Preliminary Assessment: Potential Benefits for APEC Economies and Businesses Joining the Cross Border Privacy Rules System – Presentation

Purpose: Information
Submitted by: Information Integrity Solutions
Potential benefits for APEC economies and businesses joining the CBPR System

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CBPR System

➢ A common benchmark to address:
  ▪ Regulatory fragmentation among economies
  ▪ Growing realisation of importance and need to protect personal information as it travels across borders

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To date, progress has been slow, though early days and ahead of where BCR was at the same point.

Preliminary assessment intended to:
- Raise awareness of benefits
- Serve as catalyst for further economy specific cost/benefit analysis

Impetus for the preliminary assessment:
- Strong need to assess and communicate benefits
- Awareness and understanding low
- Documentation incomplete, not up to date and difficult to navigate
Scope caveats

- Not intended to be exhaustive or conclusive
- Not an assessment of pros and cons
- No consultations with consumers
- Does not address PRP

Three perspectives

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Methodology

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Context

- Value of CBPR depends on:
  - Each economy’s underlying domestic law
  - Underlying domestic law of current and future trading partners
  - Requirements of stakeholders
- Context of laws (or lack thereof) in relation to cross-border data flows important
- Laws generally fall into 3 categories:
  1. No limitation on data export
  2. No limitation on data export, but exporting party remains accountable
  3. Data export not permitted unless certain exceptions or requirements are met
Overview of benefits

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Government: Trade benefits

Global trade and economic growth

International cooperation

Increased confidence

Procurement processes

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Government: External stakeholder benefits

Tool to maintain free flow of data with privacy protection

Maintain trust in APEC economies

Assurance

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Business: Trade benefits

Importing and exporting

Appropriate privacy protection

Small and medium enterprise

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Business: Trade benefits

- Interoperability
- Foreign direct investment

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Business: Internal organisational benefits

- Efficiency and flexibility
- One global compliance system
- Regulatory treatment

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Business: External stakeholder benefits

- Assurance
- Communication with customers
- Good faith and public relations

Regulator: Internal regulatory benefits

- Role of accountability agents and their overseers
- Enabling strategic resource allocation

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Regulator: External regulatory benefits

- Assurance
- Choice
- Raise the benchmark

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Overall assessment

- Awareness and understanding of CBPR System is low
- Extent to which participants find value in the CBPR depends on:
  - Each economy’s underlying domestic law
  - Underlying domestic law of current and future trading partners
  - Requirements of stakeholders
- CBPR System helps to facilitate trade (which is increasingly data-driven) by providing a scalable baseline set of privacy standards

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Overall assessment

- Businesses are key contributors to, and beneficiaries of, the CBPR System
- Third party validation and enforcement provides assurance and is a well-understood concept (see finance, IT and medical sectors)
- Independence and professionalism of:
  - Accountability agents
  - Privacy enforcement authorities
  - Joint Oversight Panel
  are integral to credibility of the system and impacts overall regulatory benefits

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Next steps

1. APEC member economies and businesses use this preliminary assessment to start the process of conducting a full cost/benefit analysis from their own perspectives
2. Urgently review and update CBPR documentation – make accessible and easy to understand
3. Consider stronger and more visible promulgation of CBPR

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