

Electronic Health Record Sharing System awarded international information security management certification (with photo)

The Electronic Health Record Sharing System (eHRSS) has been awarded the ISO/IEC 27001:2013 certification of the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) after its Information Security Management System (ISMS) passed the relevant certification audit.

Receiving the certificate, the Permanent Secretary for Food and Health (Health), Ms Elizabeth Tse, today (September 17) said, "We are pleased that the eHRSS has been awarded the ISO/IEC 27001:2013 certification for its ISMS. It is a milestone in the continuous improvement of the services and information security management under the eHRSS. More than 850 000 members of the public have registered with the eHRSS. We will strive to provide better quality services in the second stage development of the eHRSS."

Led by the Government and with the Hospital Authority (HA) as the technical agency, the territory-wide eHRSS was launched in March 2016 to facilitate public-private medical collaboration, promote continuity of care and improve the quality and efficiency of healthcare services. With patients' informed consent, registered healthcare providers (HCPs) in both the public and private sectors can view and share patients' electronic health records on the eHRSS. Registration by both patients and HCPs is voluntary, free and easy. Under the second stage development, the sharable scope of the eHRSS will be enlarged to include Chinese medicine information and radiology images, and a Patient Portal will be developed.

ISO/IEC 27001:2013 is an international standard developed by ISO and IEC to provide requirements for establishing, implementing, maintaining and continually improving an ISMS. Being certified with the ISO/IEC 27001:2013 standard indicates that the Government and the HA have put in place for the eHRSS a comprehensive suite of information security controls after systemically reviewing its security risks, and have adopted a management process that ensures that the controls will continue to meet its information security needs on an ongoing basis.



Public urged to observe fire safety and keep countryside clean

The Agriculture, Fisheries and Conservation Department (AFCD) today (September 17) reminded people to observe fire safety and keep the countryside clean during the Mid-Autumn Festival.

"Visitors should not release any Hung Ming lanterns, and should be extremely careful with barbecue fires as well as candle-lit lanterns in the countryside," an AFCD spokesman said.

"It is an offence under the Forests and Countryside Ordinance to illegally light a fire or release a Hung Ming lantern in country parks and open countryside.

"Any person who contravenes the ordinance is liable to a maximum fine of \$25,000 and one year's imprisonment."

The spokesman also reminded visitors to keep the countryside clean. Anyone who commits a littering offence in a country park area is liable to a fixed penalty of \$1,500.

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Monday, September 17, 2018 is 104.6 (up 0.1 last Saturday's index).

The effective exchange rate index for the Hong Kong dollar on Saturday,

September 15, 2018 was 104.5 (up 0.3 against last Friday's index).

[Speech by CE at opening ceremony of 2018 Asian Actuarial Conference \(English only\) \(with photos/video\)](#)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the opening ceremony of the 2018 Asian Actuarial Conference today (September 17):

Mr Simon Lam (President of the Actuarial Society of Hong Kong), Mr Yoshimura (President of the International Actuarial Association, Mr Masaaki Yoshimura), Mr Billy Wong (Chairman of the 21st Asian Actuarial Conference Organising Committee), Moses (Chairman of the Insurance Authority, Dr Moses Cheng), ladies and gentlemen,

Good morning.

I am delighted to join you today for the opening of the Asian Actuarial Conference. It is the third time this prestigious event, previously called the East Asian Actuarial Conference, has taken place here in Hong Kong. It gives me great pleasure to welcome so many distinguished members of the actuarial profession to Hong Kong. I'm told that there are nearly 700 of you here for the four-day Conference, from more than 20 countries and regions all over the world. I hope the stormy weather brought by Super Typhoon Mangkhut has not caused too much disruption to your travelling plan. We actually have a full house this morning.

The last time this event was held in Hong Kong was in 2001, some 17 years ago. Naturally the world has changed significantly in almost every aspect, and Hong Kong is no exception. We are now into the fifth term of the Hong Kong Special Administrative Region Government, under a first lady Chief Executive, but I would assure you that the principle of "one country, two systems" and a high degree of autonomy are as robust as ever.

