The Hong Kong's Framework for Generative AI Governance:

Policy Recommendations and Best Practices

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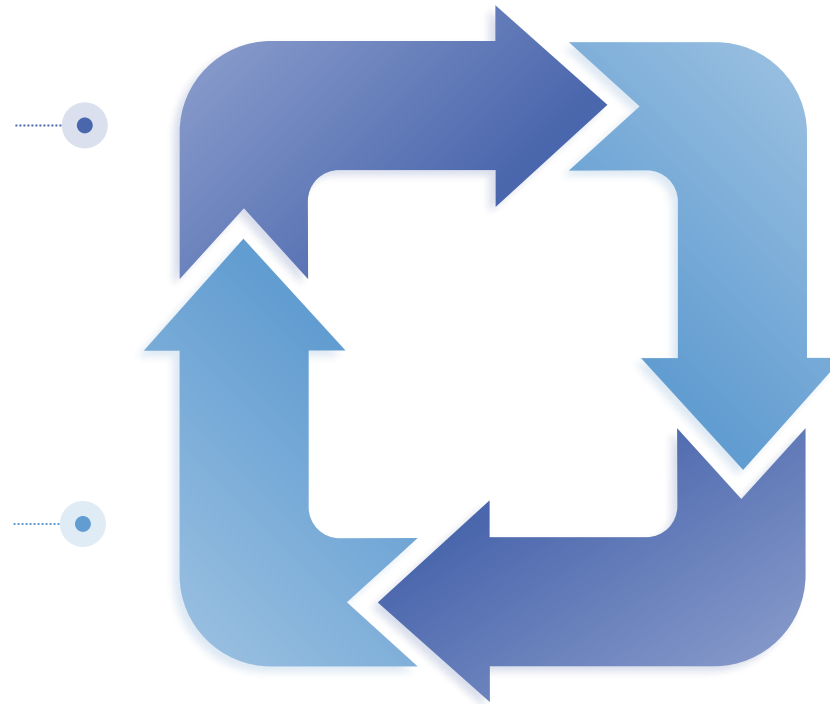
HKUST

- **The HKSAR Government is formulating governance measures for generative AI** with a focus on **industry-specific customization** and **ethical principles**.

- It commissioned the **HKGAI** to propose guidelines on **trustworthiness, responsibility, and information security**, offering direction for stakeholders.

The **HKSAR Government** leverages **international practices** and **stakeholder collaboration** to enhance **AI development** and establish **governance measures**.

HKGAI was tasked with creating guidelines on **trustworthiness, responsibility, and information security** to balance **technology** and **ethics**.

Hong Kong's **sector-specific AI governance** emphasizes **ethical deployment** and integrates **ethics into research and innovation initiatives.**

The guidelines address generative AI's **challenges**, providing **guidance**, promoting **collaboration**, and advocating research for a **sustainable AI** future.

II. The Global Governance Landscape of Generative AI

- The chapter explores global AI **governance strategies**, **legislative actions**, and the **role of international organizations**.

- It addresses challenges like **geopolitical rivalries** and **technological change** while providing benchmarks for regional frameworks, including the HKSAR.

2.1 The Comparative Landscape for AI Governance

AI governance varies globally, shaped by each country's unique context and priorities.

✓ The **EU** adopts a risk-based approach through its Artificial Intelligence Act, while the **US** employs sectoral regulation with initiatives like the AI Bill of Rights.

✓ **Singapore** proactively advances AI governance with its Model AI Governance Framework, and Hong Kong emphasizes data privacy via the PDPO while developing broader frameworks.

✓ ...

2.1 The Comparative Landscape for AI Governance

01 United States

- The US adopts **sector-specific** AI governance with **voluntary guidelines** balancing innovation and civil liberties.
- **Agencies like NIST, FTC, and DoD** advance responsible AI through leadership, rights protection, and value alignment.

