

Telecommunications Regulatory Affairs Advisory Committee

Minutes of the Twenty-First Meeting Held on Thursday, 11 June 2021 at 2:30 p.m. in OFCA Conference Room, 20/F Wu Chung House

Members Present

In Person

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| Mr Sanda Cheuk | Office of the Communications Authority ("OFCA") ("Chairman") |
| Miss Elaine Hui | OFCA ("Secretary") |
| Ms Agnes Tan | Hong Kong Broadband Network Limited / HKBN Enterprise Solutions Limited / HKBN Enterprise Solutions HK Limited |
| Mr Y C Pun | HKC Network Limited |
| Mr Kevin Chu | Hong Kong Telecommunications (HKT) Limited / PCCW-HKT Telephone Limited and Hong Kong Telecommunications (HKT) Limited / PCCW Global (HK) Limited |
| Mr James Lam | External telecommunications service operators as a group |
| Mr K H Yip | Localised wireless broadband service / public radiocommunications service / wireless Internet of things ("LWBS/PRS/WIoT") licensees as a group |

Web Conference Access

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| Ms Teresa Au Yeung | Consumer Council |
| Mr Alex Wong | Communications Association of Hong Kong |
| Ir Wilson Kwok | The Hong Kong Institution of Engineers ("HKIE") |
| Ir Ben Li | The Institution of Engineering and Technology Hong Kong ("IETHK") |

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| Mr Francis Fong | Hong Kong Information Technology Federation |
| Ms Sarah Hui | China Mobile Hong Kong Company Limited (“CMHK”) |
| Mr Karson Ng | China Telecom Global Limited |
| Ms Sarah Zhang | China Unicom (Hong Kong) Operations Limited (“China Unicom”) |
| Mr Sutton Cheung | ComNet Telecom (HK) Limited (“ComNet”) |
| Mr Larry Lee | Hong Kong Cable Television Limited |
| Miss Katherine Kwok | HGC Global Communications Limited |
| Ms Juliana Wong | Hutchison Telephone Company Limited / Genius Brand Limited |
| Mr Donald Chan | NTT Com Asia Limited (“NTT”) |
| Mr T L Or | SmarTone Mobile Communications Limited / SmarTone Communications Limited (“SmarTone”) |
| Mr Walter Ngan | Towngas Telecommunications Fixed Network Limited |
| Mr Charles Yip | Village Telephone Limited |
| Mr Haining Hu | Vodafone Enterprise Hong Kong Limited |
| Mr Kent Cheung | External fixed carrier / unified carrier (external fixed services) licensees as a group |
| Mr T S Sze | Services-based operators as a group |
| Mr Henry Wang | LWBS/PRS/WIoT licensees as a group |
| Mr Y T Kan | Hong Kong Police Force (“HKPF”) |
| Dr Justin Chuang | Ad personam |
| Miss Katy Lau | Ad personam |
| Dr Patrick Tsie | Ad personam |
| Prof Angela Zhang | Ad personam |

In Attendance

In Person

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| Ms Linda Yu | OFCA |
| Mr Sidney Tsan | OFCA |
| Mr Desmond Young | OFCA |
| Mr Jordan Lee | OFCA |
| Ms Jacqueline Tse | OFCA |
| Mr Michael Chan | OFCA |
| Mr Arnold Chu | OFCA |
| Mr Kenneth Leung | OFCA |
| Ms Kim Lee | OFCA |

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| Mr Bruce Chan | IETHK |
| Mr Alex Cheng | CMHK |
| Mr Claudius Lee | CMHK |
| Ms Sonia Fung | China Unicom |
| Mr Kenneth Kwok | ComNet |
| Mr Eric Lee | SmarTone |
| Mr Tommy Tang | HKPF |

Observer

In Person

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| Mr Alex Lau | Commerce and Economic Development Bureau |
| Mr Allen Tin | OFCA |

Web Conference Access

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| Mr Kingsley Yeung | OFCA |
| Ms Christine Chim | OFCA |
| Ms Sharis Tam | OFCA |

Members Absent with Apologies

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| Ir Alan Chan | HKIE |
| Mr Jia Law | Easy Tone Network Limited (“Easy Tone”) |
| Mr Eric Wong | Easy Tone |
| Mr Patrick Ng | NTT |
| Mr Eric Cheung | TraxComm Limited |

The Chairman introduced two new Members, Miss Katy Lau and Prof Angela Zhang, appointed on *ad personam* basis, and welcomed all Members for joining this meeting either in person or via web conference access.