There is a saying that "life is full of uncertainties". Just when everyone was predicting a bright outlook for the global economy at the beginning of the year, and such positive sentiments prevailed when I attended the World Economic Forum at Davos in January this year, the United States has now imposed unilateral trade measures against Mainland China and some other economies, casting a cloud over future economic prospects. While terrorist attacks and a trade war are of course of completely different nature, I think these events show that black swans do exist and there are always risks in the world. The increasing natural disaster risk, as shown by Typhoon Mangkhut, which was the strongest tropical cyclone hitting us in decades, is another

case in point.

We cannot avoid risks, so the best we can do is to understand, predict, calculate and manage them. It is no doubt a task which is easier said than done, but thankfully we have the help of actuaries. I know that the Casualty Actuarial Society and the Society of Actuaries – both organisations are well represented here today – describe an actuary as "part superhero, part fortune teller, part trusted advisor". I am not sure if actuaries can actually fly, but I think the description reflects the importance as well as the complexity and difficulty of their job. Being the leading professionals in finding ways to manage risk, actuaries do need to have very strong analytical skills, business knowledge and understanding of human behaviour in order to perform their functions.

We live in a fast-changing world with emerging risks, but they also represent opportunities as we look for more creative ways to tackle them. The spectrum of topics at this Conference proves my point, which range from artificial intelligence and cybersecurity to Insurtech, longevity risk, the growth of online insurance in Mainland China and the Belt and Road Initiative. These topics and the issues they reflect underline three major developments, which are of interest not only to actuaries and the insurance sector but to policymakers as well.

I'm talking about the challenges of our aging population, the impact of new technology and the burgeoning opportunities opening up, thanks to the continuing economic development of Mainland China. Allow me to share with you my thoughts on each of these areas for the next few minutes.

The first topic is aging population. There is no better place in the world to talk about this topic, for Hong Kong tops global rankings in life expectancy. Men in Hong Kong are living on average up to 81.3 years and women even longer, at 87.3 years, as of 2016. According to our projection, by the year 2066, the life expectancy at birth will be 93.1 for women and 87.1 for men here. In 2026, less than 10 years from now, the number of the elderly aged 85 or above will be the same as children aged below 5. The number of elderly aged 65 or above stood at 16.6 per cent of our population at 2016 and will rise to one in three of the population at 2036, but these days I have chosen to refrain from using elderly figures at the benchmark of 65 as men and women at 65 are really not old. And I am approaching that age. We are seeing many centenarians in Hong Kong now, and they will be even more common in the future.

While we are glad to see our people live longer, society will need to get prepared. For one thing, the amount of money sufficient to support life for about 20 years after retiring at the age of 65 is very different from the amount needed when expected life is 100 years. For governments, the challenge involves redefining concepts such as middle age. Policymakers will also need to reconsider social and physical infrastructure to meet the needs of a population that is expected to live for 100 years.

Several years ago, the Geneva Association, a think tank established by

insurance institutions, addressed the "Challenge of Global Ageing," from funding issues to insurance solutions, in a report. The Association's report suggested six critical strategies, namely reduce pay-as-you-go benefit burdens, strengthen old-age safety nets, increase funded retirement savings, encourage longer work lives, encourage higher birthrates and increase immigration.

Hong Kong has been implementing policies that are more or less in line with these strategies. They include increasing the old age allowance for the elderly with inadequate retirement arrangements and increasing statutory paternity leave, reviewing statutory maternity leave and expanding child care facilities to better support parents. We recently launched a public life annuity, with a guaranteed monthly payment for life at an expected internal rate of return of 4 per cent. The goal is to help the public enjoy a stable income after retirement. As actuaries, you know how difficult it is for business and insurers to issue commercially viable life annuities, given the low-interest environment and longer life expectancy. That's why this gap has to be filled by the public sector.

We will also introduce tax incentives, encouraging people to take out deferred annuities from insurers and make voluntary contributions beyond the Mandatory Provident Fund system, Hong Kong's occupational retirement scheme. We want the people of Hong Kong to save early and save more.