02 European Union

- The EU leads in AI governance with a **comprehensive framework** balancing innovation and rights protection.
- The **AI Act** adopts a **risk-based** approach, supported by key guidelines and proposals like **AILD and GDPR.**

03 United Kingdom

- The UK adopts a **pragmatic, sector-specific** AI governance model balancing innovation and oversight.
- The **2023 white paper** outlines a flexible framework, supported by an **AI sandbox, ICO oversight, and the DPDI Bill**.

04 Singapore

- Singapore leads in AI governance with the Model AI Governance Framework and **ISAGO** guiding responsible AI.
- Initiatives like the **Nat'l AI Strategy 2.0 and MAS's FEAT principles** position it as a top AI innovation hub with ethical regulations.

05 Australia

- Australia implements AI laws and frameworks, including **2021–2022 Acts**, ensuring responsible use and trust.
- Strategies and the **Ethics Framework** position Australia as a leader in balancing AI innovation and ethics.

06 Japan

- Japan adopts a **multi-layered** AI governance approach balancing technology with **societal needs**.
- The **2022 AI Strategy**, guidelines, and white papers ensure public trust, safety, and growth through fairness and practical frameworks.

2.2 National AI Governance in Mainland

Centralized and Goal-Oriented Governance

- Mainland China **aims to be a global AI leader by 2030** with a **government-controlled** governance approach.
- 2023 measures enforce **socialist values**, data security, and personal info protection.

Regulatory Ecosystem and Norm-Setting

- Mainland China establishes a **regulatory ecosystem** with generative AI rules and laws ensuring transparency and accountability.
- 2023 guidelines support **AI data infrastructure,** reinforcing ethical use and leadership in global AI governance.

City-Level Initiatives and Industry Integration

- **Shenzhen and Shanghai's 2024 regulations** enhance AI system security and align with national goals.

Challenges and Global Ambitions

- Strict AI regulations challenge international business and creativity but aim for **global AI leadership by 2030**.
- The governance model balances domestic rules with shaping international standards for global influence.
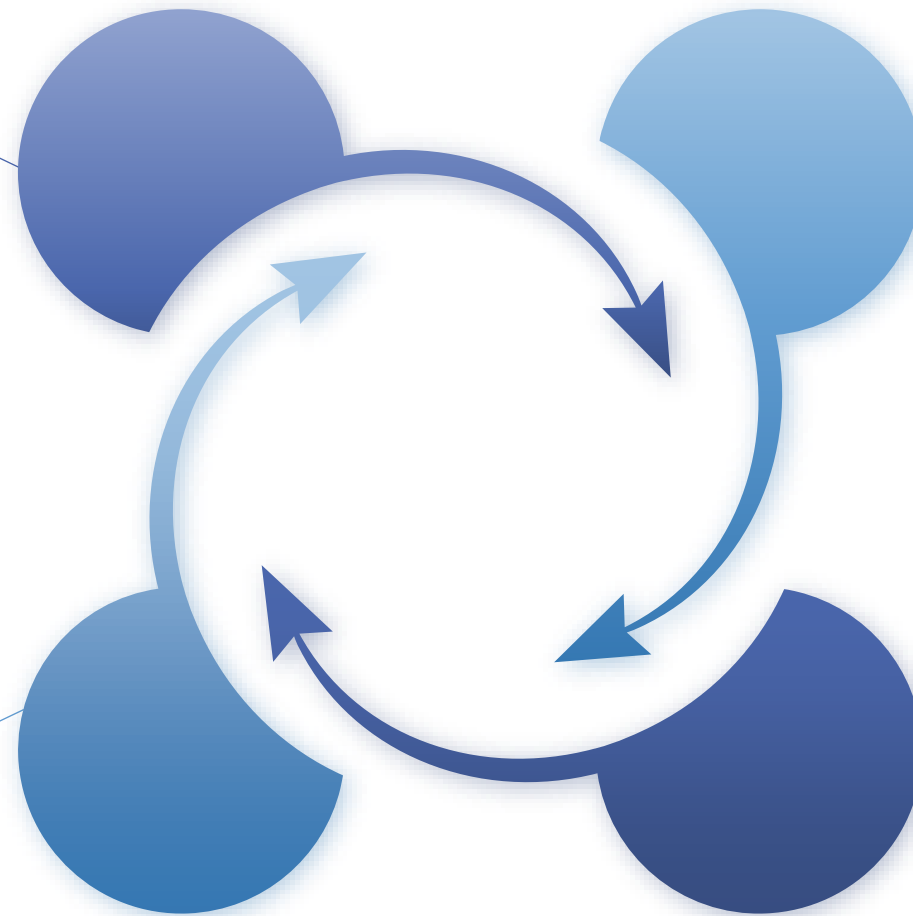
III. Key Governance Domains of Generative AI in Hong Kong

