



**Asia-Pacific
Economic Cooperation**

2016/SOM1/ECSG/DPS/CBPR/007a

Agenda Item: III

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

Purpose: Information

Submitted by: Information Integrity Solutions



APEC PERU
2016

**Cross Border Privacy Rules System Meeting on
Governance and Participation
Lima, Peru
24 February 2016**







Potential benefits for APEC economies and businesses joining the CBPR System

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APEC SOM 1, Lima, Peru
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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

 Consumers	 Business
 Accountability Agents	 Government

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CBPR System

- 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



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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

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Scope caveats

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

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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

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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



Appropriate privacy protection



Importing and exporting



Small and medium enterprise

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Business: Trade benefits




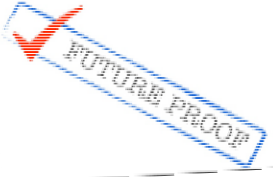


Interoperability Foreign direct investment

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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




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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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Questions?

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