



**Asia-Pacific  
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# **Trade Policy Dialogue on Fostering an Enabling Policy and Regulatory Environment in APEC for Data-utilizing Businesses**

Puerto Varas, Chile | 23 August 2019

**APEC Committee on Trade and Investment**

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# Trade Policy Dialogue on Fostering an Enabling Policy and Regulatory Environment in APEC for Data-Utilizing Businesses

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**TRADE POLICY DIALOGUE ON FOSTERING AN ENABLING  
POLICY AND REGULATORY ENVIRONMENT IN APEC FOR DATA-  
UTILIZING BUSINESSES**

**23 August 2019**

**Puerto Varas, Chile**

**Summary Record**

**I. EXECUTIVE SUMMARY**

The intention of this dialogue was to bring together policymakers and professionals involved in cross-border data utilization and protection across the APEC region. Researchers joined representatives from government agencies, private firms, data security accountability agents, educational/research institutions and international organizations, all harboring hopes of productive discussions about how to realize an appropriate policy and regulatory environment for data utilization and protection to achieve attractive conditions for domestic and international business.

Attendees listened to the research team from APEC's Policy Support Unit (PSU), describing their research<sup>1</sup> findings of data collection, transfer and usage at the firm level and factors that impede data utilization including various types of regulations. They also explained alternative approaches to fostering appropriate data-related policies and regulations.

Q&A sessions served as a forum for learning details of data regulatory practices in other APEC economies and for considering their replicability and scalability. The discussions sought common ground on important issues including interoperability, regulatory simplification and reducing the burden of proliferating data protection laws on small and medium enterprises (SMEs).

Three panel discussions were held on the below themes:

The first panel discussed how to realize an appropriate policy and regulatory environment for data utilization and protection to achieve the above goals.

The second panel shared their experiences in various APEC economies to demonstrate some of the variance in regulatory requirements that businesses face. The panel also revealed the impact that this variance can have on cross border data flows and subsequent opportunities for economic growth and innovation.

The final panel discussed a detailed and practical set of recommendations on how APEC's Cross-Border Privacy Rules (CBPR) System can better operate, how it can be accelerated and strengthened, the role of Accountability Agents, evolving approaches to privacy audits and certification, current cost estimates, and the current state of play. Panelists provided their perspectives on practical steps to make CBPR more business friendly and more meaningful.

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<sup>1</sup> APEC Policy Support Unit (July 2019) *Fostering an Enabling Policy and Regulatory Environment in APEC for Data-Utilizing Businesses* (APEC#219-SE-01.6) <https://www.apec.org/Publications/2019/07/Fostering-an-Enabling-Policy-and-Regulatory-Environment-in-APEC-for-Data-Utilizing-Businesses>

## **II. OPENING REMARKS**

In the opening remarks, a representative from the APEC office at Japan's Ministry of Economy, Trade and Industry (METI) expounded on the importance of data utilization to economic growth and the potential of data as a tool to overcome challenges facing the international community. She introduced the individuals from various organizations who carried out the PSU research and briefly described the case study approach employed.

She also explained the schedule of the event and the purpose of each session. The morning discussion would deepen understanding of policies and regulations concerning data utilization and protection. Panels in the afternoon session would address the inadequacy of existing international rules governing cross border transfers of information. Only nine of the 21 APEC economies participate in CBPR, and the discussions would cover how this could be improved. A representative from the APEC Business Advisory Council (ABAC) Chile sent a short welcome by video in which he described ABAC's hope that the dialogue would help to promote the regional interoperability of risk-based security and privacy protection mechanisms to facilitate safe and secure digital trade flows.

## **III. MORNING SESSION: OUTCOMES OF PSU STUDY "FOSTERING AN ENABLING POLICY AND REGULATORY ENVIRONMENT IN APEC FOR DATA-UTILIZING BUSINESSES"**

### **A. INTRODUCTION OF OUTCOME OF PSU STUDY**

The researcher from the APEC PSU noted that the PSU study aimed to raise awareness and deepen understanding about 1) the role of data in firms' business models and 2) the challenges they face pertaining to data. Case studies covered 39 firms from 12 economies, representing a range of sizes and sectors. These findings were supported by insights from focus group discussions and desktop research.

