

**For discussion
on 9 April 2021**

Legislative Council Panel on Financial Affairs

Protection of Personal Information on the Companies Register

PURPOSE

The Companies Register (“the Register”) maintained by the Companies Registry (“CR”) contains personal information made available for public inspection under the Companies Ordinance (Cap. 622) (“CO”). The CO already contains provisions to ensure legitimate and necessary access to such personal information but the provisions have not been commenced. This paper briefs members on the Government’s plan to bring these provisions into operation.

BACKGROUND

2. The Register allows public inspection to cater for the purposes set out in section 45(1) of the CO¹, such as for ascertaining the particulars of a company’s directors or other officers, or the particulars of a person who is appointed as the liquidator or provisional liquidator in the winding up of a company.

3. The personal information made available for public inspection in the Register include, amongst other data, the usual residential addresses (“URA”) and full identification numbers (“IDN”) of directors of registered

¹ Section 45(1) provides that “The Registrar must make the Companies Register available for public inspection at all reasonable times so as to enable any member of the public —

- (a) to ascertain whether the member of the public is dealing with —
 - (i) a company to which this subsection applies, or its directors or other officers, in matters of or connected with any act of the company;
 - (ii) a director or other officers of such a company in matters of or connected with the administration of the company, or of its property;
 - (iii) a person against whom a disqualification order has been made by a court;
 - (iv) a person who has entered into possession of the property of such a company as mortgagee;
 - (v) a person who is appointed as the provisional liquidator or liquidator in the winding up of such a company; or
 - (vi) a person who is appointed as the receiver or manager of the property of such a company;
- and
- (b) to ascertain the particulars of the company, its directors or other officers, or its former directors (if any), or the particulars of any person mentioned in paragraph (a)(iv), (v) or (vi).”

companies, and full IDN of company secretaries and some other individuals (such as liquidators and provisional liquidators). Similar personal information is also open for public inspection on the registers kept by companies themselves.

4. With increasing public awareness of the need to protect personal data, and considering that the personal data made available for public inspection should be limited only to those strictly necessary for the legal purposes of the Register, when the CO was made in 2012 provisions were included for a new inspection regime, which if have been fully implemented, would render the following protection –

- (a) only correspondence addresses of directors and company secretaries and partial IDN of directors, company secretaries and other relevant individuals will be shown in the Register for public inspection for documents filed after commencement of the new inspection regime;
- (b) the URA and full IDN of the individuals (“Protected Information”) will only be made accessible to specified persons² upon application. The court may disclose such information if it considers appropriate, and the CR may disclose the URA if it cannot effectively communicate with the director using the correspondence address provided;
- (c) individuals whose Protected Information is contained in documents registered with the CR before commencement of the new inspection regime can apply to the CR for withholding such information from inspection; and
- (d) a company may withhold Protected Information contained in its own registers from public inspection.

5. The new inspection regime will strike a reasonable balance by continuing to allow adequate public access to the necessary personal information to ascertain the particulars of the directorship and other key officers of companies, and enabling only the specified persons who have legitimate reasons to access the full Protected Information. In recent years, there has been rising social concern over whether personal data contained

² The persons include the data subject; a person authorized by the data subject; a member of a company; a liquidator; a trustee in bankruptcy; a public officer or public body; an inspector appointed under the Trustee Ordinance (Cap. 29); an inspector under section 838(1) of the CO, etc, as set out in the draft subsidiary legislation to be made for the purpose.

in public registers are adequately protected, especially in the light of increased reported cases of doxxing and personal data misuse³. We consider that there is an imminent need to bring into operation the new inspection regime of the CO.

PHASED COMMENCEMENT OF THE NEW INSPECTION REGIME

6. The full operation of the new inspection regime of the Register would involve substantial system and operation modifications of the CR's information system, namely the Integrated Companies Registry Information System ("ICRIS"). Under the new regime, it is estimated that the ICRIS every year will have to register about 1.7 million new documents containing Protected Information that have to be processed and streamed into the public and protected registers. The ICRIS will also have to make available about 40 million documents containing Protected Information already registered with the CR for people to apply for masking those information. The ICRIS has to be upgraded to allow automatic and computer-aided processing of the above to ensure that the company registration and search services will not be significantly undermined.

7. The CR is already implementing an ICRIS revamp project for system upgrade. The revamp project is scheduled for completion in end 2023⁴, by then the ICRIS will have the capacity to cope with the requirements for full operation of the new inspection regime. Meanwhile, we have studied the possibilities of bringing some of the provisions of the new inspection regime into operation earlier before full commencement such that the personal data protection regime will be geared up by phases.

8. We plan to commence the new inspection regime by phases, with corresponding necessary legislative amendments, as follows –

- (a) Phase 1 – to commence with immediate effect the CO provisions that enable companies to withhold from public inspection in their own registers the URA of directors and full IDN of directors and company secretaries;

³ For example, the Office of the Privacy Commissioner for Personal Data received 1 036 doxxing complaint cases in 2020.

⁴ The CR embarked on a development project entitled "the Next Generation of ICRIS for the Companies Registry" in October 2018 to revamp the existing information systems to produce a single, integrated online platform that supports the CR's core business operations in future, with new features such as setting up of cloud platform, use of blockchain technology and artificial intelligence in provision of services and keeping of company information.

- (b) Phase 2 – to commence with effect in October 2022 the CO provisions which enable the CR to protect from public inspection the Protected Information contained in all documents filed for registration after commencement of this phase; and
- (c) Phase 3 – to commence with effect in December 2023 all the remaining CO provisions such that people may apply to the CR for protecting from public inspection their Protected Information contained in documents already registered with the CR before commencement of Phase 2.

9. The phased commencement of the new inspection regime requires making of subsidiary legislation, including the commencement notices and regulations on the administrative, procedural and technical matters for the new inspection regime. We plan to introduce these subsidiary legislations into the Legislative Council for negative vetting in May 2021.

OTHER ADMINISTRATIVE MEASURES

10. Currently, any person conducting a search on the Register is required to make a statement on the purposes of conducting the search, and confirm an understanding that the personal data obtained should only be used for the stated purposes. The CR also publishes Privacy Statements to remind public members to observe the requirements under the Personal Data (Privacy) Ordinance (Cap. 486). The CR will continue to review these administrative measures from time to time with a view to deterring illegitimate access or misuse of personal data.

ADVICE SOUGHT

11. Members are invited to provide views on the Government's proposals set out in this paper.

**Financial Services and the Treasury Bureau
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