

# **Technological Ubiquity: Consumer Privacy Protection**

## **The Hong Kong Experience**

Tony LAM

Acting Privacy Commissioner for Personal Data  
Office of the Privacy Commissioner for Personal Data  
Hong Kong SAR

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# Privacy

“It is not a culture-bound value only relevant to advanced Western democracies. Whilst the exact content and priorities for privacy protection will differ from one country to another and will vary as between different cultures, the core value is the same. It inheres in the dignity of each individual human being”



*The Hon Justice Michael Kirby*  
*High Court of Australia*

# Privacy: The Early Days

- ❑ Not an issue of social significance among most citizens
- ❑ Not high on the government's agenda as more pressing issues such as housing, education and health care
- ❑ Often been portrayed as anti-business, restricting legitimate business activities
- ❑ A defensive view that compliance with privacy law makes business less efficient

# Privacy: Technology Impact

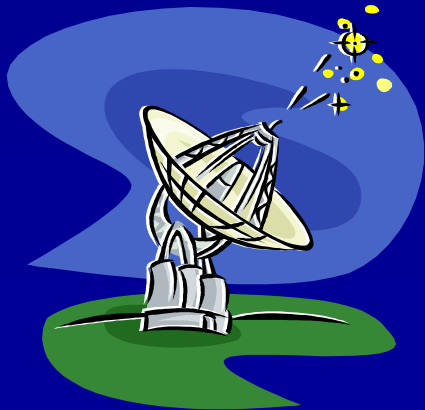
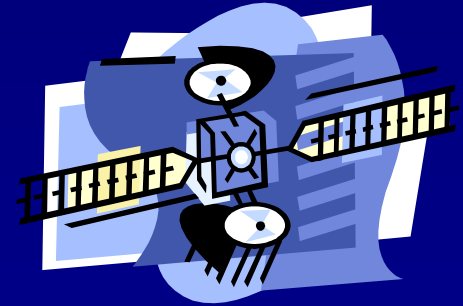
- ❑ Rise of the Information Age and Knowledge Economy
- ❑ The Internet technology enabled E-business



*“Technology makes it all easy to collect, store and disseminate personal information. The most serious concern is in terms of the capacity of data users to transfer vast quantities of personal data across international borders”*

# Privacy: Technology Impact

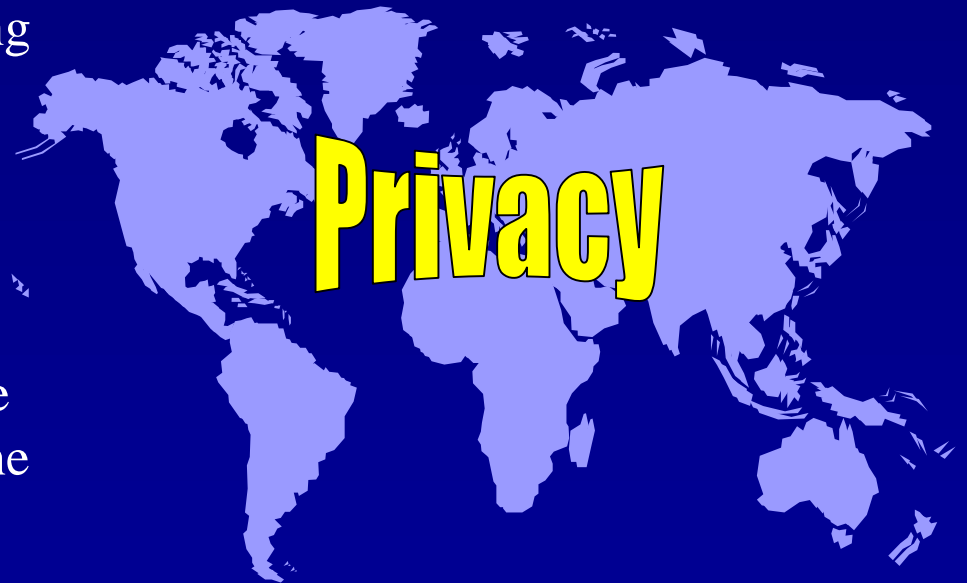
- ❑ Emergence of location-based technology + wireless communications
- ❑ A new wireless environment for location based services & M-business



*“Location data, when used in conjunction with other information of a person, may ascertain the identity of the person and allow his where-about to be tracked, anytime and anywhere”*