According to the presenter, the study highlighted the critical roles of both personal and industrial data across the spectrum of businesses. Firms are invariably involved in at least some aspects of the data value cycle, whether it be data collection, analysis, transfer, or sharing.

The presenter shared detailed findings obtained from manufacturing firms concerning the use of data spanning the value chain, from product design and R&D, to the production floor, to the provision of warranty services.

He then discussed firms' use of personal data for service improvement, the concerns this has sparked and the regulations introduced to address these concerns. This has resulted in much-increased restrictions on cross border data flows over the past decade, constraining economic growth potential.

The presentation concluded with the suggestion of a "middle ground" option for addressing privacy and domestic security concerns. This approach attempts to address the goals of both businesses and governments, causing minimal interference with data utilization of firms while also achieving public policy objectives. Important elements of this approach include encouraging the adoption of international/regional standards (e.g. ISO/IEC) with industry input and enhancing domestic regulations with effective enforcement, all the while ensuring that regulations do not exceed their original intentions.

### **Q&A discussion**

- A participant asked whether the research had uncovered any ideal “middle ground” approaches supported by businesses. The presenter answered that the firms surveyed were typically unable to provide clear answers on the exact nature of the regulations that they would like to see implemented, which may be due to general aversion to regulations and/or the fact that they have not encountered a regulation they would consider a best practice for this issue. He also noted that there still isn’t a universally adopted definition of “personal data.”
- Another participant asked what the key takeaway of the research is that APEC should act on. The presenter said that it is difficult to rank the best of the “middle ground” approaches and that time will tell which of them gains wide adoption.

## **B. SECTORAL ANALYSIS**

PSU Report authors from the Aegis Consulting Group and the Information Technology and Innovation Foundation (ITIF) described the data regulatory environment and explained that businesses embrace some kinds of regulations due to benefits such as strengthening data safety and customer trust. Their presentation highlighted the wide-ranging uses of data across industries, but also covered the unintended negative consequences of current regulations (e.g. requirements for data-localization and creation of backdoors) on these activities. They shared detailed findings from research on firms in the payments, encryption services, electronic invoicing and artificial intelligence sectors.

The researchers emphasized that, optimally, digital firms should be able to work on a global scale and that this could be achieved without the overly restrictive policies enacted in a number of economies.

### **Q&A discussion**

- A participant asked how to encourage greater participation by SMEs in the digital economy. The presenters agreed that it is important to include SMEs in regulatory discussions due to the disproportionate effect of burdensome regulations on SMEs. They also stressed the necessity of domestic outreach and education programs as SMEs typically have low awareness of digital economy opportunities and related regulations.

## **C. PANEL DISCUSSION 1 – APPROPRIATE POLICY AND REGULATORY ENVIRONMENT FOR DATA UTILIZATION AND PROTECTION**

APEC leaders agreed to “facilitate the free flow of information and data, while recognizing applicable domestic laws and regulations<sup>2</sup>”, and each economy is seeking this goal in its own way. In this context, the panelists discussed how to realize an appropriate policy and regulatory environment for data utilization and protection to achieve this goal. Multiple panelists noted in their presentations that data localization, although not ideal, is here to stay.

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<sup>2</sup> *Ministers Responsible for Trade (MRTs) Meeting Joint Statement 2019*  
[https://www.apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Trade/2019\\_trade](https://www.apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Trade/2019_trade)

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The panelist from Kyoto University in Japan discussed differences between APEC and EU in the creation of cross-border agreements. This is related to the necessity of trust in building data flow agreements, as well as the importance of well-established data classification.

The panelist from Technology Research Project Corporate (TRPC) identified the data frameworks needed for successful and open systems as privacy, classification, use, access and security. Ideally, these frameworks are accompanied by a data transfer mechanism and an ability to measure impacts and are aligned with the use of cross-border standards. Unfortunately, there still is confusion about standards, which can be overcome if these standards are more transparent, inclusive and neutral. He disagreed with the idea that there isn't a clear definition for personal data, as recent data classification frameworks have addressed the issue. He also discussed the benefits of working on governance mechanisms to tie existing frameworks, like CBPR and EU General Data Protection Regulation (GDPR), closer together.

