

**立法會**  
***Legislative Council***

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**Subcommittee on Telecommunications (Registration of SIM Cards)  
Regulation**

**Background brief**

**Purpose**

This paper provides background information on the enactment of the Telecommunications (Registration of SIM Cards) Regulation ("the Regulation") to implement the Real-name Registration Programme for subscriber identity module ("SIM") cards ("Registration Programme"). It also summarizes previous discussion on the subject by the Panel on Information Technology and Broadcasting ("the Panel").

**Background**

Mobile telephone services in Hong Kong

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 specializing in computer products/equipment and street stalls, etc.).

3. Mobile service subscribers may choose to use SIM service plans ("SSPs") or pre-paid SIM ("PPS") cards for their telecommunication services. SSP operators require users to provide personal particulars (such as name,

identity document number and date of birth, etc.). These data are collected for regular billing and customer service purposes. It is purely a commercial practice. PPS cards users are not required to register their personal particulars for the use of the service.

4. There have been serious and organized crimes such as telephone scams, human trafficking, detonating home-made bombs, drug trafficking, syndicated burglary, technology crime, terrorist activities and immigration-related racketeering, etc., that have exploited the anonymous feature of PPS cards. The Administration considers that there is an urgent need to introduce a real-name registration programme for better regulation of use of SIM cards and for facilitating the prevention and detection of crimes. The Administration considers that the proposed Registration Programme should cover SSP users as well.

#### Public consultation

5. From January to March 2021, the Administration conducted a public consultation exercise on the Registration Programme. The key proposals were:

- (a) SIM card users are required to provide personal information for registration;<sup>1</sup>
- (b) each user, including company or corporate user, can register no more than three PPS cards with each telecommunications operator; and
- (c) the Registration Programme will be implemented in two phases.<sup>2</sup>

6. Having considered the feedback received during the consultation period, the Administration now proposes the following refinements to the Registration Programme:

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<sup>1</sup> The personal information includes:

- (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 identity document; and
- (d) date of birth.

<sup>2</sup> In Phase One, telecommunications operators should put in place a registration system and Phase Two will allow new users of SIM cards and users of existing PPS cards to register their information with their operators. The durations of Phases One and Two are 120 days and 240 days respectively.

- (a) a maximum of 10 PPS cards for each individual user per operator and 25 PPS cards for each corporate user per operator; and
- (b) an extension of the transitional periods, i.e., Phase One will be extended to around 180 days for operators to put in place the registration infrastructure, back-end systems, staff engagement and training, and to 360 days in Phase Two for existing users to complete registration of existing PPS cards with their operators.

7. The key features of the Registration Programme are outlined in the Legislative Council Brief. The Registration Programme will be implemented by the Regulation made under section 37 of the Telecommunications Ordinance (Cap. 106). The Regulation was gazetted on 4 June 2021 and tabled at the Legislative Council on 9 June 2021.

### **Previous discussion**

8. The Administration briefed the Panel on the background and detailed proposals of the Registration Programme and sought Members' views on the Registration Programme at the meeting held on 15 March 2021. Panel members generally supported the introduction of the Registration Programme. The major concerns raised by Panel members and the Administration's responses are summarized in the ensuing paragraphs.

9. Members were informed that in 2020, 1 193 cases of telephone deception were reported. Local SIM cards were used in half of these cases and among them, PPS cards accounted for 90%. Among the 6 678 e-shopping fraud cases recorded in 2020, 3 500 cases involved the use of local SIM cards (89% of which were anonymous PPS cards) and 300 overseas SIM cards. In a recent investment fraud worth \$900 million, 35 SIM cards were seized and 22 of them were PPS cards.

### **Verification and protection of users' personal information**

10. Members expressed concern on how the Administration would require operators to verify the identity information provided by SIM card users, as personal information, such as names, identity card numbers, dates of birth, etc., could be scouted out by a third party from the Internet. Besides, some people might use SIM cards that were registered under the names of their family members. Some members commented that, if a person was

allowed to start using a SIM card before having completed registration, and that person used it for illicit purposes, the enforcement authorities would have difficulties tracing such activities.

