal, and submit their views to the Government.

verifying users' information during the registration procedure, the definition applicable to SIM cards for person-to-person communication (i.e. excluding SIM cards used for machine-type connections), operational details of the registration system and database, etc., so as to facilitate the telecommunications sector to establish relevant systems for compliance with the Regulation requirement.

23. We appreciate the concerns and views of the telecommunications sector and various stakeholders. We will carefully study and consider, where necessary, how to suitably refine the implementation arrangement of the registration programme. We will continue to liaise with various stakeholders to ensure that the registration programme can be smoothly implemented.

### **Way Forward**

24. The public consultation will end on 20 March 2021. We plan to complete the Regulation for implementing the real-name registration programme within this legislative term. The relevant timeframe is as follows.

|   |                                 |
|---|---------------------------------|
| Publication of the Regulation in Gazette and Tabling at the Legislative Council                       | 2 <sup>nd</sup> quarter of 2021 |
| Commencement of the Regulation and First Phase of Registration Programme                              | 3 <sup>rd</sup> quarter of 2021 |
| Commencement of Second Phase of Registration Programme<br>(registration of new SIM card users starts) | 4 <sup>th</sup> quarter of 2021 |
| End of Second Phase<br>(unregistered PPS cards will be deactivated after the end of second phase)     | 3 <sup>rd</sup> quarter of 2022 |

25. Members are invited to note the content of this paper and give their views.

**Commerce and Economic Development Bureau  
Security Bureau  
March 2021**



## **A. A Summary of the Proposed Registration Programme**

### ***Registration of Personal Particulars***

1. SIM card users should provide the following information as set out in their identity document for registration –
  - name in Chinese and English (as applicable);
  - identity document number (HKID number or serial number of other acceptable identity documents such as travel documents for visitors);
  - copy of identity document; and
  - date of birth.

A company or corporation can be registered as a PPS user if it can provide business registration information and designate a person (with provision of his or her personal particulars as listed above) as representative or responsible person for the company/corporate user.

2. Each user (including company/corporate user) can register no more than three PPS cards with each telecommunications operator.
3. Registration of an SSP or PPS user below the age of 16 (young person) should be endorsed by an “appropriate adult” who may be the parent, relative or guardian of the young person or someone who has experience in dealing with the young person having special needs (e.g. a registered social worker).

### ***Responsibility of Telecommunications Operator***

4. Telecommunications operators should check, clarify and verify the information provided by users, and to deregister the concerned SIM cards if there is reasonable ground to believe that the information provided is false, misleading or incomplete.
5. The personal information of the registered SIM card users should be kept and stored by respective telecommunications operators (including MNOs, MVNOs and CLOTS operators) offering the relevant SIM services for at least 12 months after the SIM cards are deregistered.

### ***Phased Implementation***

6. The real-name registration programme will be implemented in two phases. In the first phase, telecommunications operators should put in place a registration system with a database ready within the 120 days after the date of commencement of the Regulation. On the 121<sup>st</sup> day, i.e. the Registration Day, all new PPS cards that are available for sale on the market as well as new SSPs effective from this day will need to comply with the real-name registration requirements before service activation.

The second phase will allow 360 days after the date of commencement of the Regulation for users of existing PPS cards sold by licensees before the Registration Day to register their PPS cards in use (i.e. the Registration Deadline for PPS cards). Cards that have not completed real-name registration can no longer be used on the 361<sup>st</sup> day after the date of commencement of the Regulation.

7. Telecommunications operators should not be required to re-register their existing SSP customers but should be required to ensure that information of their SSP customers complies with the registration requirements under the Regulation.

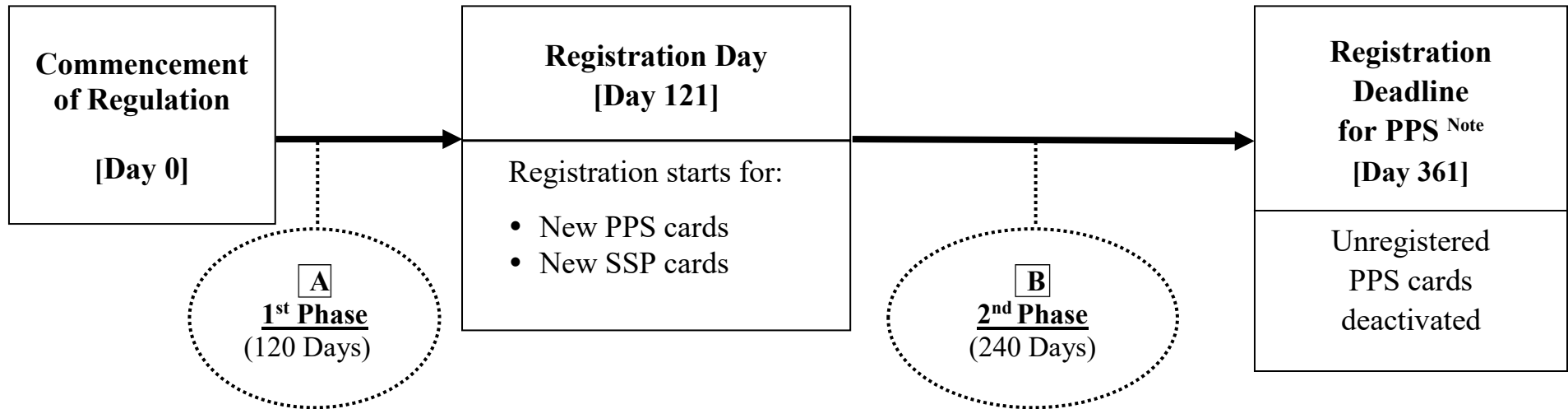
### ***Provision of Information to LEAs***

8. LEAs can request telecommunications operators to provide SIM cards registration records pursuant to a warrant issued by a magistrate or without warrant in certain urgent or emergency situations.

### ***Sanctions***

9. The existing sanctions (including financial penalties imposed by the CA on telecommunications operators) should be applied to all telecommunications operators in enforcing the real-name registration programme.

## B. Workflow of the Registration Programme



**A**: Telecommunications operators to set up registration system during the 120 days under 1<sup>st</sup> Phase

**B**: PPS cards sold by telecommunications operators before Registration Day to complete registration with telecommunications operators during the 240 days under 2<sup>nd</sup> Phase

**Note**: Telecommunications operators are required to ensure that information of their SSP customers complies with the registration requirements under the Regulation.