

## **Telecommunications Regulatory Affairs Advisory Committee**

### **Proposed Revisions to the Code of Practice on Verification of the Addresses of Potential Customers for Mobile Telecommunications Services**

#### **PURPOSE**

This paper briefs Members on the proposed revisions to the Code of Practice on the Verification of the Addresses of Potential Customers for Mobile Telecommunications Services (“CoP”).

#### **BACKGROUND**

2. In January 2000, the former Office of the Telecommunications Authority promulgated the CoP to provide practical guidance to mobile service providers in respect of the verification of the addresses of potential customers when customers apply for mobile services and the documents that are considered to be acceptable proof of address from customers.

3. In recent years, there is a growing trend for companies to conduct business via the Internet or on-line means such as on-line banking, shopping etc. There is no exception to the mobile industry. On-line platforms or smartphone apps are now provided by mobile service providers so that potential customers may make use of them for signing up mobile service subscriptions without the need of visiting the retail outlets in person. Against this background, the Office of the Communications Authority (“OFCA”) considers it opportune to conduct a review of the CoP with a view to allowing more flexibility to cater for the evolving industry practices and to keep pace with the needs of the dynamic and fast-growing telecommunications sector.

## **PROPOSED REVISIONS TO THE CoP**

4. The proposed revisions to the CoP primarily aim at defining clearly its applicability on the type of licensees to reflect the latest regulatory regime and the adoption of additional measures to keep pace with the latest industry practices which broadly fall within the following three aspects –

- (a) applicability of the CoP;
- (b) purposes of promulgating the CoP; and
- (c) updated basic guiding principles.

In addition, other consequential changes are also made. A draft revised CoP (with the proposed amendments in red font) is given at the **Annex** to this paper.

### **Applicability of the CoP**

5. For the avoidance of doubt, it is proposed to state in the beginning of the revised CoP that it shall be observed and complied with by all providers of mobile telecommunications services including holders of Unified Carrier Licence (“UCL”), the Services-Based Operator Licence (“SBO Licence”), and the Class Licence for Offer of Telecommunications Services (“Class Licence”) under section 8(1)(aa) of the Telecommunications Ordinance (Cap. 106) (“TO”) (collectively referred to as “Mobile Service Providers”) according to their relevant licence conditions.

### **Purposes of the CoP**

6. The revised CoP will set out the purposes of its promulgation, namely to ensure the integrity and validity of the address information of customers maintained by Mobile Service Providers in the course of provision of their services including billing and debt collection. With the verification measures introduced therein, the revised CoP also aims to protect the interests of consumers by reducing the risk of the misuse of other parties’ address information for subscription of mobile services.

## **Updated Guiding Principles**

7. In the revised CoP, the basic guiding principles for the verification of the addresses of customers are updated so as to introduce flexibility to cater for the evolving industry practices over time whilst preserving the fundamental requirements that must be observed to protect the interest of consumers.

8. First of all, for clarity, it is proposed that Mobile Service Providers shall in principle request all applicants for their services, including individual and corporate customers, to provide proof of address whenever customer's address is collected or retained in the course of or in connection with the provision of their services.

9. The revised CoP will make clear that the address verification requirement can be waived when the Mobile Service Provider does not collect or retain the address information. It will also clarify that the proof of address shall be based on the original of any document, bill or correspondence issued by and reliable third-party source within the last three months from the application date. Examples of such sources are given in the revised CoP.

10. In case the transaction for service subscriptions is conducted via online means or customer service hotlines, it is proposed that the proof of address in printed copy, facsimile, or digital copy (such as sent via mobile phone or computer or other similar means) can be accepted if Mobile Service Providers have implemented proper and effective measure(s) to reasonably verify the address concerned.

## **WAY FORWARD**

11. OFCA will take into consideration all the views and comments received before finalising the draft revised CoP for approval by the CA. Subject to the approval of the CA, the revised CoP will be adopted and published on the CA's website for information by the public. To allow sufficient time for the Mobile Service Providers to make preparations for aligning their operational practices with the requirements under the revised

CoP, it is proposed that the revised CoP will be brought into effect one month after the date of issue of the revised CoP.

## **VIEWS SOUGHT**

12. Members are invited to give their views and comments on the proposal contained in this paper.

**Office of the Communications Authority  
September 2018**

## **Code of Practice on Verification of the Addresses of Potential Customers for Mobile Telecommunications Services**

### **Preamble**

~~This Code of Practice sets out to the mobile telecommunications services operators:~~

- ~~• the basic guiding principles for the verification of the addresses of potential customers when the customers apply for mobile telecommunications services; and~~
- ~~• the documents that are considered to be acceptable proof of address from customers.~~

~~Pursuant to Special Conditions (“SC”s) 1.2(a) and 1.2(c) of the Unified Carrier Licence (“UCL”), SC 13.1(a) and 13.1(c) of the Services-Based Operator Licence (“SBO Licence”), and Conditions 15.1(a) and 15.1(c) of the Class Licence for Offer of Telecommunications Services (“Class Licence”) under section 8(1)(aa) of the Telecommunications Ordinance (Cap. 106) (“TO”), the Communications Authority (“CA”) may issue a Code of Practice for the purpose of providing practical guidance to the licensees in respect of the provision of a satisfactory service and to ensure the protection and promotion of the interests of consumers of telecommunications goods and services.~~

