

立法會
Legislative Council

LC Paper No. CB(1)128/2024(03)

Ref.: CB1/PL/ITB

Panel on Information Technology and Broadcasting

Meeting on 5 February 2024

**Background brief on facilitating cross-boundary data flow within the
Guangdong-Hong Kong-Macao Greater Bay Area**

Purpose

This paper provides background information on the facilitation measure and the early and pilot implementation arrangements for promoting cross-boundary data flow within the Guangdong Hong Kong-Macao Greater Bay Area (“GBA”). It also gives a brief account of the related initiatives outlined in the 2023 Policy Address and the major views and concerns of the Panel on Information Technology and Broadcasting (“the Panel”) on the relevant issues.

Background

Promoting the development of digital economy

2. The Country’s 14th Five-Year Plan states its support for Hong Kong’s development as an international innovation and technology (“I&T”) hub. The Hong Kong Innovation and Technology Development Blueprint promulgated by the Innovation, Technology and Industry Bureau (“ITIB”) in 2022 has set out the major directions and strategies for Hong Kong’s I&T development. To this end, ITIB adopts a data-driven approach and strives to enhance the digital capability of Hong Kong, thereby promoting the development of digital economy.

Policy Statement on Facilitating Data Flow and Safeguarding Data Security in Hong Kong

3. In order to drive data-based development, ITIB and the Office of the Government Chief Information Officer (“OGCIO”) jointly published the Policy Statement on Facilitating Data Flow and Safeguarding Data Security in Hong Kong (“the Policy Statement”) in December 2023 to set out the Government’s management principles and strategies on data flow and data security. Specific action items, including promoting cross-boundary data flow, will be implemented through various means.

4. On 29 June 2023, ITIB and the Cyberspace Administration of China (“CAC”) signed the “Memorandum of Understanding on Facilitating Cross-boundary Data Flow Within the Guangdong-Hong Kong-Macao Greater Bay Area” (“the MOU”) in Beijing. In accordance with the framework set out in the MOU, the Hong Kong Special Administrative Region and the Mainland will jointly promote cross-boundary data flow in GBA. It is expected that measures facilitating Mainland data’s cross-boundary flow from GBA to Hong Kong will be implemented in an orderly manner from 2024 onwards, including the early and pilot implementation of the arrangement to streamline and facilitate the compliance arrangements for the flow of personal information from GBA to Hong Kong.¹

5. The Government is developing a Consented Data Exchange Gateway (“CDEG”), enabling members of the public to authorize government departments to use their personal information stored in other departments and obviating the need of repetitive submission of the same pieces of information. This will be conducive to promoting cross-boundary data flow.

Promoting the development of the “Digital Bay Area”

6. According to the Administration, the Government will collaborate with the Guangdong Provincial Government to develop the “Digital Bay Area”. Efforts include promoting the “Cross-boundary Public Services” initiative, under which Hong Kong residents can log into the Guangdong Government Service Network with “iAM Smart”, while Guangdong and Hong Kong residents can use the self-help kiosks to access government services. In November 2023, the authorities launched the thematic website

¹ In the 2023 Policy Address, the Chief Executive stated that the Administration was liaising with the Guangdong Province to adopt an “early and pilot implementation” approach in GBA to streamline the compliance arrangements for the flow of personal data from the Mainland to Hong Kong, which involved the provision of cross-boundary financial and medical services (Please refer to paragraph 61(vi) of the 2023 Policy Address).

of “Cross-boundary Public Services”, an initial-phase project, including more than 50 Hong Kong services covering areas such as taxation, company registration, property and vehicle enquiry and registration, personal identification documentation and application for entry of talent, welfare and education, medical and health services. Furthermore, the Administration signed the “Cooperation Agreement between Guangdong and HKSAR on Cross-boundary Services” with the Government Services Data Management Bureau of Guangdong Province in November 2023 to deepen collaboration in government services.

Deliberations of the Panel on Information Technology and Broadcasting

7. At the meetings on 13 November and 12 December 2023, the Panel had discussed with the Administration the highlights of the Policy Statement, in particular the issues relating to facilitating cross-boundary data flow. The major views and concerns expressed by members are summarized in the ensuing paragraphs.

Promoting cross-boundary data flow

8. Some members expressed concerns as to whether a data centre would be set up in the Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone in the future, and whether efforts would be made to further facilitate the flow of sensitive data within GBA under the framework of “One Country, Two Systems”, as well as about the means to promote the two-way flow of data in GBA.

9. The Administration responded that it would put forward development proposals in due course, striving for promoting the data flow of people, goods, capital, information, etc., in the Lok Ma Chau Loop while ensuring data security. The Government would proactively facilitate the cross-boundary data flow in GBA in collaboration with the Mainland pursuant to the framework of the MOU, with the objective of streamlining the compliance arrangements for the flow of personal information from the Mainland to Hong Kong.