Naturally we would be interested in how insurance can hedge longevity risk. We believe that an aging society will create opportunities for the insurance sector. Alongside long-term financial planning products, there could be new demand for insurance against infirmity risk. And for actuaries, my prediction is that your data analytics and risk-management techniques will be used more intensively for policy formulation by governments in managing their aging populations.

Talking about predictions, the use of predictive analytics by actuaries to help insurers in pricing insured risks, detecting fraudulent claims and market segmentation has been developing fast. At the same time, Insurtech applications, from conversational artificial intelligence to blockchain-based insurance contracts, are set to disrupt the insurance industry. Cyber-risks lead to the demand for cyber insurance, together with expertise to help the insured and insurer quantify their exposure to cyber risks. How best to use technology and encourage innovation is critical to both public- and private-sector decision-makers.

Hong Kong embraces technology and welcomes talent. At the regulatory level, the Insurance Authority has introduced a sandbox approach, as well as fast-track approval arrangements to encourage Insurtech start-ups. And my Government is targeting a range of measures to promote innovation and technology. These include tax incentives to encourage R&D, with a 300 per cent tax deduction for the first HK\$2 million eligible R&D expenditure by corporations, and a 200 per cent deduction for the excess. There's no limit on the expenditure eligible for this tax deduction.

The Government will make use of a HK\$2 billion scheme under the Innovation and Technology Venture Fund to invest, together with venture capital funds, in local technology start-ups. We have also introduced a HK\$500 million Technology Talent Scheme to boost our technology talent. And we've just announced a Talent List, which has been designed to attract quality professionals to Hong Kong to accelerate our development into a high value-added and diversified economy. That list currently focuses on 11 in-demand professions, including actuaries. So, for any of you who would like to practice in Hong Kong or plan to start an Insurtech company, you are most welcome here.

Still with technology, we are developing with the Shenzhen Government the Hong Kong/Shenzhen Innovation and Technology Park, which is located in a place called Lok Ma Chau Loop between our two cities. Shenzhen, a fast-rising innovation hub, is home to IT giant Tencent and the innovative insurer Ping An. The technology park will play a critical role in the emergence of the Guangdong-Hong Kong-Macao Greater Bay Area, which links Hong Kong, Macao and nine prosperous cities in the Guangdong province. Together, the Greater Bay Area counts a population of close to 70 million and a GDP of some US\$1.5 trillion. Such economic and consumer clout can only mean bigger market potential for Hong Kong companies and the global companies that partner with Hong Kong.

That certainly includes insurance. We are now actually working to gain greater and wider access to the Greater Bay Area for Hong Kong insurers. In particular, we are working to get agreement from the Mainland regulatory authorities to allow Hong Kong insurers to set up service centres in the Greater Bay Area, which will help Mainland policyholders and Hong Kong policyholders working or residing in the area in making claims and accessing other after-sale services. At the same time, we are in discussions with the Mainland authorities to enable the distribution of Hong Kong insurance products throughout the Greater Bay Area, and to allow Hong Kong-headquartered life insurers to establish majority-owned entities in the Mainland, thereby expanding both opportunity for the industry and choice for the people.

Then there's the Belt and Road Initiative, which will create opportunities for Hong Kong at a considerably more expansive geographical level. I know that a plenary session on the Belt and Road Initiative will follow my speech, so I'll keep this brief. I would just emphasise that Hong Kong will play a significant role in the Initiative. We are an international financial centre, regularly cited as the world's freest economy. We are also China's international financial capital, home to the largest pool of offshore Renminbi. In short, Hong Kong is a natural fund-raising centre for infrastructure, investment and production projects, and a natural hub for project management, given our extensive professional services prowess. That includes risk management, insurance and dispute-resolution services that our Belt and Road partners and their projects may well need.

In this regard, my Government has been working very closely with the Insurance Authority chaired by Dr Moses Cheng to enable the development of

captive insurance, marine insurance and the underwriting of specialty risks in Hong Kong. We are now considering new tax incentives to fast-track these lines of insurance, together with measures to promote the issuance in Hong Kong of such insurance-linked securities as catastrophe bonds. These and other measures are sure to boost Hong Kong's status as an insurance hub and risk-management centre, and will surely help us seize the boundless opportunities arising from the Belt and Road Initiative.

