

# **Privacy: Are You Ready?**

September 12, 2003



**Privacy**

## A Privacy Primer – What is Privacy?

- Concerned with Personal Information
- An individual right
- More than confidentiality or security
- Includes collection, use and disclosure
- Not just a policy issue
- Affects all aspects of operations and business practices

## What's Driving Privacy

- Technology & eBusiness
- Extended enterprise
- Media coverage & privacy advocacy
- Public awareness and concern
- Government



## The Deadline is Near...

- Recent Canadian Federal legislation and proposed Ontario legislation obligates all private sector organizations to meet a set of strict privacy standards

January 1, 2004

**December 31, 2003**

All organizations involved in commercial activities must be compliant

## The Risks are Significant

- Legal
- Financial
- Company reputation and branding
- Third-party business relationships



# Legislative Environment



# Global Initiatives and Responses



**FTC, HIPAA, GLB, Safe Harbor Principle, COPPA**



**Federal Privacy Amendment Bill**



**Personal Information Protection and Electronics Document Act**



**Guidelines for the Protection of Computer Processed Personal Data**



**UK Data Protection Act**



**Privacy Ordinance**



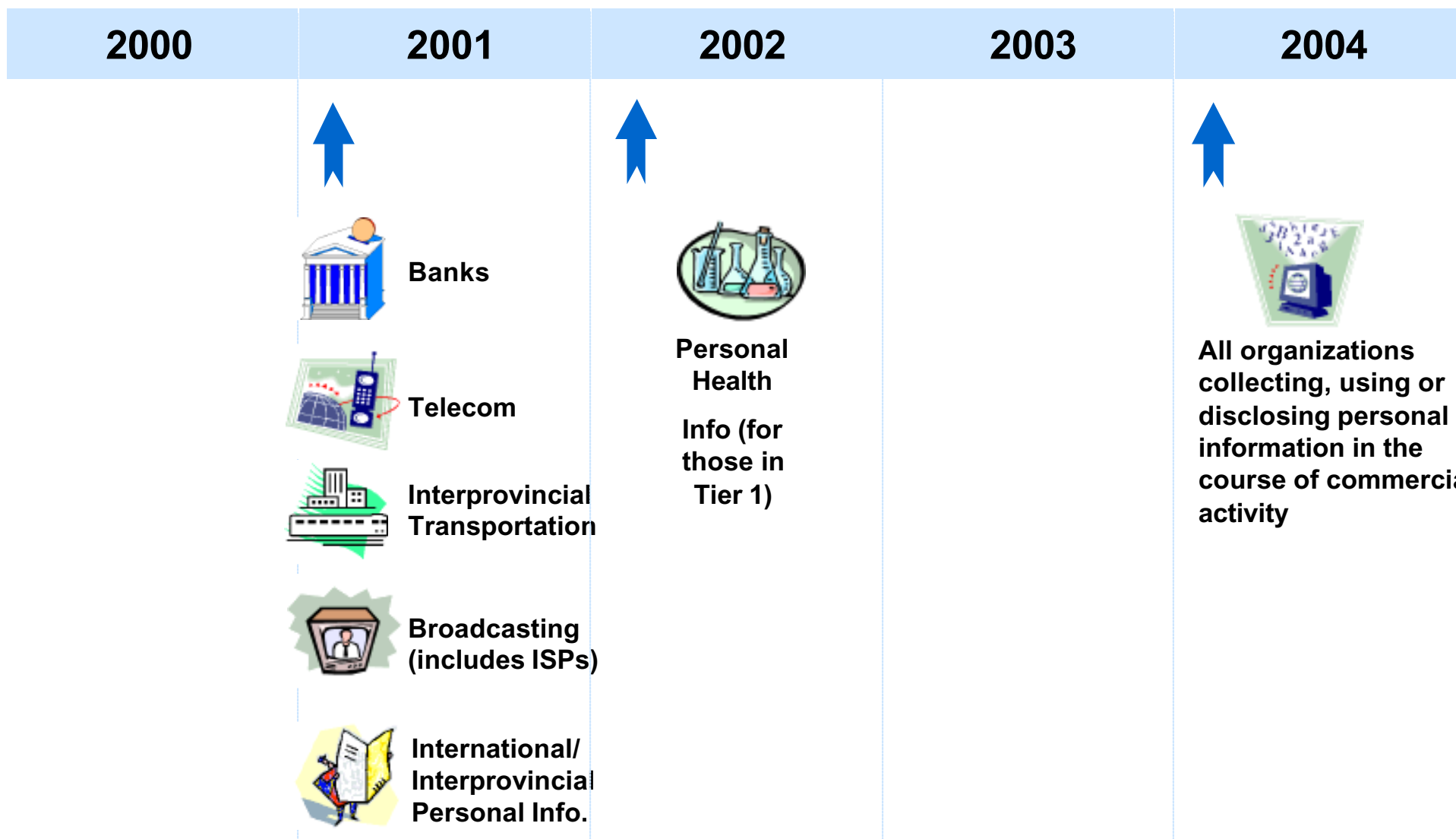
**Following EU Data Protection Directive**