10. Some members were of the view that the Administration should, subject to compliance with the relevant laws and regulations, explore the extension of the data flow arrangement to locations outside the Lok Ma Chau Loop to expedite the development of the GBA economy. The Administration emphasized that it would, pursuant to the MOU, foster collaboration with the Mainland authorities on facilitating cross-boundary data flow in GBA under the national management framework on safeguarding the security of cross-boundary data. The cooperation efforts

would facilitate the safe and orderly data flow from the Mainland to Hong Kong, thus contributing to the development of Hong Kong as an international data hub and promoting the integration of the GBA economy and development. The Administration was actively liaising with CAC on streamlining compliance arrangements for the flow of personal data from the Mainland to Hong Kong under an “early and pilot implementation” approach in GBA, and at the same time, facilitation measures would be extended to other sectors in an orderly manner.

11. Members noted that the Administration had explored the use of “iAM Smart” as a means of real-name identity authentication for Hong Kong residents to register for the account on the “Unified Identity Authentication Platform of Guangdong Province” so as to connect with the government services of the Guangdong Province. Members enquired how the Administration would ensure the protection of the personal data privacy of members of the public in tandem with promoting cross-boundary data flow and providing convenient services.

12. The Administration clarified that the interconnection of “iAM Smart” with the “Unified Identity Authentication Platform of Guangdong Province” was solely for identity authentication purpose without the involvement of transmitting personal data. As regards other arrangements for cross-boundary data flow, the development of CDEG was underway, and members of the public, with a one-off authorization through “iAM Smart”, could opt to share a part or all of their data. The Administration would consult the Privacy Commissioner for Personal Data to ensure that the protection of the public’s personal data complied with the requirements of the Personal Data (Privacy) Ordinance (Cap. 486). Efforts would also be made to ensure that the information security and the personal data of the public would be adequately protected.

Protection of intellectual property rights related to data flow

13. Members enquired about the Administration’s measures to protect the intellectual property rights in relation to data. The Administration advised that the Commerce and Economic Development Bureau would explore further enhancement of the Copyright Ordinance regarding the protection for artificial intelligence technology development, and a consultation exercise would be launched in 2024.

Areas of application of cross-boundary data flow

14. In a letter addressed to the Panel in September 2023, a member put forward suggestions on the application scenarios regarding cross-boundary data flow, including residents’ cross-boundary consumption data,

professional services data, and environmental, social and governance (ESG) data.

15. In its written response, ITIB indicated that the Bureau and OGCIO were actively discussing with CAC under the framework of the MOU on the early and pilot implementation arrangements for the facilitation measures to streamline the compliance arrangements for the flow of personal data from the Mainland to Hong Kong. A report would be made to the Panel at a suitable juncture. Regarding the application scenarios proposed by the member, the authorities advised that they would make reference to them during discussions with the Mainland on the facilitation measures and procedural details in implementing the MOU. The authorities would actively follow up with CAC with a view to introducing facilitation measures that met the needs of the local sectors and reduced the compliance cost for cross-boundary flow of the Mainland data.

Questions raised at Council meeting

16. A Member had raised a question relating to the administrative measures for facilitating data flow and safeguarding data security at a Council meeting. Details of the question and the Administration's reply are given in the **Appendix**.

Latest development

17. At the meeting on 5 February 2024, the Administration will brief the Panel on the facilitation measures on cross-boundary data flow in GBA and its early and pilot implementation arrangements.

Relevant papers

18. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

**Facilitating cross-boundary data flow
within the Guangdong-Hong Kong-Macao Greater Bay Area**

List of relevant papers

Committee	Date of meeting	Papers
Panel on Information Technology and Broadcasting	13 November 2023	<p>Agenda Item III: Briefings by the Secretary for Innovation, Technology and Industry, the Secretary for Commerce and Economic Development and the Secretary for Culture, Sports and Tourism on the Chief Executive's 2023 Policy Address</p> <p>Minutes of meeting</p>
Panel on Information Technology and Broadcasting	12 December 2023	<p>Agenda Item III: Facilitating data flow and safeguarding data security</p> <p>Minutes of meeting</p> <p>Follow-up paper</p>
Panel on Information Technology and Broadcasting	9 October 2023	<p>Letter dated 12 September 2023 from Hon Elizabeth QUAT regarding the Memorandum of Understanding on Facilitating Cross-boundary Data Flow Within the Guangdong-Hong Kong-Macao Greater Bay Area and cross-boundary data flow (Chinese version only)</p> <p>Administration's response to the letter dated 12 September 2023 from Hon Elizabeth QUAT</p>

Council meeting	Paper
15 November 2023	Question 9 : Data governance system