Ladies and gentlemen, chance favours the prepared mind. Hong Kong has been sharpening its competitive edge to capture opportunities ahead, and our fundamentals as an insurance hub will be further strengthened. So for actuaries like you, Hong Kong is where you want to be, today and long into this 21st century of opportunity.

My thanks, once again, to the Actuarial Society of Hong Kong for organising the 2018 Asian Actuarial Conference. I wish you all the best of business at the Conference and a very happy stay in Hong Kong. Thank you very much.



[Four illegal workers jailed](#)

Four illegal workers comprising three Pakistanis and an Indian were jailed by Shatin Magistrates' Courts on September 14.

During a joint operation conducted by the Immigration Department (ImmD), the Hong Kong Police Force and the Labour Department codenamed "Sahara" on April 23, enforcement officers raided a restaurant in Tsim Sha Tsui. A male Indian illegal worker, aged 30, was arrested. When intercepted he was working as an odd-job worker. Upon identity checking, he produced for inspection a recognisance form issued by the ImmD, which prohibits him from taking employment. Further investigation revealed that he was a non-refoulement claimant. An employer suspected of employing the illegal worker was also arrested and the investigation is ongoing.

In addition, Immigration Department (ImmD) investigators received a referral from the Hong Kong Police Force to further investigate an illegal employment case in June. Enforcement officers arrested three male Pakistani illegal workers, aged between 26 and 37, who were found working as odd-job workers in Sheung Shui. Upon identity checking, they produced for inspection recognisance forms issued by the ImmD, which prohibit them from taking employment. Further investigation revealed that they were non-refoulement claimants.

The four illegal workers were charged at Shatin Magistrates' Courts on September 14 with taking employment after landing in Hong Kong unlawfully and remaining in Hong Kong without the authority of the Director of Immigration or while being a person in respect of whom a removal order or deportation order was in force. After trial, they were sentenced to 22 months and two weeks' imprisonment.

The ImmD spokesman warned that, as stipulated in section 38AA of the Immigration Ordinance, illegal immigrants or people who are the subject of a removal order or a deportation order are prohibited from taking any employment, whether paid or unpaid, or establishing or joining in any business. Offenders are liable upon conviction to a maximum fine of \$50,000 and up to three years' imprisonment. The Court of Appeal has issued a guideline ruling that a sentence of 15 months' imprisonment should be applied in such cases.

The spokesman reiterated that it is a serious offence to employ people who are not lawfully employable. The maximum penalty is imprisonment for three years and a fine of \$350,000. The High Court has laid down sentencing guidelines that the employer of an illegal worker should be given an immediate custodial sentence. According to the court sentencing, employers must take all practicable steps to determine whether a person is lawfully employable prior to employment. Apart from inspecting a prospective employee's identity card, the employer has the explicit duty to make enquiries regarding the person and ensure that the answers would not cast any reasonable doubt concerning the lawful employability of the person. The court will not accept failure to do so as a defence in proceedings. It is also an offence if an employer fails to inspect the job seeker's valid travel document if the job seeker does not have a Hong Kong permanent identity card. The maximum penalty for failing to inspect such a document is imprisonment for one year and a fine of \$150,000.

Under the existing mechanism, the ImmD will, as a standard procedure, conduct initial screening of vulnerable persons, including illegal workers, illegal immigrants, sex workers and foreign domestic helpers, who are arrested during any operation with a view to ascertaining whether they are trafficking in persons (TIP) victims. When any TIP indicator is revealed in the initial screening, the officers will conduct a full debriefing and identification by using a standardised checklist to ascertain the presence of TIP elements, such as threat and coercion in the recruitment phase, and the nature of exploitation. Identified TIP victims will be provided with various forms of support and assistance, including urgent interference, medical

services, counselling, shelter, temporary accommodation and other supporting services. The ImmD calls on TIP victims to report crimes to the relevant departments.