The panelist representing Chile in the APEC Digital Economy Steering Group (DESG), talked about the challenges SMEs in Chile face due to the current regulatory environment, especially having to comply with multiple international frameworks. He agreed that a move towards interoperability and compatibility in these frameworks would be positive. He also spoke about the need to raise awareness about the importance of data protection, which he thinks is a problem in Chile in particular.

The panelist from the Russian Foreign Trade Academy shared results of a study on Russian trade and digital economy. The research covered electronic trade in goods and services, as well as e-commerce services, of which her presentation focused on electronic services. She also gave an overview of Russia's regulatory framework and emphasized that, although we may want to prevent costs for consumers from rising, this should not be achieved by reducing restrictive requirements, considering the privacy risks. On CBPR, she said that six of the nine certified economies are not fully participating in the system due to a lack of accountability agents. This makes participation unattractive to businesses as the investment costs of certification don't provide many practical benefits. APEC should work on transparency to educate businesses about privacy regulation across the region. In addition, APEC should hold talks on "middle ground" solutions to lower costs and increase data-related service quality in all member economies.

The panelist from Singapore's Ministry of Trade & Industry gave an overview of Singapore's approach towards data protection and regulation, its journey to adopt CBPR, and efforts to promote business adoption of CBPR domestically. She informed the audience that Singapore appointed a CBPR accountability agent in July 2019, bringing the number of APEC economies with CBPR accountability agents to four. Singapore encouraged more economies and businesses to adopt CBPR. One way was to help businesses, in particular SMEs, manage the cost of participating in the CBPR. She also noted that there is value for APEC to continue capacity-building efforts to assist economies that want to join the system but do not yet have the know-how. This could include discussing different models for establishing accountability agents.

### **Q&A discussion**

- One attendee inquired about interest in Russia for developing a data privacy certification for businesses, similar to what exists in Japan and the United States. The panelist from the Russian Foreign Trade Academy responded that, to her knowledge, this hadn't really been considered. This may be because Russian standards are harmonized with international ones, and Russia, in total, has a free flow of information with 77 economies (including 9 APEC

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economies). Fifty six of these economies (including Russia) are parties to a European Council Convention, and 22 come from the list comprised by Russia's Federal Service for Supervision of Communications, Information Technology and Mass Media (Roskomnadzor) in accordance with the relevant law. There are other existing mechanisms for companies to prove their compliance with the legal requirements for doing business in Russia.

- Another attendee asked what more APEC could do to facilitate information exchange between economies on best practices for middle ground regulatory approaches. The panelist from APEC DESG said the domestic regulations of APEC economies may have the same objectives but slightly different wording or concepts. As such, he suggested that promoting better understanding of the different systems existing in APEC economies would be a good way forward and could facilitate the exchange of data. On this note, the panelist from Singapore brought up the potential to explore synergies between APEC and ASEAN, noting ASEAN's efforts in digital data governance.
- A third attendee said that he would like to see APEC bring together financial regulatory, data governance and digital trade experts to talk about the best way to move frameworks forwards in a way that drives cost down and drives adoption up.

### **IV. AFTERNOON SESSION: VOICE OF BUSINESS SECTOR ON APPROPRIATE POLICY AND REGULATORY ENVIRONMENT FOCUSED ON TREATMENT OF PERSONAL DATA**

#### **A. PANEL DISCUSSION 2 – THE GLOBAL LANDSCAPE FOR PRIVACY PROTECTION REGULATION AND CURRENT CHALLENGES**

The focus on data privacy regulations has increased steadily in recent years. However, a potpourri of different regulatory requirements can create challenges for businesses in both protecting user data and abiding by different regulatory regimes. Panelists shared their experiences in various APEC economies to demonstrate some of the variance in regulatory requirements that businesses face. The panel also revealed the impact that this can have on cross border data flows and subsequent opportunities for economic growth and innovation.

The session looked at what needs to be done in building towards a universal standard of privacy protection that can work across the various global frameworks such as GDPR, CBPR, EU-U.S. Privacy Shield, and the various free trade agreements (FTAs) and regional trade agreements (RTAs).

The panelist from Kyoto University talked about fragmentation among economies data privacy protection regulations and its detriment to global business. He briefly discussed three approaches to harmonization: 1) Risk based approach, 2) accountability-based approach and 3) inclusive approach.