# Privacy: An International Issue

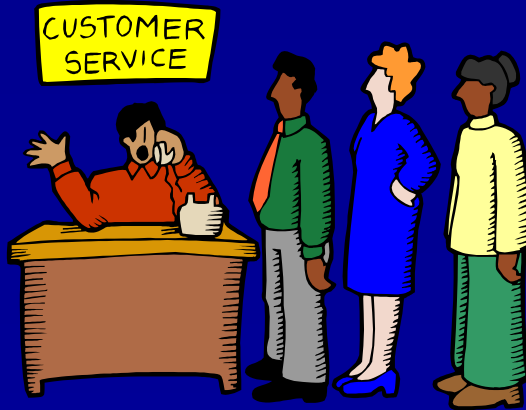
- Technological developments
  - Convergence of computing and communications technology
- Economic developments
  - Globalization of trade, the vision of “One World, One Market”



*“Privacy gathers universal significance because of the dynamic forces of global technology: the Internet, global e-commerce and the Human Genome Project”*

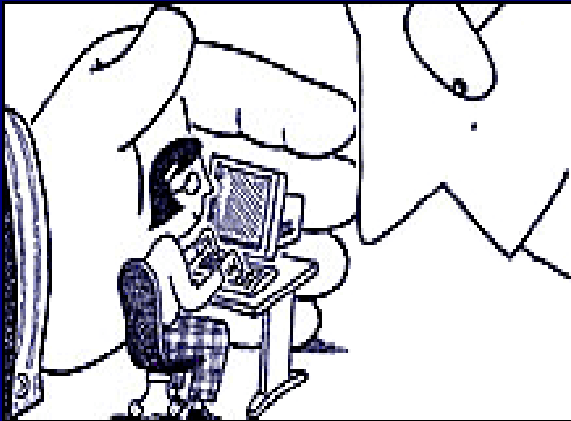
# Today's Business

- ❑ Global, competitive and customer-driven
- ❑ Demands complete, accurate, timely and relevant information to make informed business decisions
- ❑ Customers are becoming more concerned, more informed, and more demanding



*“Customers are concerned about their ability to exercise control over the use of their personal data”*

# Privacy: Consumer Concerns



## ■ Security threats

- Insecure transmission of sensitive data
- Unauthorized access, modification of information

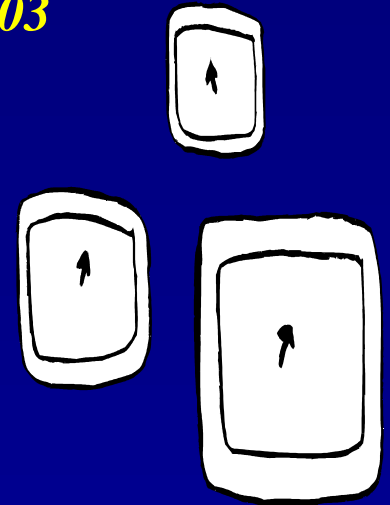
## ■ Privacy intrusion

- Unlawful & unfair collection of personal data
- Disclosure of data for fraudulent purposes
- Misuse of data for unintended purposes without consent
- Loss of anonymity, online movement tracking

# Privacy : A Consumer issue

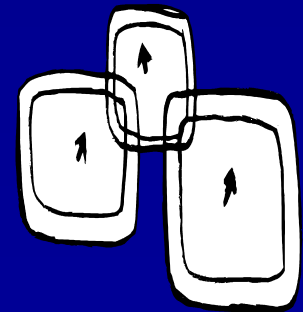
*Source : IT Practice Group of Stevenson, Wong & Co., 2003*

“83% of general Internet users feel that limited personal data protection restrains Hong Kong’s E-business development. 86% of survey respondents felt that E-privacy, or security problems, would dissuade them from making payments online”



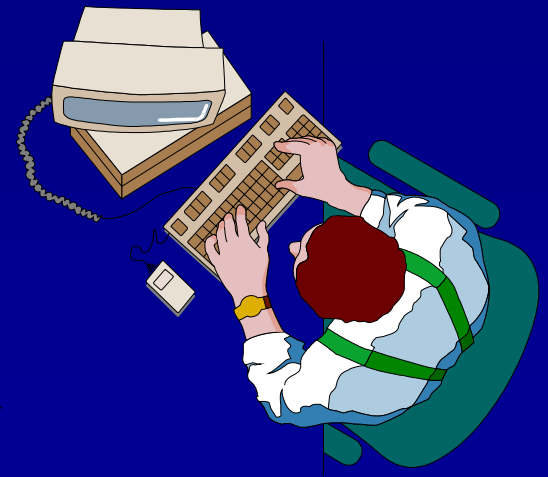
*Source : PCO Opinion Survey, 2004*

“The highest privacy concern about purchasing online was “misuse of personal data by third parties” (62%), followed by “money loss due to interception of credit card information” (55%)”



