



DAAC Digital Advertising Alliance of Canada

The Canadian Self-Regulatory Principles For Interest-Based Advertising

REVISED OCTOBER 2022



ACCOUNTABILITY PARTNER:



Introduction

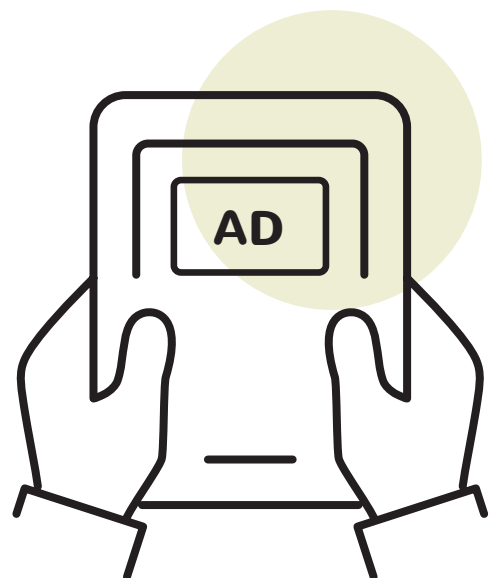
These **Canadian Self-Regulatory Principles for Interest-Based Advertising** (the “**Principles**”) were developed by the Digital Advertising Alliance of Canada (the “DAAC”) in conjunction with other global programs, to apply consumer-friendly standards to interest-based advertising.

The Principles are designed to preserve the innovative and robust digital advertising ecosystem that supports the vast array of digital content in Canada, and the ability to deliver relevant advertising to consumers, in a respectful manner, consistent with applicable Canadian privacy laws.

The DAAC establishes and enforces responsible privacy practices through the AdChoices program across the Canadian industry for relevant digital advertising, providing consumers with enhanced transparency and control through multifaceted principles that apply to multi-site data and cross-app data gathered in either desktop, mobile web, or mobile app environments.

The DAAC is an independent non-profit organization led by the following leading advertising and marketing trade associations.

- Association of Canadian Advertisers (ACA)
- Association of Creative Communications Agencies (A2C)
- Canadian Marketing Association (CMA)
- Canadian Media Directors’ Council (CMDCC)
- Institute of Canadian Agencies (ICA)
- Interactive Advertising Bureau of Canada (IAB Canada)

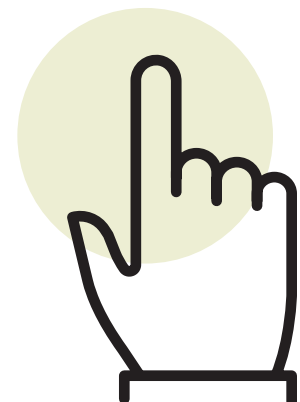


Scope and Application of the Principles

The Principles apply to the collection, use, and disclosure of data over time and across multiple websites and/or apps to predict web and/or app user preferences or interests to deliver online advertising in the Canadian online advertising ecosystem based on the preferences or interests inferred from such web and app viewing behaviours (“Interest Based Advertising” or “IBA”).

The Principles do not apply to the collection, use, disclosure or other processing of data, specifically:

- (a) Contextual advertising (i.e., advertising decision criteria based on the content of the webpage and/or app being visited, a consumer’s current visit to a webpage, app, or a search query, and not an individual’s profile that is collected, used, or disclosed by a Third Party);
- (b) Operations and system management purposes, including:
 - i. intellectual property protection;
 - ii. compliance, public purpose, and consumer safety;
 - iii. authentication, verification, fraud prevention, and security;
 - iv. billing or product or service fulfillment; or
 - v. Ad Delivery or Ad Reporting.
- (c) Market Research or Product Development.



The Principles



Education



Transparency



Consumer
Control



Data
Security



Sensitive
Data



Accountability

I. Education

Entities should participate in efforts to educate individuals and businesses about Interest-Based Advertising, including the actors in the Canadian ecosystem, how Data may be collected, and how consumer choice and control may be exercised.

