



International Conference on Privacy Protection in Corporate Governance

Privacy Management Programme

*From Compliance
to Accountability*

*Mr Allan Chiang, SBS
Privacy Commissioner for Personal Data
11 February 2014*



Personal Data (Privacy) Ordinance 1996





Day to Day Management

- **Budget** ✓
- **Customer service** ✓
- **Public relations** ✓
- **Staff** ✓
- **Environmental impact** ✓
- **Privacy and data protection** ?



How do organisations manage privacy and data protection?

Generally ARE

- Reactive
- Remedial
- Handled by legal and compliance staff
- Minimalist approach

SHOULD

- **Proactive**
- **Preventative**
- **Top management involvement**
- **Part and parcel of corporate governance**



The Octopus Incident



Data Protection = Legal Compliance

經一事，長一智

八達通作為一家獨立運作的公司，自1997年為香港推出八達通卡服務至今，業務已相當成熟。經過多年發展，八達通與港人已建立密不可分的关系。所謂「量之深，責之切」，港鐵深明港人對今次八達通向第三者提供客戶私人資料的反應，亦深信八達通已汲取教訓。

作為八達通的最大股東，港鐵雖然沒有控制權，亦不參與其營運及管理，然而我們責無旁貸，會採取一切必要行動，敦促八達通要全力配合私隱專員公署、金管局及立法會，徹查事件，清楚交代。為全力承擔事件責任，八達通今次出售客戶個人資料，雖然於法有據，但於情不合。八達通除了保證今後不再從事有關業務外，更將所有有關營業額，全數捐予公益金作慈善用途。

一心一意
重拾信任



八達通一直「心」繫港人，致力發展智能卡的制和應用，在國際上屢獲殊榮，榮獲全球最成功的智能卡，令港人引以為傲。今次處理客戶私隱事件不當，應及早返回正軌。港鐵已要求八達通重新聚焦發展核心業務，繼續創新及改進現有系統技術及營運方案，以及積極輸出經驗。八達通已展開行政總裁招聘程序，在過渡期間，港鐵得到其他股東同意，推調鄧智輝先生出任暫委行政總裁，務求令業務發展早日重回正軌，透過實際的行動，重拾大眾的信心。

一心一意
捍衛私隱



八達通是利民科技，其對個人私隱的保障亦應臻於完善。港鐵已責成八達通從今停止出售任何客戶個人資料，並將委任顧問公司研究如何優化其私隱保障政策，全面保障客戶私隱。港鐵今後將確保八達通繼續精益求精，透過不斷創新和改進，加上完善的私隱保障政策，定能令大家的生活更便捷美好。

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心繫生活每一程



於法有據
但於情不合



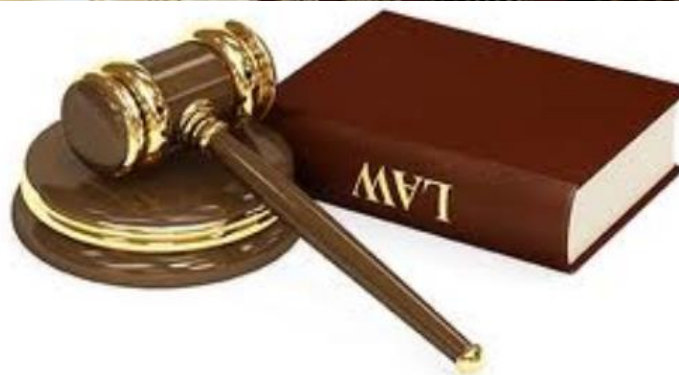
Customer Loyalty Programs: Collection & Use of Customers' Data





ill-defined Purposes of Use and Data Transferees

- **Subsidiaries**
- **Partners**
- **Affiliates**
- **Third parties**
- **Any other persons under a duty of confidentiality to us**







Press Release

A.S. Watson Group



A.S. Watson Group Responds to Report of Office of the Privacy Commissioner for Personal Data

(Hong Kong: 12 October 2012) A. S. Watson Group has received the report from the Office of the Privacy Commissioner for Personal Data regarding PARKnSHOP and Watson's MoneyBack programme.

The MoneyBack programme is a well-received loyalty programme that offers customers great savings and individually tailored offers at the same time. It costs nothing to join and customers can accumulate points for cash vouchers or products and services.

A. S. Watson is aware that the Privacy Commissioner has concerns with certain aspects in the data collection of the programme and is confident that the Group can address those areas without affecting customer benefit and convenience. Mr Dominic Lai Kai Ming, Group Managing Director of the A.S. Watsons Group met with Privacy Commissioner Mr Allan Chiang this afternoon, 12 October 2012, to exchange views on the issue.

"We are confident that these issues can be resolved. We definitely want to be proactive in protecting our customer's data while ensuring they receive the rewards and savings that they earned by continually shopping with us," said Mr Lai.