The panelist from SONDA S.A., an ABAC Chile member company, talked about data protection in Latin America, where governments are shifting towards localization. The panelist mentioned that most organizations in South America appear to be waiting to see how GDPR is implemented and enforced before making plans to adapt to the requirements.

The panelist from the General Directorate of International Economic Relations of Chile (DIRECON) discussed concerns in Chile's private sector about joining a system like CBPR. He highlighted the need to showcase the financial benefits of compliance.

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The panelist from the Philippines' National Privacy Commission discussed the ACE (Awareness, Compliance and Enforcement) strategy in the Philippines being used as a template to ensure the ubiquity of compliance with the economy's relatively new data privacy laws. She noted the Philippines' recent submission of intent to participate in the CBPR system, which has introduced some tough internal discussions about how to develop and implement domestic and international standards concurrently. She also spoke about the Philippines' Data Protection Officer (DPO) certification program and the role of the Philippines in the ASEAN data protection and privacy initiative.

### **Q&A discussion**

- An attendee asked about the extent of privacy regime fragmentation and how businesses are dealing with it. The panelist from Kyoto University answered by discussing two major issues: the importance of transparency of the registration processes and the difficulty in producing 360-degree harmonized domestic privacy rules aligned with both the GDPR and CBPR. Ultimately, Japanese businesses want multi-dimensional harmonization, but this has yet to be realized.
- Another attendee asked if businesses in the Philippines might be convinced that the cost of complying with the economy's data privacy certification requirements is worth it by looking at the business opportunities that would be opened up. The panelist from the Philippines' National Privacy Commission said a key factor limiting compliance is that businesses are aware that the National Privacy Commission is small and without regional offices and that businesses gamble that the Commission will not have the resources to identify and punish non-compliant companies across the economy's many islands.
- The next question asked about the future role of legal professionals in these data privacy discussions and how much DPOs will have to start liaising with companies. The panelist from DIRECON, Chile, said that Chile expects to mimic developments in Europe as closely as possible. He also noted that Chile has two post graduate programs covering how the law can take data management into account.
- The final question asked whether the Philippines' data privacy registry is publicly accessible, as is the case in Russia. The panelist from the Philippines explained the registry is only for the National Privacy Commission's internal use, but every business is required to list the name of their DPO on their website, and people with privacy complaints about a business must first address them to the business's DPO before the Commission will take action. This reduces the burden on the Commission to play a mediation role.

### **B. PANEL DISCUSSION 3 – CROSS BORDER PERSONAL DATA FLOWS IN THE APEC REGION**

Given the recognized importance of facilitating cross border data flows to enhancing economic growth and competitiveness, as well as to better management of customer personal data, this session closely examined the various global data privacy frameworks from a business perspective.

The panel discussed a detailed and practical set of recommendations on how APEC's CBPR can better operate, how it can be accelerated and strengthened, the role of Accountability Agents, evolving approaches to privacy audits and certification, current cost estimates, and the current state of play. Panelists provided their perspectives on practical steps to make CBPR more business friendly and more meaningful.

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The panelist from Kyoto University informed the audience that there are currently three CBPR-certified companies in Japan. He pointed out that understanding the varied reasons for attaining the certification could help promote the CBPR elsewhere in the APEC region. One company was driven to improve its reputation, another hoped to use CBPR certification as a stepping stone to eventually acquire GDPR certification to enter the European market, and the third was required to do so by Japanese legislation due to the nature of its business. He spoke about CBPR's key difference with GDPR, in that it offers organizations a way to maximize accountability without being subject to direct regulation.

The panelist from Microsoft Chile, an ABAC Chile member company, explained the pillars of the company's vision for data privacy regimes, which include providing customers with the ability to export and correct their information, transparency obligations, and strong central enforcement authorities. He also made a number of recommendations, including 1) having a concrete system in place for the governance of data; 2) using intelligent tools to better discover and control data; and 3) maintaining a record of compliance controls and all information, in order to enable risk mapping. The speaker described how Microsoft Chile carries out each of the actions recommended and also spoke to the company's transparency and compliance mechanisms. He also discussed the difficulty and long-term commitment involved in attaining GDPR compliance.