Commentary: All participants should be educating about IBA in a manner that a reasonable person would understand. Linking to the industry-developed website (e.g., YourAdChoices.ca) can also provide more general IBA information to consumers.



II. Transparency

A. Notice

1. Privacy Notice

Entities should give clear, meaningful, and prominent notice on their own websites and/or apps that describe their Interest-Based Advertising Data collection and use practices. Such notice should include clear descriptions of the following:

- (a) The types of Data collected online, including any Personal Information, for Interest-Based Advertising purposes;
- (b) The uses of such Data and whether the Data will be disclosed to another entity for Interest-Based Advertising purposes;
- (c) An easy-to-use mechanism for exercising choice, including instructions for accessing and using the tool for providing or withdrawing consent, with respect to the collection and use of the Data for Interest-Based Advertising purposes or to the disclosure of such Data to another entity for such purpose; and
- (d) The fact that the entity adheres to these Principles.

2. Plain Language Notice

Entities should provide additional layered notice as set forth below in (a) and (b):

- (a) **Meaningful Description** - A meaningful description of Data practices for Interest-Based Advertising should be written in plain language summarizing the activities described under II.A.1. Privacy Notice.
- (b) **Link to Privacy Notice** - The meaningful description must provide linked access to II.A.1. Privacy Notice for a more detailed plain language description of the entity's Interest-Based Advertising practices and linked access to a choice mechanism for Interest-Based Advertising as described under III. Consumer Control.



3. Enhanced Notice to Consumers

In addition to providing notice as described in (1) and (2), entities should provide Enhanced Notice as set forth below:

(a) **Advertisement Notice** – Entities acting as Third Parties should provide notice of the collection of Data through a clear, meaningful, and prominent link to a disclosure described in II.A.2. Plain Language Notice:

- i. In or around the advertisement delivered on the website and/or app where Data is collected; or
- ii. On the website and/or app where the Data is collected if there is an arrangement with the First Party for the provision of such notice.

Commentary: This Enhanced Notice should link to the advertising entity's simplified disclosure (II.A.2. Plain Language Notice) describing the entity's Interest-Based Advertising practices. If the entity chooses to show information about IBA inside the ad itself, via an interface through the icon, it must summarize the same information as in II.A.2. Plain Language Notice with a link to where the individual may learn more and exercise their choices.

(b) **Third Party Participation in Industry-Developed Website** – Entities acting as Third Parties should be individually listed either:

- i. On the industry-developed website linked from the disclosure described in II.A.1. Privacy Notice; or
- ii. If agreed to by the First Party, in the disclosure on the website and/or app where Data is collected for Interest-Based Advertising purposes as described in II.A.1. Privacy Notice.

(c) **First Party Enhanced Notice** – Entities acting as First Parties should include a clear, meaningful, and prominent link to II.A.2. Plain Language Notice on the website and/or app where Data is collected, used, or disclosed to Third Parties or Service Providers for Interest-Based Advertising purposes.



Commentary: The Enhanced Notice should be easy to see and link to the simplified page (II.A.2. Plain Language Notice) describing the entity's IBA practices. When relying on a banner-type notice to interact with the consumer (e.g., when using a consent management platform (CMP)), the Enhanced Notice should be consistently available for the consumer to make updated choices, for example in a website's footer.

First Parties should provide clear, meaningful, and prominent notice of the fact that the First Party discloses to any Third Party or authorizes any Third Party to collect Data from or through a website or application.

III. Consumer Control

A. Third Party Choice For Interest-Based Advertising

1. Third Party Choice for Interest-Based Advertising

A Third Party should provide consumers with the ability to exercise choice with respect to the collection and use of Data for Interest-Based Advertising purposes or the disclosure of such Data to another entity for such purpose. Such choice should be available from:

- i. the notices described in II.A.1. Privacy Notice and II.A.2. Plain Language Notice;
- ii. an II.A.3.(a) Advertisement Notice if an interface is used inside an ad;
- iii. the industry-developed website as set forth in II.A.3.(b)(i) Third Party Participation in Industry-Developed Website; or
- iv. the Third Party's disclosure linked to from the page where the Third Party is individually listed as set forth in II.A.3.(b)(ii) Third Party Participation in Industry-Developed Website.