Data Privacy

- AI development challenges data privacy with **system complexity**.

- Hong Kong addresses this by standardizing protocols, implementing safeguards, ensuring compliance, promoting collaboration, and monitoring systems.

Intellectual Property

- AI and intellectual property in Hong Kong face challenges like **using copyrighted data**, **rights for AI-generated content**, and **patentability**.

- Governance aims to protect rights, support innovation, align with standards, enhance awareness, and ensure clarity.

Crime Prevention

- AI in crime prevention offers opportunities but poses challenges like **deepfake threats** to public security.

- Hong Kong addresses this by standardizing technologies, strengthening frameworks, enhancing enforcement, promoting ethical AI, and raising awareness.

Trustworthiness

- Generative AI's trustworthiness hinges on **accountability**.

- Hong Kong is creating frameworks to clarify responsibilities, protect rights, prevent harm, and build trust.

Safety

- AI governance safety focuses on protecting systems and data from **unauthorized access**.

- Hong Kong prioritizes system reliability, robustness, and safety through standards and guidelines.

Hong Kong's generative AI governance framework **centers on five key policy domains** on AI's development and application.

IV. Hong Kong's Governance Framework for Generative AI

- Hong Kong seeks balanced AI regulation, leveraging **non-statutory frameworks** and its **legal system** to address rapid tech evolution and overregulation risks.

- Governance focuses on **data privacy, IP laws, crime prevention, and trustworthiness**, addressing challenges like **algorithm complexity and global alignment**.

1 Data Privacy

- The **PDPO with six DPPs** governs data privacy for AI, supported by PCPD guidance and AI ethical principles.

- **A 2024 framework and educational initiatives** position Hong Kong as a leader in AI data privacy governance.

2 Intellectual Property

- Hong Kong's AI activities are governed by **existing IP laws.**

- **A 2024 public consultation on the Copyright Ordinance** aims to address AI-generated works' ownership and liability, aligning with global IP trends.

3 Crime Prevention

- Existing laws for physical crimes extend to the cyber world, with the **Crimes (Amendment) Ordinance 2021** addressing AI-altered images.

- The **National Security Law** emphasizes AI security, and a legislative review is recommended to tackle emerging threats like deepfakes.

4 Trustworthiness

- Challenges include **AI algorithm complexity, misinformation risks, transparency issues, and global alignment.**

- Hong Kong must address **ethical, security, public engagement, and technical aspects** to balance innovation, public interests, and societal values.

V. The Hong Kong's Framework for Generative AI Governance

- Hong Kong is developing an AI governance approach with a **non-statutory framework** aligned with global practices.

- The framework includes ethical AI principles focusing on transparency, data privacy, and accountability, and a **sector-based regulatory framework** leveraging existing authorities for specific industries like **government, finance, and securities**.

Application-oriented Ethical AI Principles in Hong Kong

- **Sector-based authorities** should create guidelines for **system documentation and XAI** techniques to enhance **transparency and interpretability**.

- Data privacy must align with international standards, with guidelines on **AI-generated content ownership** and secure practices like **sandboxes and testing protocols**.

- **Inclusive data and audit mechanisms** are essential for accountability, following global trends and regulations.