The panelist from TrustArc (a CBPR Accountability Agent in the United States) spoke about the fact that there are some specific aspects in CBPR that allow for scalability, deliberately designed to aid SMEs. He asserted that the transparent nature of CBPR program requirements makes things easier for organizations looking to attain certification. He was also keen to highlight the fact that all CBPR requirements are legally enforceable, and he provided a reminder that proof of this is a precondition of an economy joining the system. From his experience as an accountability officer, he says it takes an average of 6 weeks to perform the certification, which varies based on the amount of training in place for employees, amongst other things.

The panelist from another CBPR Accountability Agent, JIPDEC of Japan, said that Japan has two recognized accountability agents. He also shared that a fourth company has recently applied for CBPR certification. He gave a quick overview of Japan's certified companies, whom he said all cited gaining trust as a benefit of CBPR. He believes that the trust built into a certification system could ultimately benefit SMEs.

The panelist from the United States Department of Commerce provided an update on the work that her department is doing to enhance and promote CBPR. She noted an increase in recent years in the number of economies with accountability agents (AA). The US has two AAs and is working on approving a third. The department is focused on capacity building in other economies, as the need to establish the AA system was identified as an obstacle to CBPR adoption. The department also identified the need to review the program requirements in order to ensure that they are relevant, current and agile. She closed with discussion of how the department is working to enhance global interoperability.

### **Q&A discussion**

- An attendee asked whether the United States Department of Commerce's work on enhancing global interoperability helps to drive down the high costs of compliance for businesses. The panelist from the United States Department of Commerce answered that she hopes that is the case, and her department wants to help create more accountability agents to give more companies the opportunity to participate in CBPR.

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- The panelist from Microsoft Chile pointed out the influence of GDPR in Latin America, where many economies are changing their laws to align with the program. This sparked a discussion around the best way to develop cross-border data flows. The panelist from TrustArc explained that he thinks it would be a mistake to create a new Pan Latin American certification system as CBPR has already solved many of the implementation challenges that organizations, such as the European Data Protection Board, are now encountering in terms of the rollout, the cross recognition and the international cooperation around certification.
- The panelist from TrustArc also observed that CBPR faces a higher hurdle to adoption than GDPR in the sense that CBPR member economies each have to deal with their own distinct domestic laws whereas GDPR is applied equally to all EU member economies. A tighter APEC union could smooth some processes, but domestic requirements will never all align perfectly.
- Concerning the question about the core elements for accelerating CBPR adoption even beyond APEC economies, the panelist from TrustArc proposed an expansion in marketing, since consumers are generally unaware of what cross-border privacy rules actually mean. He expressed hope that CBPR could ultimately be expanded beyond APEC to ASEAN and more economies, like India and Brazil. He suggested the easiest path forward would be for the CBPR system to move into a new administrative body, allowing voting membership specifically for issues around accountability, agent participation and requirement updates. The panel also discussed how to make positive arguments for CBPR participation so many more economies and businesses see the benefits.

## V. CLOSING REMARKS

The representative from METI Japan thanked all the speakers and panelists and summarized the discussions of the day.

She first noted two things that bring tremendous benefits for businesses: 1) effective utilization of data and 2) appropriate regulations that create trust between businesses and consumers for data use and flow. Then, she also noted two things that may hinder business activities: 1) overly restrictive/invasive regulations and 2) inadequate alignment between regulatory regimes (e.g. economies and regions).

With this context, she suggested the alternative/middle-ground approach introduced by APEC PSU research team during the dialogue as a possible way forward. Furthermore, she emphasized the need to develop unified rules in the region for cross-border transfer of data and information. To accomplish this, the benefits of CBPR need to be promoted more in each economy so that more economies and companies participate in CBPR.

She concluded her remarks by saying that Japan will consider what the CBPR participant economy can do to encourage more economies and businesses to participate. She also promised to report to APEC CTI about the issues raised by the business community during the dialogue.