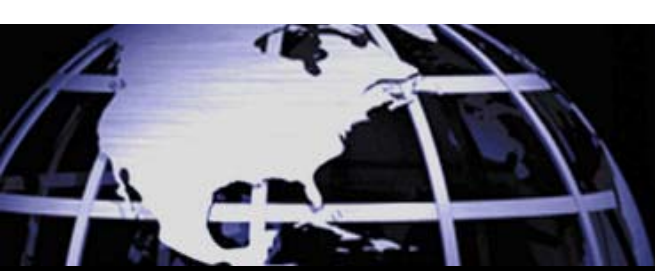


**E-Commerce Code for the Protection of Personal Information**



# **The Canadian Federal Legislation**





## Obligations – Broad and Vague

**Organizations must:**

***Comply with the obligations set out in Schedule 1  
(the 10 CSA Privacy Principles);***

***and***

***Limit the purposes for which they collect, use or  
disclose personal information to those that a  
‘reasonable person would consider appropriate in  
the circumstances’. (s5(3))***

# THE 10 PRINCIPLES



## A Quick Checklist – A Few of Many Issues

- Has a senior executive been charged with responsibility for privacy?
- Have you identified and documented the purpose of all the personal information that your organization uses?
- Do you always inform individuals in advance of the reasons for which their personal information is collected and used? Do you obtain their consent?
- Do you have procedures for responding to requests for access to personal information?
- Have you performed due diligence for your third-party relationships and how you share information with them?
- Does your organization destroy personal information no longer in use?
- If you use personal information in your possession in new ways, do you obtain new consent?

## The Privacy Commissioner

- Role is that of ‘problem-solver’
- May use the Office’s power of publicity to embarrass organizations
- Broad mandate to conduct public education programs and to encourage organizations to develop privacy policies and practices

***Organizations must anticipate that members of the public will become increasingly aware of their privacy rights and how to enforce them.***

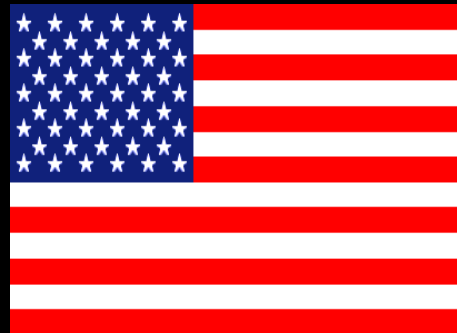


**Proposed Consumer Legislation  
In Congress and Multiple States**

**US Approach**

**EU Safe Harbor Principles**

**COPPA**



**Deceptive Trade Practices**

FTC Enforcement

**Health Care**

HIPAA Privacy &  
Security Standards

**Financial & Insurance Industry**

Gramm-Leach-Bliley Act



<b>Contents</b>
<a href="#">FOR CONSUMERS</a>
<a href="#">FOR BUSINESS</a>
<a href="#">NEWSROOM</a>
<a href="#">FORMAL ACTIONS</a>
<a href="#">ANTITRUST RESOURCES</a>
<a href="#">CONGRESSIONAL RESOURCES</a>
<a href="#">ECONOMIC RESOURCES</a>
<a href="#">LEGAL RESOURCES</a>

**Hot Topics**

- NATIONAL DO NOT CALL REGISTRY [MORE INFO](#)
- WORKSHOP 10.29.03 Marketing Violent Entertainment to Children
- SPAM EMAIL
- CONSUMER INFORMATION SECURITY
- THEFT WHEN BAD THINGS HAPPEN TO YOUR GOOD NAME

**FTC Headlines**

## DO NOT CALL Registry Jumps To 48.4 Million

*Six Million Consumers Register During Labor Day Weekend*

In the 72 hours before the Do Not Call Registry became available to telemarketers, more than six million consumers added their telephone numbers to the list. In contrast to earlier DNC registrations that were completed primarily through Internet registration (80%), the Labor Day weekend registrations were more evenly divided with about fifty percent Internet registrations and fifty percent telephone registrations.