Item 1 Confirmation of Minutes of Last Meeting

2. The Chairman said that the draft minutes of the 20th meeting had been circulated to Members for comments on 22 January 2021. By adopting a textual amendment suggested by a Member, the minutes of the 20th meeting were confirmed.

Item 2 Matters Arising

3. The Secretary reported that after taking into account the industry’s views on the proposal to create a new licence for the provision of private localised wireless broadband system presented at the last TRAAC meeting, and having gone through the necessary administrative procedures, OFCA targets to seek the Communications Authority (“CA”)’s approval of the proposal in the fourth quarter of 2021.

4. The Secretary also reported that circular letters were issued to inform the relevant licensees of the abolition of the Billing and Metering Integrity Scheme discussed at the last TRAAC meeting, effective from 28 January 2021.

Item 3 Proposed Guidelines on Implementation of Real-name Registration for Subscriber Identification Module (“SIM”) Cards (TRAAC Paper No. 1/2021)

5. Mr Desmond Young briefed Members on the proposed guidelines on implementation of real-name registration for SIM cards (“Guidelines”).

6. The Chairman supplemented that the proposed Guidelines would be applicable to mobile network operators (“MNOs”), mobile virtual network operators and those who supplied telecommunications services in Hong Kong through SIM cards under the Class Licence for Offer of Telecommunications Services (“CLOTS”). He emphasised that only those reselling SIM cards in their own brand names were regarded as CLOTS licensees, while those who sold or distributed SIM cards of licensees were regarded as agents of the latter. He reminded the industry that all CLOTS licensees providing SIM cards, irrespective of the size of their customer base, had to register with the CA before 1 September 2021, when the Telecommunications (Registration of SIM Cards) Regulation (“Regulation”) came into effect.

SIM cards subject to registration

7. Mr James Lam and Ms Agnes Tan enquired whether Wi-Fi eggs with SIM cards inserted would be subject to the real-name registration requirements. The Secretary replied that SIM cards in Wi-Fi eggs were used for person-to-person communications and if they were supplied by local licensees for use in Hong Kong, they would be required to register under the Regulation. Mr James Lam and Ms Agnes Tan further enquired whether the service providers of Wi-Fi eggs or the MNOs supplying the SIM cards would be responsible for the registration. The Secretary and Ms Linda Yu said that which party would be responsible for the SIM card registration would depend on the arrangements between the MNO and the Wi-Fi egg service provider concerned, as well as the arrangements between the Wi-Fi egg service provider and its customers, regarding the supply of SIM cards and provision of services.

SIM cards exempted from registration requirement

8. Mr Haining Hu and Mr Henry Wang asked whether SIM cards for internet-of-things (“IoT”) devices and those for sole use in private network would be subject to the registration requirement. The Secretary and Ms Linda Yu said that the SIM cards in IoT devices were for machine type connections and would not be caught under the Regulation. In response to Mr Claudius Lee’s enquiry about the registration arrangement for SIM cards used by Government departments, the Chairman said that the registration requirement under the Regulation was not applicable to Government users, and licensees would only be required to keep some basic information about the SIM cards provided to the bureau or department concerned as described in the proposed Guidelines.

9. Mr Karson Ng enquired whether SIM cards provided by overseas operators would need to be registered when used in Hong Kong; and requested elaboration on the testing arrangement for SIM cards for sole use outside Hong Kong. The Secretary and Mr Desmond Young confirmed that SIM cards issued by overseas operators for inbound roaming would not be subject to the registration requirement under the Regulation. The Secretary further said that for SIM cards issued by local licensees for sole use outside Hong Kong, the licensees might allow users to access only the licensees’ platform for the sole purpose of testing the functionality of the SIM cards prior to leaving Hong Kong without the SIM cards being registered.

Registration requirements for individual users

10. Mr Kevin Chu enquired whether an adult who endorsed the registration of SIM cards for a user aged below 16 would be need to be a family member of the user and whether the number of SIM cards endorsed by an adult would be subject to a cap. The Secretary said that the Regulation only required the provision of a statement of the relationship between the adult and the user aged below 16 without imposing any requirement on their relationship. Furthermore, the Regulation did not impose a cap on number of SIM cards that could be

endorsed by an adult.