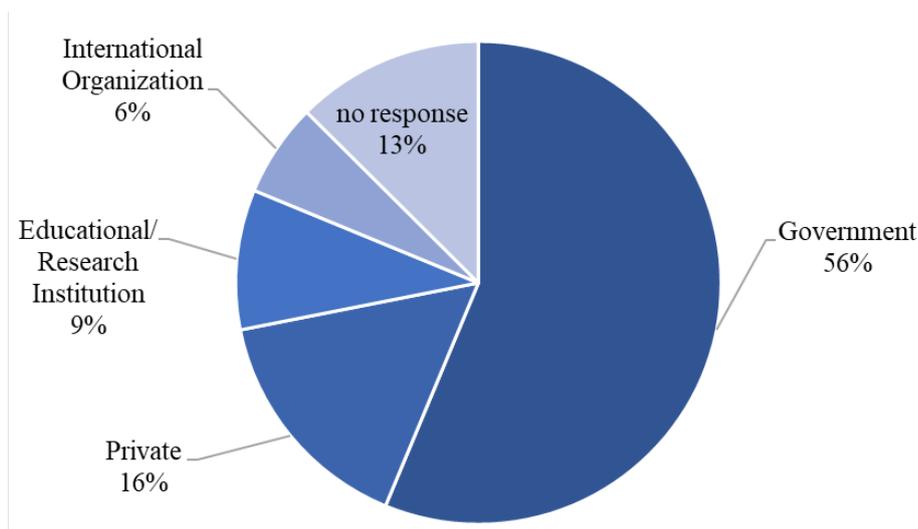
## Observations and Analysis

### VI. DEMOGRAPHICS OF THE PARTICIPANTS

The dialogue was attended by a total of 58 people (16 speakers, 36 audience members and 6 coordinating staff members) from 17 economies: Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; New Zealand; the Philippines; Russia; Singapore; Chinese Taipei; Thailand; the United States and Viet Nam. They represented economy governments, private companies, educational/research institutions and international organizations. More than a third (34.5%) of the attendees were women.

A post-dialogue survey form (See Chapter 0) was distributed to all attendees. Thirty two of the 58 attendees (approximately 55%) filled out the survey. The majority of respondents were APEC government officials, as illustrated below. These officials overwhelmingly represented finance and trade ministries. Other attendees were from technology companies, think tanks and other institutions focused on technology and privacy.

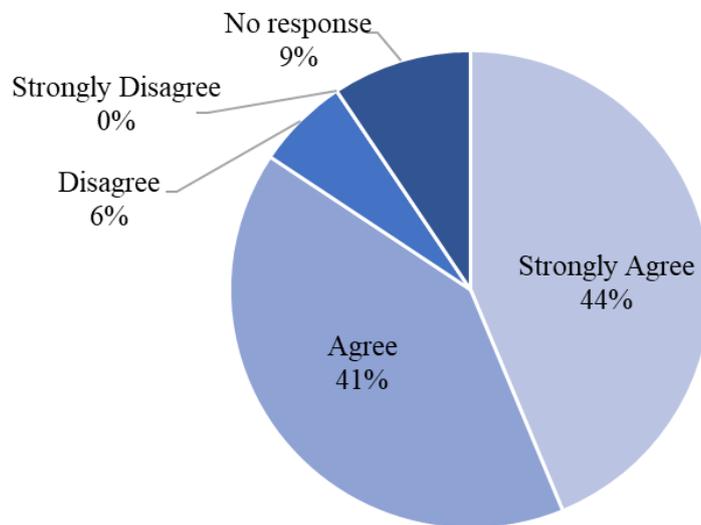
**Figure 1: Breakdown of Survey Respondents by Organization Type**



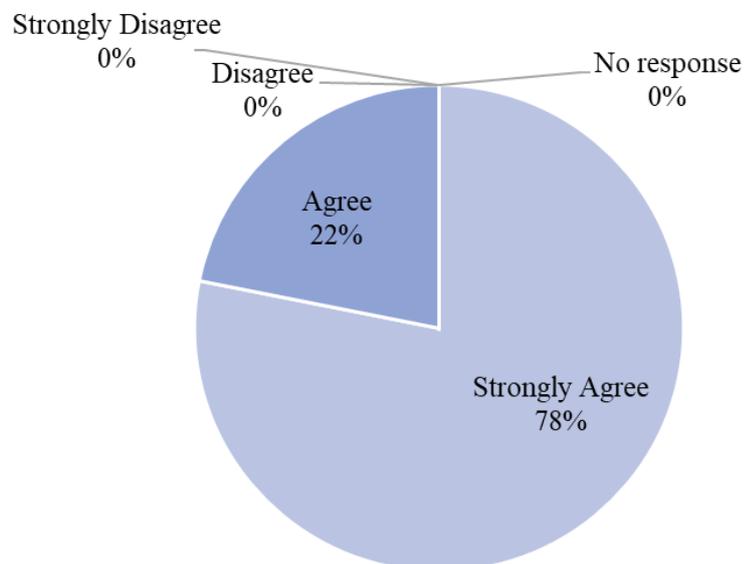
### VII. DIALOGUE’S CONTRIBUTION TO THE PARTICIPANTS’ LEARNING AND PRACTICE BACK HOME

