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# Panel on Information Technology and Broadcasting

# Meeting on 13 May 2024

# Background brief on "Digital Corporate Identity" platform

### Purpose

This paper provides background information on the Administration's work on developing the "Digital Corporate Identity" platform. It also gives a brief account of the views and concerns expressed by Members when relevant issues were discussed by the Panel on Information Technology and Broadcasting ("the Panel").

# Background

### "iAM Smart" platform

2. Launched in December 2020, the "iAM Smart" mobile application provides the one-stop personalized digital services platform, which enables users to log in and use online services by their personal mobile phone in a smart and convenient way. Through the "iAM Smart" platform, members of the public are able to conduct online transactions and perform digital signing with legal backing, etc. It is the Government's plan to provide onestop digital services by fully adopting "iAM Smart" by 2025, with a view to realizing "single portal for online government services". As at March 2024, there are over 2.6 million registered users on the "iAM Smart" platform, which supports more than 340 online services provided by the Government and public and private organizations. A "Consented Data Exchange Gateway" ("CDEG") is being developed to allow members of the public to choose to authorize relevant government departments to exchange their personal data through the system and data sharing, together with the use of a single digital identity for authentication in government and commercial online transactions. The Administration also facilitates private

organizations to adopt "iAM Smart" by providing programming training for the industry.

# Development of the "Digital Corporate Identity" platform

3. In the Hong Kong Innovation and Technology Development Blueprint published in end-2022, the Administration announced the plan to develop a business version of the "iAM Smart" platform to streamline the authentication of business identities. In the 2024-2025 Budget, \$300 million<sup>1</sup> has been earmarked for setting up the "Digital Corporate Identity" platform (i.e. the business version of the "iAM Smart" platform) to enable authentication of identity and verification of signature of enterprises using electronic government services or conducting online business transactions in a convenient and efficient manner without having to go through complicated procedures. In response to questions raised by Members at a special meeting of the Finance Committee for examination of the Estimates of Expenditure 2024-2025 on 19 April 2024, the Administration estimated that the "Digital Corporate Identity" platform would be rolled out progressively from end-2026 onwards.

4. The "Digital Corporate Identity" platform will provide services to all companies established or registered under the Companies Ordinance (Cap. 622) and all businesses registered under the Business Registration Ordinance (Cap. 310). The Office of the Government Chief Information Officer ("OGCIO") will launch various functions in collaboration with the departments which have more business dealings with corporations (e.g. the Inland Revenue Department and the Companies Registry) in order to connect the "Digital Corporate Identity" platform to the e-government services commonly used by the corporations. With the use of the "Digital Corporate Identity", enterprises will have data interchange with government departments in a more simple and convenient manner. In the long run, it is the Administration's hope for all corporate Identity".

5. То promote widespread adoption by corporations, the Administration has proposed to publicize and promote the convenience and the main functions of the "Digital Corporate Identity" platform to the industry through diversified means, including social media platforms and promotional videos. There are also plans to collaborate with relevant departments and industry associations to jointly organize promotional events and explore appropriate support measures to facilitate the corporations to adopt the "Digital Corporate Identity" platform.

<sup>&</sup>lt;sup>1</sup> The funding for the initiative was sought in the context of the Appropriation Bill 2024.

### Enhancing digital infrastructure

6. In October 2022, the Hong Kong Monetary Authority ("HKMA") launched the Commercial Data Interchange ("CDI"), with the objective of forming an ecosystem for secure and seamless data exchange.<sup>2</sup> For the purpose of facilitating data exchange, CDEG was linked with CDI in end-2023 to facilitate data sharing among government departments and financial institutions upon authorization of their enterprise clients. To ensure that all CDI participants follow a common set of rules, HKMA also launched the CDI Framework detailing the governance model and structure.<sup>3</sup>

7. In the third quarter of 2022, OGCIO and HKMA commenced a Proof-of-Concept study on digital corporate identity application in CDI. It aims at exploring the use of Public Key Infrastructure ("PKI") technology to improve and simplify the corporate identity verification process, in support of the consent process by corporate users in CDI for data sharing. Relevant tests and study were completed in April 2023 and the findings have served as a reference for the use of PKI technology and the Fast Identity Online technology, etc., in the development of the "Digital Corporate Identity" platform.

# **Previous discussions**

8. During discussions on the 2021 Policy Address and the implementation progress of the "iAM Smart" platform at relevant meetings of the Panel held in 2022, the Administration briefed Members on the progress of developing the business version of the "iAM Smart" platform. The views and concerns expressed by Members are summarized in the ensuing paragraphs.

# Timetable for developing the "Digital Corporate Identity" platform

9. Members expressed concern about the progress of the Administration's implementation of the business version of the "iAM Smart" platform and urged the Administration to address the problems associated with its implementation as early as possible, so that the business version of

<sup>&</sup>lt;sup>2</sup> CDI aims to enhance data sharing by facilitating financial institutions to retrieve enterprises' commercial data, in particular the data of small and medium-sized enterprises, from both public and private data providers. With the launch of CDI, financial institutions could embrace more innovative applications. The commercial data involved will include e-commerce and credit reference data.

<sup>&</sup>lt;sup>3</sup> Information extracted from the Government's press release issued on <u>24 October</u> <u>2022</u>; for details about the CDI Framework, please refer to <u>HKMA's website</u>.

the "iAM Smart" platform would be launched smoothly. The Administration advised that the first phase of Proof-of-Concept trials and research had been completed in 2022 and the second phase had been commenced with a study on the digital identity of enterprises, which would be applied to CDI. The Administration also advised that a sustainable development proposal through a public-private partnership approach would be worked out.

10. Members suggested that the Administration should expedite the application process of various funding schemes for the commercial sector by using the business version of the "iAM Smart" platform. The Administration responded that it would explore with stakeholders various issues in respect of "Digital Corporate Identity", including the acceptance of industry players, the application coverage, the governance framework of the platform and the detailed implementation plan. It would also assess the system security, the protection of users' privacy and the compatibility with relevant platforms in other jurisdictions, etc., with a view to working out recommendations on the platform's sustainable development, as well as to performing the corresponding legal and regulatory consultation.

# **Council questions**

11. A Member had raised a question related to the business version of the "iAM Smart" platform at a Council meeting. The relevant hyperlink is in the **Appendix**.

# Latest position

12. The Administration will brief the Panel on 13 May 2024 on the latest work progress of developing the "Digital Corporate Identity" platform.

### **Relevant papers**

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

Council Business Division 1 and Public Complaints Office Legislative Council Secretariat 7 May 2024

# Appendix

# "Digital Corporate Identity" platform

# List of relevant papers

Committee	Date of meeting	Papers
Panel on Information Technology and Broadcasting	14 February 2022	Agenda Item III: Briefings by the Secretary for Innovation and Technology and the Secretary for Commerce and Economic Development on the Chief Executive's 2021 Policy Address <u>Minutes of meeting</u>
Panel on Information Technology and Broadcasting	9 December 2022	Agenda Item II: Capital Works Reserve Fund Head 710 Computerization Subhead A007GX (Block Allocation) — New Administrative Computer Systems <u>Minutes of meeting</u>
Special Meetings of the Finance Committee to Examine the Estimates of Expenditure 2024-2025	19 April 2024	Written replies to initial questions raised by Members in examining the Estimates of Expenditure 2024-2025 (Reply Serial Nos.: ITIB049, 085, 088, 089, 165, 170, 179, 183, 204, 220, 228, 241, 243, 256 and 261)

Council meeting	Papers
27 April 2022	Question 8: Simplifying the procedure for enterprises to apply for the various funding schemes