11. Some members queried whether the Administration would formulate measures to deal with unlawful activities such as scalping of real-name registered SIM cards or misappropriating others' identities for PPS card registration following the implementation of the Registration Programme. One member asked whether limited validity periods would be set for registered PPS cards so as to reduce the chance of criminals using such cards bought from departing visitors for illicit purposes. Members suggested that the Administration should consider specifying in the legislation the legal liability of transferring real-name registered PPS cards to others.

12. The Administration advised that guidelines would be issued to telecommunications operators advising them how to verify users' personal information. Users of PPS cards would be required to register their personal information with the telecommunications operators before they could activate their cards. As long as the cap on number of registrable PPS cards was observed, users could let other people use the SIM cards registered under their names. The Administration would collaborate with the Office of the Privacy Commissioner for Personal Data in ensuring that the telecommunications operators would comply with the relevant statutory requirements on proper handling of personal data under the proposed Registration Programme.

13. The Administration informed members that it was not against the law or the proposed Regulation for a person to let other people use PPS cards registered under his or her name. The registered user would have to face the consequences if the cards were found to be involved in criminal activities. As regards registering a PPS card with a stolen identity, the Administration explained that, according to the Registration of Persons Ordinance (Cap. 177), it was an offence to use or possess a forged Hong Kong identity card or an identity card of another person. Offenders were liable to prosecution and a maximum penalty of up to 10 years' imprisonment.

#### Relaxation of registration requirements for company/corporate users

14. Members suggested that the proposed cap of three PPS cards per user should be lifted for company or corporate users as they might have sound operational reasons for holding many PPS cards at the same time. One member asked if certain industries such as the software development and the media industries would be exempt under the Regulation. They pointed out

that mobile applications development firms might need to use many PPS cards to perform platform testing on multiple mobile devices; journalists might need to conceal their identities by using temporary phone numbers when carrying out investigations.

15. The Administration advised that there would not be any industry-based exemption under the Regulation; PPS cards used for machine-type connections would not be regulated. The Administration was aware that innovation and technology companies needed to conduct tests on their prototypes in a simulated environment using many mobile devices installed with PPS cards from different providers, and would consider whether there was room to refine the arrangement of the Registration Programme to address the concerns of the relevant sectors.

#### SIM card installed for machine-type connections

16. Some members commented that, as SIM cards installed for machine-type connections were not to be regulated under the Registration Programme, criminals might remove these cards from the relevant devices and adapted them for illegal uses. The Administration responded that such risk was low as SIM cards used for machine-type connections were not readily usable in mobile phones because of the difference in size and shape. Besides, manufacturers still had to procure SIM cards from telecommunications service operators and the basic information of the users might still be traceable.

#### **Latest development**

17. At the House Committee meeting on 11 June 2021, Members agreed that a subcommittee should be formed to examine the Regulation.

#### **Relevant papers**

18. A list of the relevant papers is set out in the **Appendix**.

**List of relevant papers**

Issued by	Date	Paper
Commerce and Economic Development Bureau	January 2021	Consultation paper – <a href="#">Real-name Registration Programme for SIM Cards</a>
Panel on Information Technology and Broadcasting	15 March 2021	Administration's paper on Real-name Registration Programme for SIM Cards ( <a href="#">LC Paper No. CB(1)652/20-21(06)</a> )  Minutes of meeting ( <a href="#">LC Paper No. CB(1)924/20-21</a> )
Commerce and Economic Development Bureau	1 June 2021	Press releases – <a href="#">Government to enact new regulation to implement Real-name Registration Programme for SIM Cards</a>
Council/ House Committee	11 June 2021	<a href="#">Telecommunications (Registration of SIM Cards) Regulation</a>  Legislative Council Brief - <a href="#">Telecommunications (Registration of SIM Cards) Regulation</a>  Legal Service Division Report ( <a href="#">LC Paper No. LS78/20-21</a> )