According to survey feedback, the TPD discussions strengthened participants’ appreciation of the value of data to economic development in the APEC region (Survey question 1a; 97% agreed) and prompted consideration of implementation of the Policy Support Unit’s proposed “middle ground” regulatory approaches and related measures (Survey question 1b; 88% responded these approaches could be effective in their economies). A strong majority of survey respondents also found the dialogue helped to improve their understanding of the importance of data utilization to businesses and possible ways to balance it with data related regulations (Survey questions 1c and 1d; over 80% agreed. See Figure 2 for an example). All respondents agreed that implementation of personal data protection policies and regulations is very important (Survey questions 1e; See Figure 3).

**Figure 2: Responses to Survey Question 1c - The presentations helped me understand what data-utilizing businesses consider to be market barriers**



**Figure 3: Responses to Survey Question 1e - It is very important for economies to implement policies and regulations to protect personal data**



## **VIII. ADDITIONAL COMMENTS TO BEST PRACTICES AND RECOMMENDATIONS DISCUSSED DURING THE DIALOGUE**

During the TPD there was much energetic discussion of CBPR and its strong potential to address public privacy concerns while facilitating the growth of data-utilizing businesses. Many participants indicated interest in greater outreach and capacity building activities to encourage wider participation in CBPR.

Table 1 on the following pages summarizes the main themes and suggestions raised by respondents in response to open-ended questions in the survey. Interest in deeper explanation and increased promotion of CBPR was widely expressed in these responses. There is also strong interest in learning more details about how APEC economy privacy regimes compare, as well as in comparing CBPR with Europe's GDPR and other international and/or regional frameworks. Additionally, respondents seek more detailed information on the nature and benefits of digital trade flows in the APEC region, along with the enabling technologies for cross-border data flows.

These interests suggest that further explorative activities such as this TPD would be beneficial to deepen understanding of the potential of data-utilizing business models to drive economic growth in the APEC region. These activities could also be an effective vehicle in promoting the benefits of a framework like CBPR to address any related data-privacy concerns.

One step might be to survey CBPR-certified data-utilizing businesses and privacy regulators in participating economies to clarify the economic and strategic benefits realized from certifications. The surveyors can also try to identify best practices among businesses and regulators for cost-effectively achieving and providing certifications. This information could be used to develop a guidance document on CBPR, or an assortment of success-story company profiles, to raise awareness of the framework's benefits amongst other data-utilizing businesses yet to participate in CBPR.

**Table 1: Summary of main themes and suggestions in open-ended survey responses**

Question	Number of responses	Main themes and related points
What were the most useful insights that you learned from today's dialogue?	18 (56%)	<ul style="list-style-type: none"> <li>• CBPR background and status                             <ul style="list-style-type: none"> <li>○ Nature of cross border personal data flows in the APEC region</li> <li>○ The importance of interoperability to promote economic growth in APEC and how the CBPR contributes to interoperability</li> <li>○ The sharing of economies' experiences on joining the CBPR was a helpful discussion</li> <li>○ It is important to raise awareness of the benefits of the CBPR system and provide incentives for SMEs</li> <li>○ Options to further expand the CBPR system especially outside APEC</li> </ul> </li> <li>• Privacy frameworks in general                             <ul style="list-style-type: none"> <li>○ Best practices in developing and applying commonly recognized privacy standards including provisions in FTAs and RTAs</li> <li>○ Assessment of use of both GDPR and CBPR by businesses. Views of how easy (or not easy) it is to implement GDPR by large and small companies.</li> <li>○ Better understanding of the current trends in Latin America and ASEAN; ISO Development in personal data protection; new map of privacy regulations around the world.</li> </ul> </li> <li>• Economy privacy case studies                             <ul style="list-style-type: none"> <li>○ The Philippines' ACE experience is impressive; the Philippines' initiative for privacy protection and chance to expand to ASEAN</li> <li>○ Different approaches in Russia who, however, still look for a consistent rule</li> </ul> </li> <li>• Business perspective on data utilization and regulation                             <ul style="list-style-type: none"> <li>○ Better understanding of businesses' views on the issue</li> <li>○ Reaffirmation that having many different standards and systems is an issue for companies</li> <li>○ Middle ground approach is more business friendly, providing balance between efficiency and data protection/privacy/security</li> </ul> </li> </ul>

