



**THE AMERICAN  
CHAMBER OF COMMERCE  
IN HONG KONG**

By fax: 2877-7026

October 25, 2002

Mr. Raymond Tang  
The Office of the Privacy Commissioner for Personal Data  
Unit 2001, 20th Floor, Office Tower  
Convention Plaza  
1 Harbour Road  
Wan Chai  
Hong Kong

Dear Mr. Tang,

Re: Sharing Positive Credit Data – Proposed Provisions on Consumer Credit Data Protection

On behalf of the American Chamber of Commerce in Hong Kong, I am pleased to make a submission on the Consultation paper you recently issued setting out your proposals for amendment of the Code of Practice on Consumer Credit Data ("the Code").

The American Chamber welcomes your proposals to amend the Code to protect the privacy of individuals, while allowing the sharing of positive credit data between recognised financial institutions.

As you make clear in your paper, positive data sharing has been a normal part of functioning consumer credit markets in most developed countries for many years. In the United States, the sharing of full credit data has long been an effective and important backbone of the financial industry and consumers have come to see a good credit history as an asset. A full credit data bureau will ultimately help keep lenders from extending credit to over-extended borrowers while enabling consumers to enjoy the convenience of credit within their means.

Most responsible customers of banks and other financial institutions welcome positive data sharing because it enables them to build up a good credit record, which gives them quick and easy access to credit when they need it. Individuals from the poorer sectors of society who may have irregular or part-time income benefit strongly, because it enables them to participate in the banking system from which they might otherwise be excluded. In Hong Kong, if the low-paid cannot obtain ready access to credit, they are likely to turn to money-lenders and loan sharks charging exorbitant rates of interest, which exacerbates their financial difficulties and is also socially undesirable.

The proposal to allow positive data sharing was made by and with the full support of Hong Kong's financial services community, which includes a number of significant American financial institutions. The introduction of positive data sharing would undoubtedly strengthen Hong Kong's reputation as a well-regulated, regional financial centre. The American Chamber also believes that the proposal - and your proposed amendments to the Code - are in the overwhelming interests of the vast majority of Hong Kong's population.

We strongly support your proposals and hope that they will be implemented in full as soon as possible.

Yours sincerely,

Frank Martin, SBS  
President