Registration requirements for organisation users

11. Mr Kevin Chu asked why organisation users without valid business registration (“BR”) certificate would not be allowed to register for pre-paid SIM cards. The Secretary said that market information indicated that the majority of the organisations held BR certificates. The Chairman added that relaxation of the cap on the number of pre-paid SIM cards that could be registered from three to 10 for each individual user per licensee should afford additional flexibility for organisation users without valid BR certificates to register pre-paid SIM cards in the capacity of individual users.

12. Mr Kevin Chu further enquired whether an authorisation letter by the organisation concerned would be required as a proof of the person acting on behalf of the organisation to register SIM cards. The Secretary said that there was no such requirement in the Regulation. Mr Desmond Young added that individual licensees might consider making clear their requirement on the information to be collected from organisation users for operational ground.

Licensee’s name on product packaging

13. Mr Eric Lee asked whether a licensee should print the brand name or the name of the licensee on the product packaging for pre-paid cards to be sold from Date 2. The Secretary said that a licensee should inform customers of the name of the licensee to facilitate their counting of the number of pre-paid SIM cards registered with each licensee.

Registration for service plan SIM cards

14. Mr Kevin Chu asked if licensees had maintained only part of the specified information as required under the Regulation in respect of the existing service plan SIM card users, whether the licensees would be required to contact the users concerned to update their information after Date 2. The Secretary said that licensees would not be required to have

immediate update of the information of existing service plan SIM card users after Date 2, and this arrangement would also be applicable to replacement of a lost, stolen or malfunctioned existing service plan SIM card. However, if an additional service plan SIM card was subscribed by an existing user after Date 2, that additional SIM card would be regarded as a new service plan SIM card subject to full registration requirement under the Regulation.

Verification of users' identity information

15. Mr Francis Fong enquired whether licensees would need to go through the know-your-customer (“KYC”) process to verify users’ identity. The Secretary said that apart from those verification methods listed in the proposed Guidelines, other acceptable methods could also be considered by licensees. The Chairman added that for avoidance of doubt, individual licensees could discuss with OFCA other verification methods to ascertain whether they were acceptable. Ms Agnes Tan enquired whether OFCA would share information of other verification method(s), if so accepted by OFCA, with other licensees. The Chairman and the Secretary said it would subject to the prior consent(s) of the relevant licensees.

16. Mr Kevin Chu asked whether licensees could capture the users’ information by KYC without the need of requesting the users to fill in their information. The Secretary replied that development of the registration system was expected to be an on-going process and licensees were welcome to seek the views of OFCA on any verification methods they proposed to adopt before implementation.

17. Mr Kevin Chu raised the point that while an individual user would only be permitted to register using other identification documents if he or she did not hold a Hong Kong identity (“HKID”) card, licensees would not be able to confirm that the user did not hold a HKID card if he or she registered using one of these other identification documents. The Secretary said that in accordance with the Regulation an individual user who used other identification document for registration would be required to make a statement to the effect that he or she did not hold an HKID card.

She further explained that as long as licensees had diligently fulfilled the verification procedures and followed the registration requirement and the Guidelines issued under the Regulation, they would not be held liable in case of false information provided by users.

Deregistration of SIM cards

18. Mr Kevin Chu asked whether licensees would have the flexibility to deactivate, rather than deregister, a SIM card when a pre-paid SIM card expired in order to avoid the user going through the registration procedures again should he or she opt to continue to use the SIM card later. The Secretary said that while OFCA would consider the suggestion in finalising the draft Guidelines, licensees would have to deregister a SIM card if the deregistration request was initiated by a user.

Provision of registration records

19. Mr Kevin Chu asked how licensees could verify the identity of the law enforcement officers who made a request for registered SIM card records without a warrant under urgent requests. The Secretary said that the relevant officers would be required to make the request in writing pursuant to the Regulation. The Chairman added that licensees might also draw reference to the existing practice of providing customer information to law enforcement agencies (“LEAs”) upon request.

