

# Data Flows, Privacy and Digital Trade

APEC Cross Border Privacy Rules



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# Data Flows and the Digital Economy

- According to a 2016 report by McKinsey Global Institute, data flows:
  - Led to a 10% increase in world GDP (\$2.8 Trillion)
  - Enable SMEs to leverage digital platforms to become “micro-multinationals”



- With all types of trade and investment activities, data also flows.

# Enabling Data Flows

- Trust is essential to the digital economy's growth
- Companies build global compliance programs—national differences increase costs and complexity without necessarily increasing privacy protections
- Pathways to Global Interoperability
  - EU-U.S. Privacy Shield
  - APEC Cross Border Privacy Rules
  - APEC Expansion & Interoperability Work

# EU-U.S. Privacy Shield

- What is the Privacy Shield?
  - A mechanism for companies in the U.S. to receive data from the European Union in compliance with EU law
  - Approved by the EU in July 2016; program launched August 1
  - Self-certification and public commitment to principles
  - Legally enforceable
- Replaces the U.S.-EU Safe Harbor:
  - Enhanced protections for consumers
  - Improved oversight
  - Limitations and safeguards on government access to data

# APEC Cross Border Privacy Rules (CBPR) system

- APEC CBPRs provide confidence in data flow and protect privacy
- Developed through a multi-stakeholder process over a six year period
- In 2011 Honolulu Declaration, APEC Leaders committed to CBPR system implementation
- Voluntary but enforceable framework of data privacy principles that companies commit to apply to data received under the system
- Companies must self-certify to an accountability agent, an approved independent third party verifier
- See [www.cbprs.org](http://www.cbprs.org)

# Implementation Status

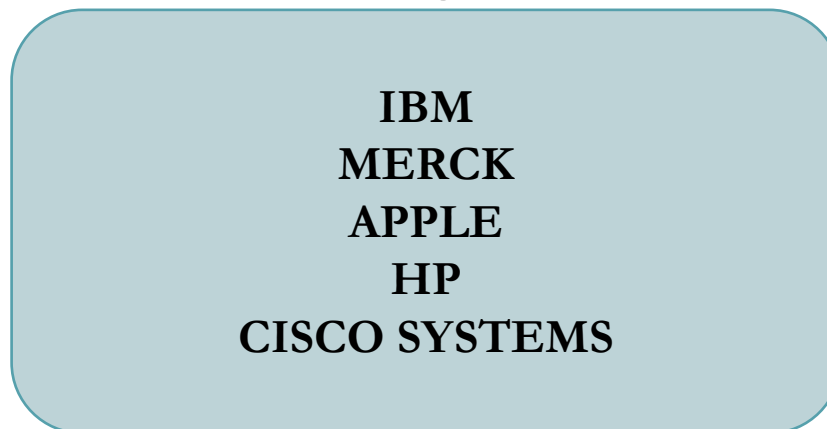
## Participating economies



## Participating Accountability Agents (AAs)



## Participating companies



# Benefits

## For Businesses

- Facilitates legal compliance
- Enables cross-border transfers
- Demonstrates accountability
- Builds consumer trust

## For Consumers

- Enhance privacy protections and improve trust
- Streamlined complaint handling
- Co-ordinated enforcement

## For Government

- Facilitates trade while creating confidence in privacy protection
- Coordinated Enforcement
- Streamlines investigations



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