~~2. This Code of Practice (“CoP”) issued by the CA shall be observed and complied with by all providers of mobile telecommunications services including holders of UCL for the provision of mobile services, SBO Licence for the provision of mobile virtual network operator services and Class Licence offering in the course of business mobile services (collectively referred to as “Mobile Service Providers” hereinafter). The purposes of this CoP are:~~

- ~~a) to ensure the integrity and validity of the address information of customers maintained by Mobile Service Providers;~~
- ~~b) to prevent the use of incorrect address information by Mobile Service Providers for purposes related to its provision of service including billing and debt collection; and~~

- c) to prevent the misuse of other parties' address information for subscription to mobile services.

3. For the avoidance of doubt, nothing in this ~~Code of Practice~~ CoP absolves any ~~licensee of mobile telecommunications services~~ Mobile Service Providers from operating in accordance with the terms of its licence and legislation, for example the ~~Telecommunication Ordinance~~ TO and the Personal Data (Privacy) Ordinance (Cap. 486), currently in force in Hong Kong.

### Basic Guiding Principles

4. The basic guiding principles for the verification of the addresses of customers are:

- a) Mobile ~~service operators should~~ Service Providers shall request all applicants for their services, including individual and corporate customers, to provide proof of address whenever customer's address is collected or retained in the course of or in connection with the provision of their services. This requirement can only be waived in circumstances (i) when the ~~mobile telecommunications services operator~~ Mobile Service Provider has full knowledge of the address of the applicant, for example, when an existing customer applies for value-added services under his account, or (ii) when the Mobile Service Provider does not collect or retain the address information for the purpose of provision of service to the customer (such as pre-paid services).
- b) ~~The Acceptable~~ proof of address ~~should~~ shall be ~~a documents (such as letter, invoice, statements etc.) issued in the form of any document, bill or correspondence issued by any reliable third-party source within the last three months from the application date a recognizable institution.~~ Correspondences from personal friends or relatives ~~should~~ shall not be accepted.

~~Examples of the acceptable documents of proof of address are given in paragraph 4 below. However, it should be noted that paragraph 4 is not an exhaustive list of acceptable documents. Any correspondence issued by a recognizable institution which is addressed to the applicant with clear identification of the address of the applicant may be acceptable, unless there is a reason for the~~

~~mobile telecommunications service provider to suspect the validity of the correspondence.~~

~~The document of proof of address should be issued by the institution with a date not earlier than three months from the date on which the application for mobile telecommunications service is received.~~

- c) The addressee of the ~~document of proof should of~~ address shall be the same person as the applicant for the mobile ~~telecommunications~~ services, otherwise the addressee ~~should shall~~ accompany with the applicant to apply for the mobile ~~telecommunications~~ services and confirm that the applicant ~~may can~~ be contacted at the address shown in the document.
- d) The document of the proof of address ~~should shall~~ be the original of the document. ~~Photocopy of the document should not be accepted.~~

~~The document of the proof of address is for the purpose of substantiating the validity of the address of the applicant for mobile telecommunications services. After examining the document, the mobile telecommunications services operator should return the document to the applicant immediately and should not keep the documents for other use.~~

- e) In case the transaction for service subscription is conducted via online means or customer service hotlines, the proof of address referred to in (b) above in printed copy, facsimile, or digital copy (such as sent via mobile phone or computer or other similar means) can be acceptable if Mobile Service Providers have implemented proper and effective measure(s) to reasonably verify the address concerned.
- f) In handling the information obtained for the verification of the address of customer, ~~mobile telecommunications services operators should~~ Mobile Service Providers shall ensure that proper procedures have been taken ~~at all times~~ to comply with the requirements as stipulated in the Personal Data (Privacy) Ordinance.

## Acceptable Proof of Address

5. The following are **common** examples of documents which are considered to be acceptable proofs of address from applicants for mobile **telecommunications** services. **The list below is not exhaustive by itself.**

- a) Correspondence with Government Departments  
Examples : Tax Return  
Student Loan Statement  
Voter Registration  
Business Registration Certificate
- b) Correspondence with banks or financial institutions  
Examples : Bank statement  
Statement  
Credit card account statement
- c) Correspondence with Public Utilities  
Examples : Electricity bill  
Water bill  
Gas bill  
Business Registration Certificate
- d) Correspondence with operators of Public Telecommunications Services  
Examples : ~~Public mobile radiotelephone~~ **Mobile** service bill  
~~Public radio paging~~ **Fixed telephone** service bill  
Internet access service bill  
~~Cable~~ **Pay** TV service bill
- e) Correspondence with public organisations  
Examples : Letter from a university  
Letter from the Hospital Authority

## Application and Update of the CoP

6. The CA may review and update this CoP from time to time in respect of developments in telecommunications policy, market and technology, as appropriate. If the CA considers that relevant amendments are necessary, it will take into account the views of the industry and other interested parties before effecting the amendments.



[DRAFT]

## **Enforcement**

~~5. All mobile telecommunications services operators which have direct interface with the members of the public are required to comply with this Code.~~

Communications Authority

[Date]