In addition to converting points for vouchers, products and services, MoneyBack has points conversion partners including Asia Miles, Esso Smiles and Standard Chartered Bank Credit Card. Members can even donate the points to charities. MoneyBack was launched in 2007 and presently has over 1.6 million household members. Members can accumulate points at MoneyBack's extensive retail network of over 400 retail outlets in Hong Kong and Macau. These locations include PARKnSHOP, International, Taste, Fusion, Gourmet, Great, SU-PA-DE-PA, Express, Watsons and Fortress.

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 A.S. Watson Group is a member of the Privacy Commissioner for Personal Data

***“definitely want to be
proactive in protecting
customer’s data”***



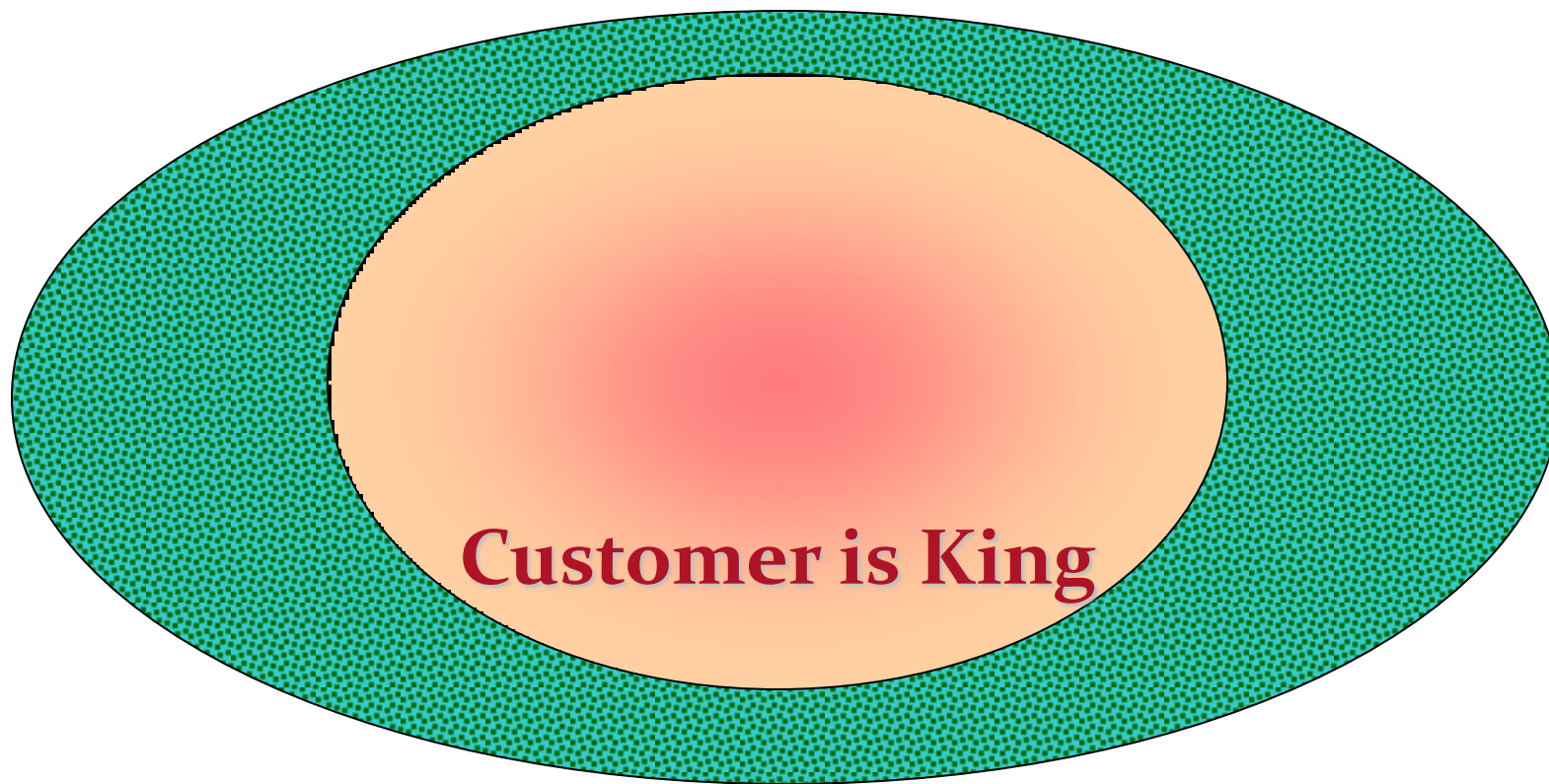
California Fitness



**HKID Card copy required
to prove sales are genuine**



Customer-Centric





Market Competitiveness

Corporate Image



Data Protection and Compliance Cost

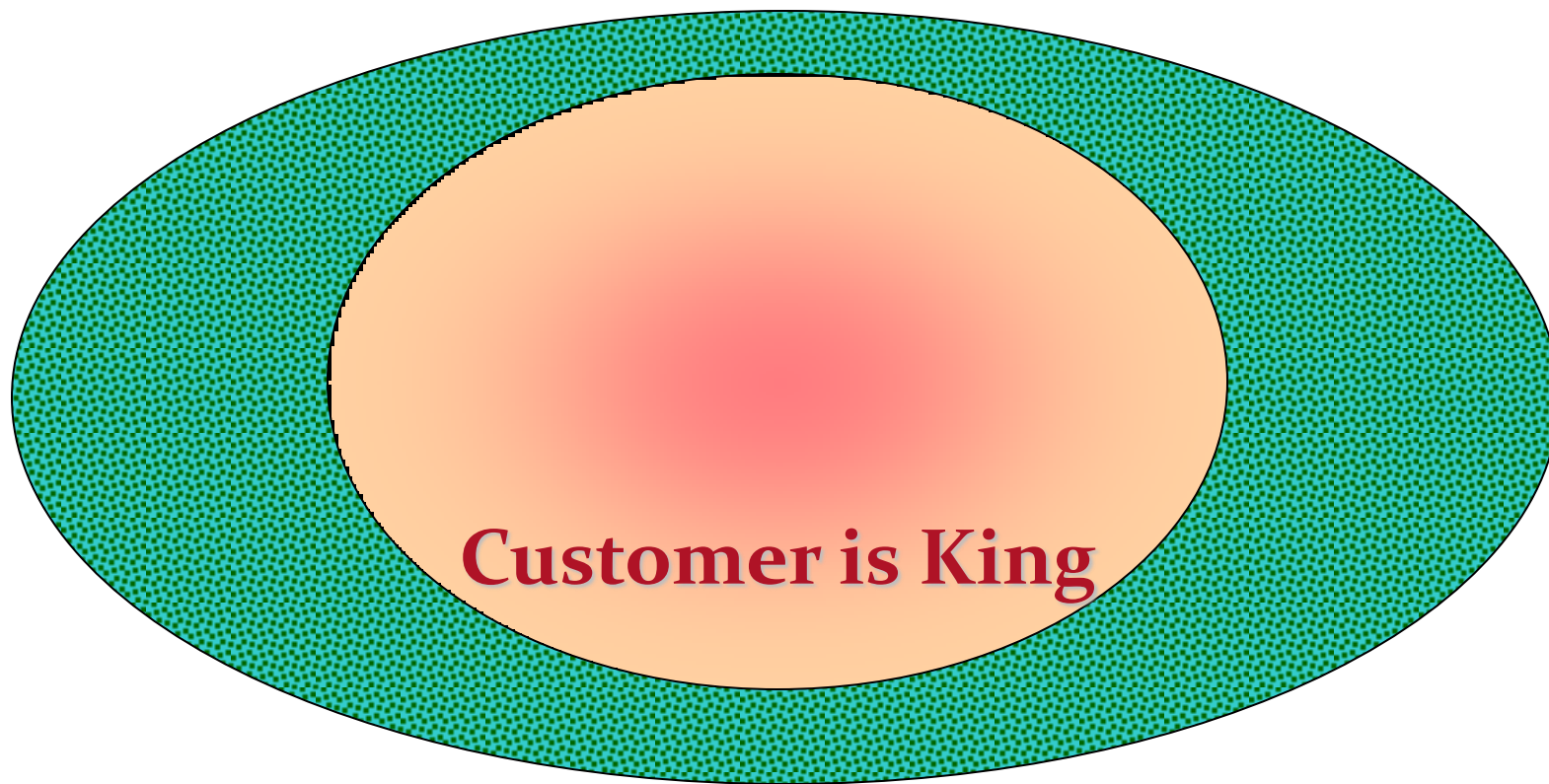


Security of Personal Data





Customer-Centric





PMP

Privacy Management Programme

**in
Corporate
Governance**



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PMP

Privacy Management Programme

*From Compliance
to Accountability*



PMP

- **Top management commitment**
- **Part of corporate governance**
- **Treats privacy and data protection as a multi-disciplinary issue**
- **Focuses on respect for customers/clients' needs, wants, rights and expectations**
- **Establishes policies, procedures and practices giving effect to the legal requirements**



PMP

- Provides safeguards based on privacy risk assessment
- Ensures privacy is built into all initiatives, programmes or services *by design*
- Includes plans for responding to data breach
- Incorporates internal oversight and review mechanisms
- Is kept current and relevant
- Is appropriately resourced and managed by dedicated staff



PMP

- **Ensures legal compliance**
- **Demonstrates commitment to good corporate governance**
- **Builds trustful relationships with customers, employees, shareholders and regulators**



Implementation of PMP

Privacy Management Programme





Implementation of PMP

**Privacy
Management**
Programme



八達通
OCTOPUS





PRIVACY is the 2013 Word of the Year





PMP

**Privacy
Management**
Programme



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Thank You