# E-Privacy in the New Economy

- ❑ The right of individuals to control the flow of information about themselves
- ❑ The right to fair and reasonable information practices that
  - respect individual autonomy; and
  - protect the personal data involved



*“E-Privacy, a new dimension of an individual’s right in the New Economy”*

# E-Privacy : Consumer Protection

**Trust and confidence are  
not yet the hallmarks of  
the new Economy**



*“One essential element for creating the right environment for trust and confidence in e-commerce is consumer protection. Protecting the privacy of consumers’ information is an important element in building consumer confidence.”*

*Source : APEC Voluntary Online Consumer Protection Guidelines*

# E-Privacy : Regulatory Challenges



*“E-Privacy data practices should operate on the principle that what is unlawful offline is unlawful online”*

## Hong Kong Privacy Law

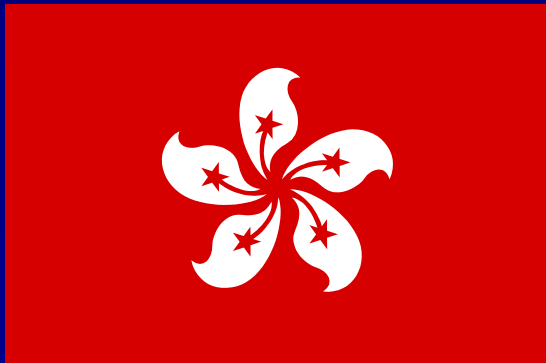
Personal Data (Privacy) Ordinance

## International and National Regulation

EU Directive on Trans-border Data Flow

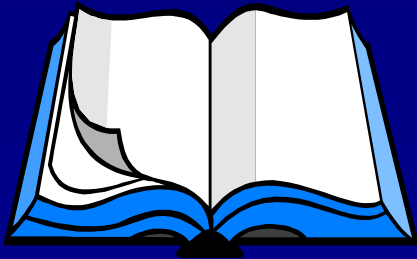
International Conventions and Codes of Practice

# The Hong Kong Privacy Law



- ❑ Protect the privacy interests of living individuals in relation to personal data (information privacy)
- ❑ Contribute to Hong Kong's continued economic well being by safeguarding the free flow of personal data to Hong Kong by countries that already have data protection laws

# The Hong Kong Privacy Law



- ❑ Personal Data (Privacy) Ordinance
  - ❑ Enacted on 3 August 1995
  - ❑ Commenced operation on 20 December 1996
- 
- ❑ Based on internationally accepted data protection principles
  - ❑ Apply to personal data of individuals
  - ❑ Govern private sector and public sector

# Our Belief

“Privacy law can only operate effectively if it is understood and accepted by business and the community”

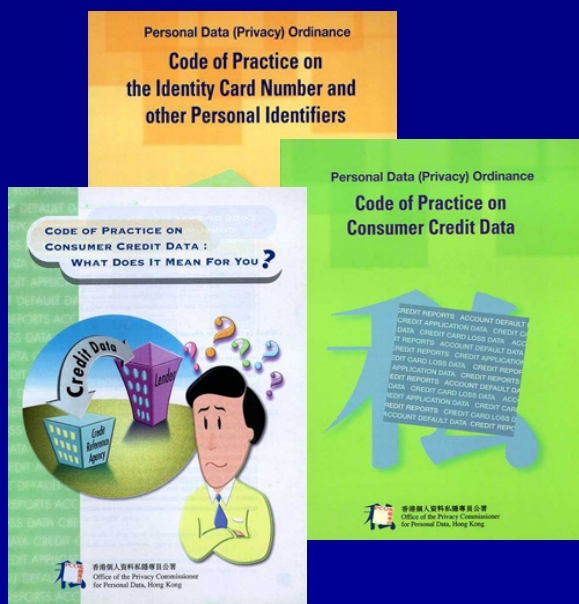


- ❑ A privacy conscious culture
- ❑ A “cultural shift” in our mindset

*“We believe that the PCO is instrumental in developing an environment that makes the cultural shift possible”*

# Our Strategy

“A strategic approach that aims to balance competing interests amongst the community”



- ❑ We very much believe in a consultative approach
- ❑ Co-working arrangements with business, industry and professional bodies
- ❑ Code of Practice, E-Privacy Management Handbook
- ❑ Guidance materials

*“Undertaken with the support and co-operation of the business community”*

# Our Strategy

“We promote privacy compliance by encouraging systemic improvements to business practices”