Sector-based Regulatory Framework for AI Governance

- Different sectors have distinct ethical priorities, requiring **sector-specific governance** for **flexibility and efficiency**.

- Existing authorities like the **HKMA and SFC** can develop AI guidelines and regulations to ensure compliance and protect stakeholders, building on efforts like the **DPO's AI Framework**.

VI. Promoting Best Practices for Developing, Providing and Adopting AI System

The Guideline has targeted at **AI stakeholders**, provinding **guiding principles, best practices, and actionable tips** for **organizations, developers, and end-users** to ensure responsible AI adoption, development, and implementation.

Accuracy: Rigorous validation, expanded datasets, and monitoring are essential, along with a clear accountability framework for failures.

Responsibility: A culture respecting IP is crucial, staying informed on IP laws and promoting ethical practices.

Information security: Implement comprehensive security measures and align privacy protection with Hong Kong's data principles.

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Ensure Trustworthy End-to-End Workflow: Ensure appropriate human intervention, information security, edge case handling, and maintain repeatability and reproducibility.

Transparency and Interpretability: Define clear requirements, maintain data records, validate and anonymize data, and use trusted services for training.

Test for Fairness, Alignment, and Bias: Establish performance metrics, test for fairness and bias, and conduct comprehensive testing.

04

Guiding Principles for Addressing AI Challenges

Best Practices and Actionable Tips for AI Adoption for Organisations

Practices and Actionable Tips for AI Implementation for Developers

Practices and Actionable Tips for AI Adoption for End-users

01

Risk Assessment and Communication: Conduct comprehensive risk assessments, start with pilot projects, and communicate transparently with stakeholders.

Developing an AI Strategy: Hold workshops, conduct SWOT analysis, articulate vision and objectives, establish leadership and governance, and form an ethics committee.

Define Clear Objectives and Continuous Review: Identify AI opportunities, prioritize use cases, and ensure a robust review and compliance function for AI applications.

03

Understanding AI Limitations and Capabilities: Be aware of potential inaccuracies and verify generated content.

Ethical and Legal Considerations: Understand terms of use, avoid harmful content, and respect intellectual property.

Transparency, Accountability, and Safety: Acknowledge AI's role, prioritize safety, understand privacy policies, and protect data.

# VII. Concluding Remarks

AI Development in Mainland China and Hong Kong

•China has ambitious policies and significant investments to lead in AI by 2030, with strategic plans like the **New Generation Artificial Intelligence Development Plan**

•**Interim Measures for the Management of Generative Artificial Intelligence Services** to ensure AI aligns with national priorities such as data security and socialist values

AI Research and Contributions:

•Hong Kong hosts **14 cross-industry AI research laboratories** and has universities ranked among the **world's top 30 for AI-related subjects,** positioning it as a leading city for technology innovation.