20. Ms Juliana Wong expressed concerns on the requirement to provide registered SIM records to LEAs with a warrant within three working days, which was much shorter than the period of one month normally granted under a warrant. The Secretary said that the proposed timeframe was meant to provide guidance to licensees in the absence of a specified period in the warrant. If there was a period specified in a warrant for the provision of information, that period should prevail.

Other suggestions

21. Ms Agnes Tan envisaged that there would be a number of customer enquiries or complaints on SIM card registration against

licensees around the registration deadlines. She enquired whether OFCA would set up a designated hotline for handling enquiries or complaints in this regard. The Chairman replied that OFCA would consider the suggestion and reiterated that the licensees would need to handle the enquiries or complaints first.

22. Ms Juliana Wong and Mr Kevin Chu requested the Government to provide financial subsidy to licensees on the establishment of registration system and implementation of registration requirement.

23. The Chairman invited Members to provide written comments on the proposed Guidelines, if any, within two weeks, by 25 June 2021. Subject to the comments from Members, OFCA would finalise the draft Guidelines for approval by the CA.

[Post-meeting notes: The deadline for submission of written comments was extended by one week to 2 July 2021 in response to the requests from some Members.]

Item 4 Subsidy Scheme for Encouraging Early Deployment of 5G (“Subsidy Scheme”) (TRAAC Paper No. 2/2021)

24. Mr Sidney Tsan gave a presentation on the progress of the implementation of the Subsidy Scheme.

25. The Chairman commented that the Subsidy Scheme demonstrated the Government’s commitment to support and promote the development of 5G. Through the Subsidy Scheme, the Government provided financial incentives to encourage pioneers to deploy 5G and create innovative use cases for the society. The Subsidy Scheme generated a list of showcases demonstrating to various sectors how 5G could help improve their business and operational efficiency. OFCA had put up a dedicated 5G webpage to provide relevant information to the public including some of the subsidised projects to serve education and publicity purposes. He also invited other industry players to share other cases of deployment of 5G, even not subsidised by the Subsidy Scheme,

for inclusion in the 5G webpage to enhance information provided to the public on 5G.

26. Ms Agnes Tan asked how many of the subsidised cases had been completed and when all those subsidised cases would be completed. Mr Sidney Tsan replied that so far around 10 to 15 subsidised projects had been completed and it was expected that all those subsidised cases would be completed by the end of 2021.

27. Mr Charles Yip noted that OFCA received 415 applications for the Subsidy Scheme and only 95 had been approved and asked if the Government would launch another phase of the Subsidy Scheme to satisfy the demand. Mr Sidney Tsan replied that applications were rejected for various reasons including, for example, that 5G was not necessary for implementation of their cases. He added that both the Government and OFCA would review the results and experience of implementing the Subsidy Scheme in considering the way forward.

28. Mr Kevin Chu asked if OFCA would check the actual implementation of the subsidised cases to see if they were completed or had done what they meant to do. Mr Sidney Tsan replied that OFCA conducted sample checks on those subsidised cases. All grantees were also required to submit a completion report and an auditor's report. In some cases, OFCA invited the grantees to demonstrate their projects and/or participate in experience sharing seminar.

29. The Chairman supplemented that although the application period for the Subsidy Scheme had expired, OFCA was still processing applications submitted before the closing date. It was expected that more projects would be approved and the number of subsidised cases would likely exceed 100. OFCA would only cease processing applications when the funding was exhausted.

30. Ms Agnes Tan asked how much funding was given to the Subsidy Scheme. The Chairman replied the funding was for subsidising about 100 projects with a maximum of \$500,000 subsidy for each. However, some grantees spent less and hence there was chance that more

than 100 projects could be subsidised under the Subsidy Scheme.

31. The Chairman concluded that judging from the results of the applications, the Subsidy Scheme generated enthusiastic responses from various sectors and thus fulfilled its objective of encouraging early deployment of 5G. OFCA would continue to process the remaining applications and monitor completion of subsidised projects.

[Post-meeting notes: On 4 July 2021, the Government announced increase of funding for the Subsidy Scheme from \$50 million to \$100 million and extension of the application period to 31 July 2022.]

Item 5 Any Other Business

32. The Chairman said that the next TRAAC meeting would tentatively be scheduled in the fourth quarter of 2021. Members would be informed of the meeting arrangement nearer the time.

33. There being no other business, the meeting was adjourned at 5:00 p.m.

**Office of the Communications Authority
July 2021**