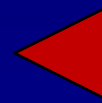
- ❑ A policy to mediate, where practicable, privacy disputes between parties
- ❑ A written undertaking from the party concerned regarding remedial actions to be taken
- ❑ Only in rare cases, do we resort to our statutory power of enforcement



*“Fostered a reciprocal understanding between the PCO and the business sector”*

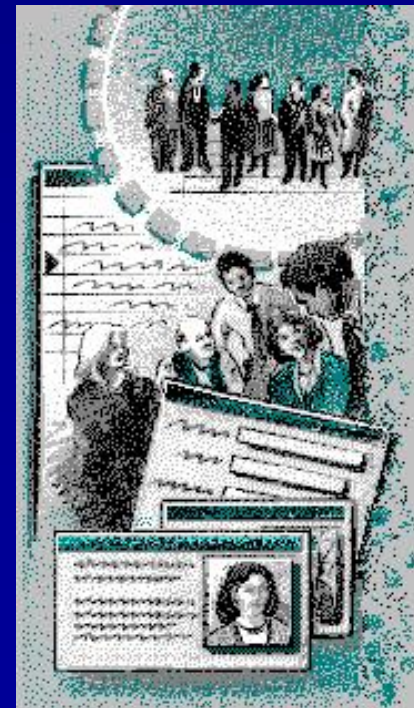
# Policy on E-Privacy Protection

It's a core value of an organization in any business initiative



## E-Privacy

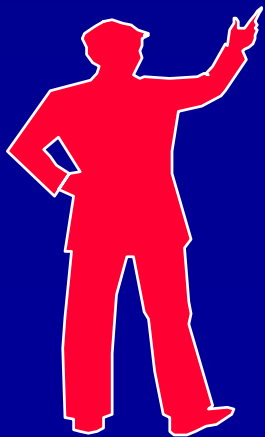
*“It is not whether an organization can afford to adopt good privacy practices, but it is a case of whether it can afford not to do so”*



# E-Privacy: Good Privacy Practices

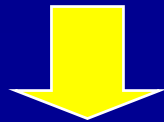
## Business Organizations:

- ❑ Inform customers purposes of data collection & use
- ❑ Make available its personal data privacy policy
- ❑ Provide access/correction of data
- ❑ Implement complaint redress mechanism
- ❑ Adopt privacy enhancing technologies
- ❑ Provide online visitors a choice of anonymity



# E-Privacy: Policy Statement

Privacy policies and accurate public statements outlining such policies are a vital step towards encouraging openness and trust in E-Commerce among consumers

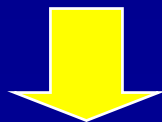


*“They can help consumers to make informed choices about entrusting an organization with personal data and doing business with it”*

The image shows a document titled "Personal Data Privacy" with a list of guidelines. The guidelines include: "Avoid the Web facade", "Anonymise the personal data when displaying them on the Internet", "Use encryption when transmitting sensitive personal data", "Make the privacy policy statement easy to access", "State the privacy policy clearly", "Provide a Personal Information Collection (PIC) statement", "Contact adequate but not excessive data relevant to the purpose", and "State whether personal data will be displayed at the time of collection". To the right of the document is a sidebar titled "A Guide to Personal Data Privacy and Consumer Protection on the Internet" featuring an illustration of a laptop and mouse. At the bottom of the document, there are logos for the Privacy Commissioner for Personal Data, Hong Kong, and the Consumer Council.

# E-Privacy: Assurance

**Privacy Impact Analysis (PIA) –  
An evaluative process for  
assessing privacy risks  
associated with project or public  
policy initiatives that involve the  
processing of personal data**



*“PIA is often described as an “early warning system”.  
It generates and communicates confidence to the public  
that privacy objectives have been met.”*

# Privacy Impact Assessment

## Examples

- ❑ Introduction of the “Caller Number Display” feature of telecommunication service
- ❑ Feasibility of “Electronic Road Pricing” proposal
- ❑ Introduction of “Smart card” based identity card with multiple applications
- ❑ Implementation of “Online banking” service of financial institutions