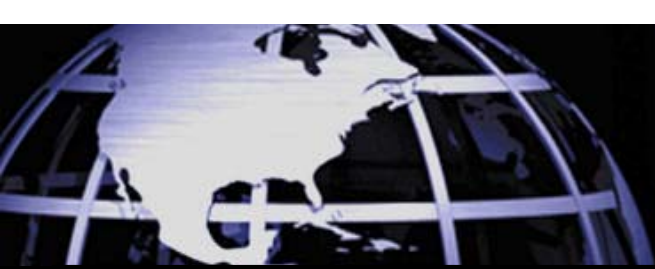
[More...](#)

**Media Advisory:** September 5, 2003

### FTC to Host Media Briefing Breakfast on Credit Reporting

**Of Interest**

- [View the FTC's \*\*PRIVACY POLICY\*\*](#)
- [PRIVACY INITIATIVES](#)
- [JOBS AT THE FTC](#)
- [EARLY TERMINATIONS](#)
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- [FTC/DOJ Hearings on the Implications of Competition and Patent Law and Policy](#)
- [FTC/DOJ Hearings on Health Care and Competition Law and Policy](#)
- [Possible Anticompetitive Barriers to E-Commerce](#)
- [E-Commerce Report on Wine](#)



## Privacy is Good Business

- Building and maintaining customer trust:
  - market 'privacy friendly' practices to gain competitive advantage
  - use privacy to build trust with customers, employees and business partners



# Privacy Challenges for Investment Dealers

## Privacy Risk Criteria

- Handle sensitive personal information
- Build and maintain relationships with individuals - Trust is part of the business model
- Corporate Governance
- Complex business (size, geography, structure)
- Technologies employed
- Required by business partners
- Legislative compliance requirements

# Challenges

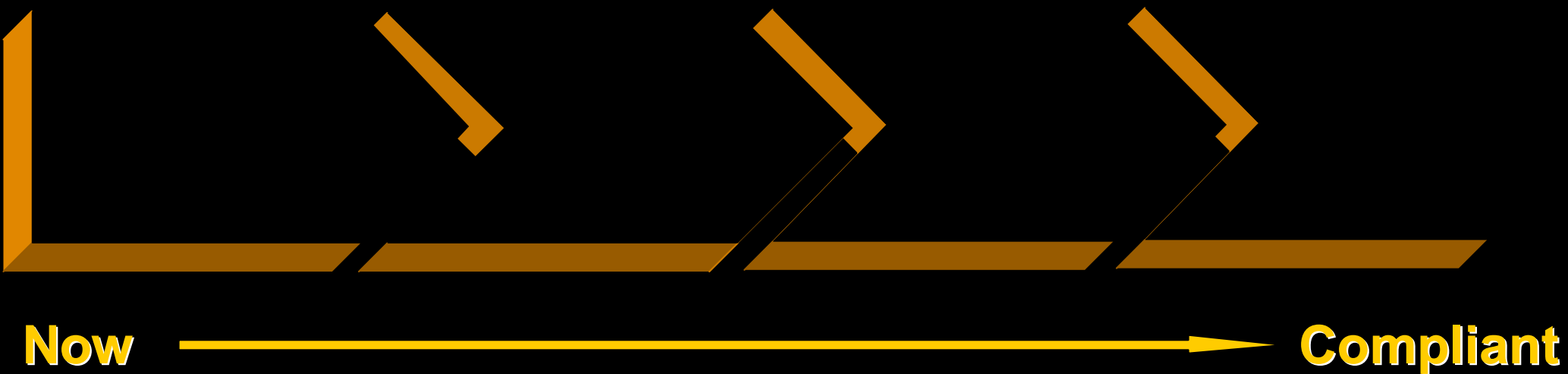
- Outsourcing / Affiliates
- Call Centers
- On-line business
- Identity Theft
- Technology





# Facing the Challenge

# Designing the Privacy Compliant Organization



# Privacy Methodology - Assess



Design

Implement

Monitor

- Develop strategy
- Risk based approach
- Prioritize

## Privacy Methodology - Design



Assess

Implement

Monitor

- Roadmap for implementation
- Develop guidance, methodology, tools
- Responsibility

## Privacy Methodology - Implement



Assess

Design

Monitor

- Changes to policies, processes, systems and communications
- Training and awareness / adherence

# Privacy Methodology - Monitor



Assess

Design

Implement

- Monitor changes – strategy, business processes, legislation
- Demonstrate due diligence

## Keys to Success

- Target early adoption
- Develop appropriate organization and infrastructure
- Use a risk based approach
- Develop policies, standards and supporting materials
- Create education and awareness programs
- Monitor

## Leveraging Privacy Initiatives

- Communications
  - Privacy policy
  - Position privacy decisions as a value to customer
  - Market efficiently and effectively
  - Train and build awareness
  - Allay fears with verification
- Move first to achieve competitive advantage



## Benefits

- More cost-effective management of personal information
  - Better and more accurate information
  - Identify inefficiencies
- Build trust and loyalty
  - Strengthened employee relations
  - More attractive business partner
  - Stronger customer relationships



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