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Question	Number of responses	Main themes and related points
<p>What were the most useful insights that you learned from today's dialogue? (Continued)</p>		<ul style="list-style-type: none"> <li>• Suggestions for future dialogue improvement               <ul style="list-style-type: none"> <li>○ Would be interesting to have a panel on digital economy measurement</li> <li>○ The topics of the dialogue may have been a better fit for the Electronic Commerce Steering Group (ECSG) and Data Privacy Sub-Group (DPS) than CTI. ECSG is already considering data privacy and CBPR issues.</li> </ul> </li> </ul>
<p>Are there any additional topics that were not covered in this dialogue that you would like to be addressed in future APEC reports and/or events relating to data-utilizing businesses?</p>	<p>13/32 (41%)</p>	<ul style="list-style-type: none"> <li>• Deeper analysis of the economic benefits and potential of data flows in digital trade.               <ul style="list-style-type: none"> <li>○ Classification and measurement of data flows is needed to establish proper policies</li> <li>○ Explain innovative data utilization business models</li> <li>○ Interoperability, platform business transaction of personal data</li> <li>○ Collective approaches to facilitate data utilizing businesses</li> </ul> </li> <li>• Deeper insights into data privacy regimes in different APEC economies and around world               <ul style="list-style-type: none"> <li>○ More concrete information on fragmentation on regulation with regard to personal information protection</li> <li>○ Compare effectiveness of voluntary standards with top down, prescriptive regulations</li> <li>○ CBPR-GDPR interoperability and adequacy</li> </ul> </li> <li>• Technologies impacting cross border data flows               <ul style="list-style-type: none"> <li>○ Examine current trends for fog/edge computing, AI and blockchain and apply them to data flows across borders</li> </ul> </li> <li>• Training for privacy regulators</li> </ul>
<p>What further steps should APEC take to address member economy concerns on this subject (e.g. how to operate / utilize the APEC Cross-Border Privacy Rules (CBPR) System)?</p>	<p>14/32 (44%)</p>	<ul style="list-style-type: none"> <li>• Promote CBPR further               <ul style="list-style-type: none"> <li>○ Discuss with all member economies in a transparent and inclusive manner - need all economies to participate in CBPR.</li> <li>○ Work with APEC's ECSG-DPS</li> <li>○ Incentivize businesses to join CBPR</li> <li>○ Capacity building such as increasing number of AAs</li> </ul> </li> </ul>

Trade Policy Dialogue on Fostering an Enabling Policy and Regulatory Environment in APEC for Data-Utilizing Businesses

Question	Number of responses	Main themes and related points
<p>What further steps should APEC take to address member economy concerns on this subject (e.g. how to operate / utilize the APEC Cross-Border Privacy Rules [CBPR] System)? (Continued)</p>		<ul style="list-style-type: none"> <li>• Explain how CBPR works in detail                             <ul style="list-style-type: none"> <li>○ Clearly present the benefits of the CBPR</li> <li>○ Conduct workshop on AAs; provide comparison between ASEAN / Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) / CBPR / United States-Mexico-Canada Agreement (USMCA).</li> <li>○ Conduct objective study of CBPR which will provide impartial view of its effectiveness</li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>• GDPR                             <ul style="list-style-type: none"> <li>○ Compare CBPR and GDPR</li> <li>○ Promote interoperability with GDPR and other standards (ASEAN)</li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>• Prioritize APEC SMEs in CBPR activities. Consider scalability and cost issues that may be prohibitive to small companies.</li> </ul>
		<ul style="list-style-type: none"> <li>• Conduct study to identify common regulations in APEC economies regarding personal information protection and differences between them.</li> </ul>

## **Appendix**

### **IX. PRESENTATION MATERIALS**

See separate document.

**X. FINAL VERSION OF THE QUESTIONNAIRE SHEET**

See the following pages.