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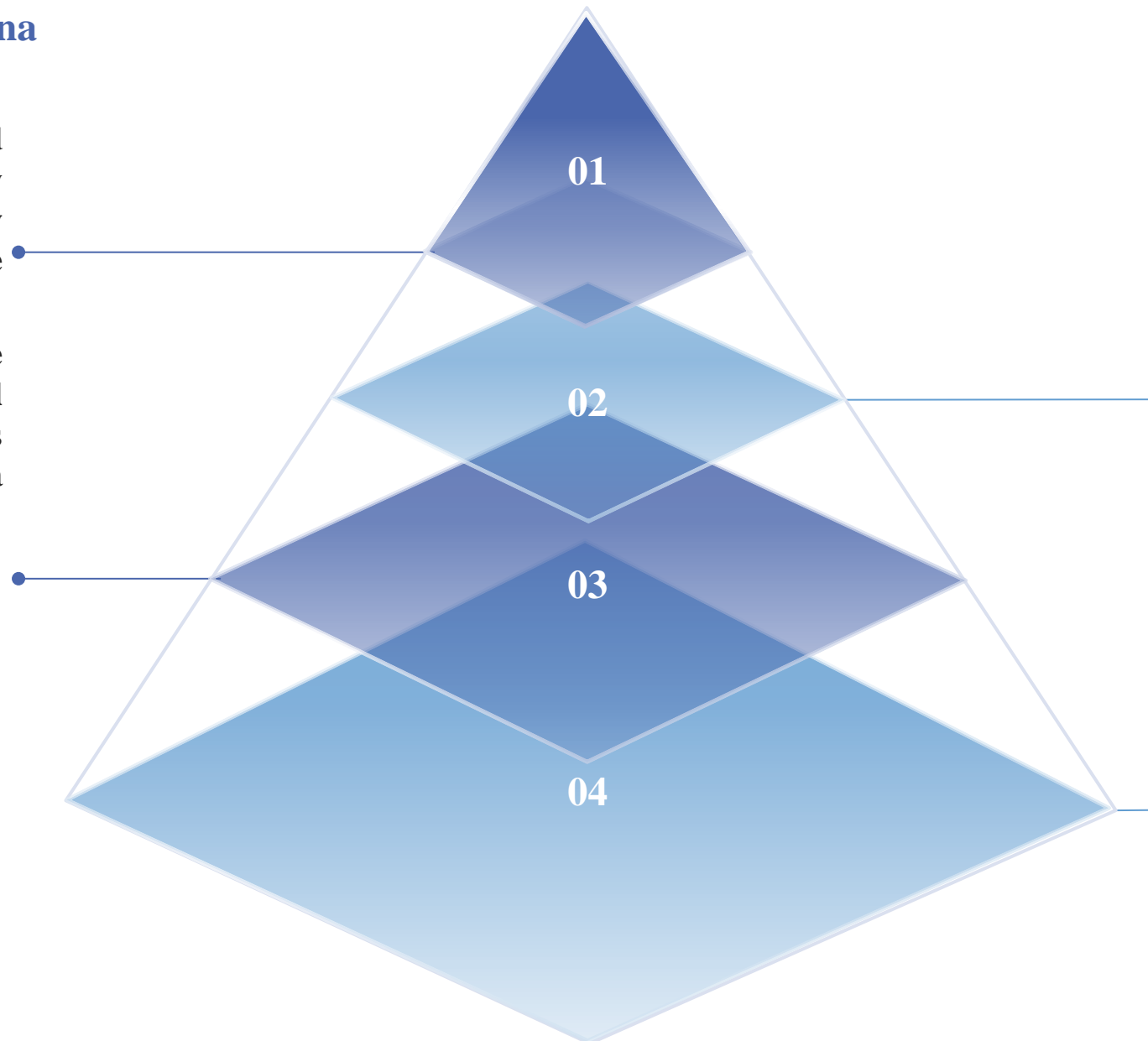
Hong Kong's Role in AI Integration:

•Hong Kong integrates AI into its economic and social strategies, leveraging its **financial hub status and legal framework** to attract AI talent and investments.

Ethical AI and Regulatory Adaptation:

•Hong Kong lacks specific AI legislation but benefits from a **robust legal framework** that addresses AI-related issues, particularly in **data privacy and intellectual property rights.**

•**Ethical AI Framework and guidance from the Data Privacy Office**, emphasizing accountability and transparency in AI usage.

2025 Public Consultation & Report Release Overview

Venue 1: Public Consultation 2025

➢ **Duration:** Two months in the first half of 2025.

➢ **Methods of Submission:**

- Email
- Postal Mail
- Fax

➢ **Consultation Document:** Electronic version available on the relevant website.

➢ **Invitation:** Public invited to provide opinions and supporting evidence on the content covered in the consultation document.

Venue 2: WAIC 2025-HK Mid-Year Report Release

➢ **Event:** World Artificial Intelligence Conference 2025.

➢ **Venue:** Hong Kong.

➢ **Month:** Scheduled for release in June 2025.

➢ **Purpose:** To disseminate findings and insights from the public consultation.

Thank you!