# E-Privacy : The Pay-off

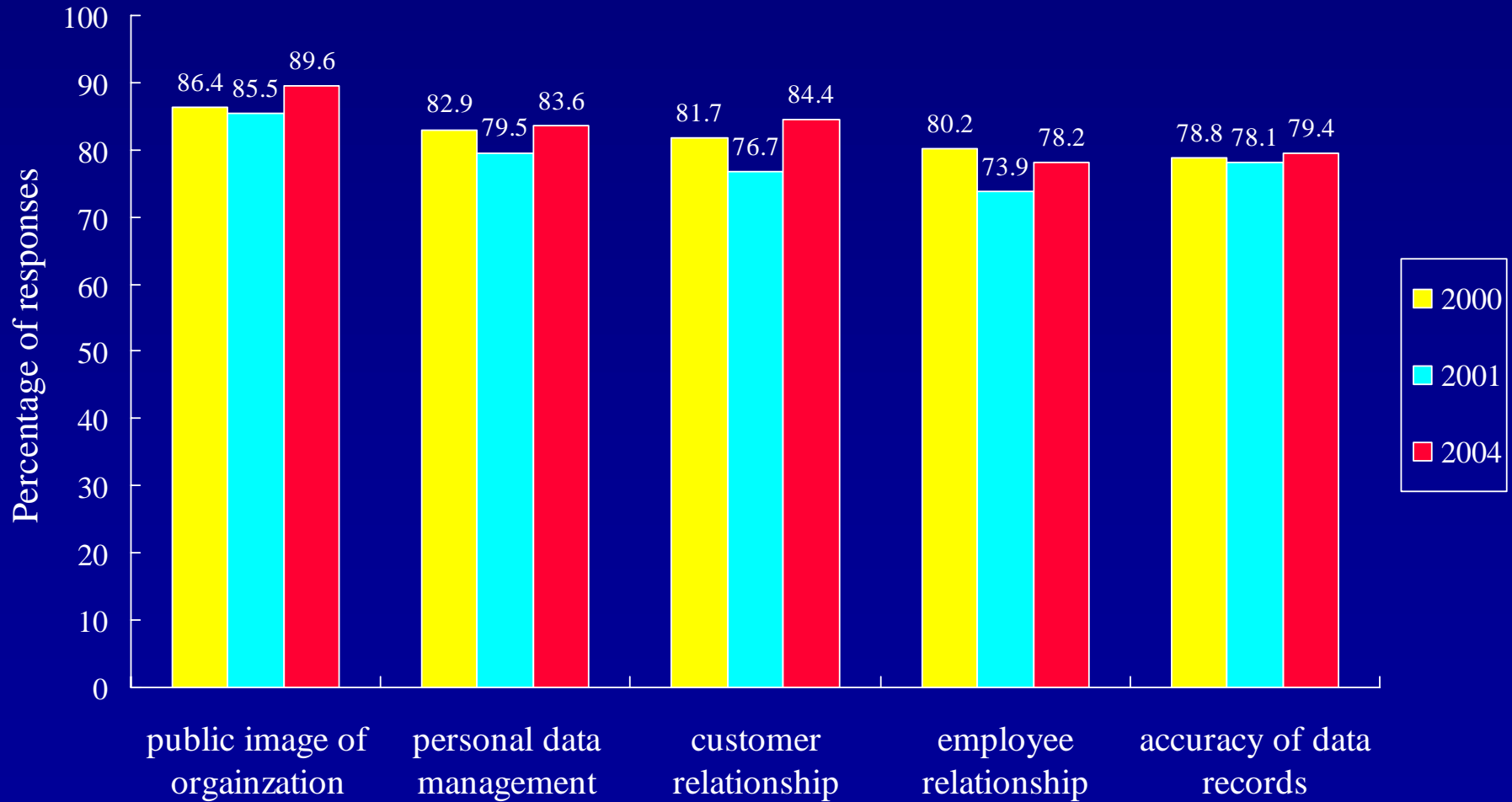


- Building trust & confidence in the E-Economy
- Gaining competitive advantage
- Enhancing corporate governance

**Good Privacy Good Business**

# Hong Kong 2004 Community Opinion Survey

## Long term benefits of Compliance : Strongly agree / agree



# The Hong Kong Experience



*“What Hong Kong is experiencing or going to experience is not unique. With its high adoption rate of technological applications, what happens in the global platform is anticipated to be enthusiastically taken up here.”*

*“The respect for personal data privacy rights is not purely for legal compliance; the respect for the rights of citizens, staff and clients has become an important factor of success in the provision of services and products in this society of technological advancement.”*

# Privacy Commissioner's Office Hong Kong



- ❑ Internet - <http://www.pco.org.hk>
- ❑ Email - [pco@pco.org.hk](mailto:pco@pco.org.hk)

- ❑ Correspondence -  
Unit 2401, 24/floor, Office Tower,  
Convention Plaza, 1 Harbour Road  
Wanchai, Hong Kong