2. Notice and Choice for Data Collection from All Applications

Entities should provide consumers with notice and an ability to exercise choice with respect to the collection and use of Data from applications on a device for the purpose of delivering Interest-Based Advertising in an application or the disclosure of such Data to another entity for such purposes. The notice and choice should apply to the device from which or for which it is provided.

B. Service Provider Choice for Interest-Based Advertising

Service Providers should provide consumers with the ability to exercise choice with respect to the collection and use of Data for Interest-Based Advertising purposes or the disclosure of such Data to another entity for such purpose.

IV. Data Security

A. Safeguards

Entities should maintain appropriate physical, electronic, and administrative safeguards to protect the Data collected and used for Interest-Based Advertising purposes from loss or theft or unauthorized access, disclosure, copying, use, or modification.

B. Data Retention

Entities should retain Data that is collected and used for Interest-Based Advertising only as long as necessary to fulfill the purposes for which it was collected, or as required by law.



C. Treatment Of Interest-Based Advertising Data

Service Providers and Third Parties should take all of the following steps regarding Data collected and used for Interest-Based Advertising purposes:

1. Alter, de-identify, or randomize (e.g., through “hashing” or substantial redaction) any Personal Information or unique identifier in order to prevent the Data from being reconstructed into its original form in the ordinary course of business.
2. Disclose in the notice set forth in II.A.1 Privacy Notice the circumstances in which Data that is collected and used for Interest-Based Advertising is subject to such a process.
3. Take reasonable steps to protect the non-identifiable nature of Data if it is disclosed to another entity including not disclosing the algorithm or other mechanism used for de-identify or randomizing the Data, and obtaining satisfactory written assurance that such entities will not attempt to re-construct the Data and will use or disclose the de-identified Data only for purposes of Interest-Based Advertising or other uses as specified to users.
4. Take reasonable steps to ensure that any entity that receives de-identified Data will itself ensure that any further entities to which such Data is disclosed agree to restrictions and conditions set forth in this subsection. This obligation is also considered met if the recipient entity does not have any independent right to use the Data for its own purposes under a written contract.



V. Sensitive Data

A. Children

Entities should not collect Personal Information for Interest-Based Advertising purposes from children they have actual knowledge are under the age of 13 or from sites directed to children under the age of 13 for Interest-Based Advertising, or otherwise engage in Interest-Based Advertising directed to children they have actual knowledge are under the age of 13, unless such collection and other treatment of Personal Information is in accordance with Canadian privacy and other applicable legislation.

B. Sensitive Personal Information

Entities should not collect and use sensitive Personal Information for Interest-Based Advertising without consent, as required and otherwise in accordance with applicable Canadian privacy legislation.



VI. Accountability

A. Applicability

These Principles are self-regulatory in nature, and entities engaged in Interest-Based Advertising are within the scope of the accountability program set out below.

B. Operation

The accountability program on Interest-Based Advertising is managed and operated by Ad Standards in accordance with its Interest-Based Advertising Compliance Procedure that sets out procedures for:

1. **Monitoring** – The accountability program will monitor for compliance with these Principles.
2. **Complaint Handling** – The accountability program will maintain a process for taking complaints concerning possible non-compliance with these Principles.
3. **Compliance** – Ad Standards will inform an entity about such entity's possible non-compliance with these Principles. Ad Standards and the entity will work collaboratively in the course of addressing the possible non-compliance. Where Ad Standards determines that the entity is not in compliance with these Principles, the entity should take the necessary steps to bring its activities into compliance.
4. **Transparency and Reporting** – Accountability program findings of non-compliance, the reasons for those findings, and any actions taken with respect to instances of non-compliance, will be publicly reported.



Definitions

Ad Delivery

Ad Delivery is the delivery of online advertisements or advertising-related services using Ad Reporting data. Ad Delivery does not include the collection and use of Ad Reporting data when such data is used to deliver advertisements to a computer or device based on the preferences or interests inferred from information collected over time and across websites and/or apps because this type of collection and use is covered by the definition of Interest-Based Advertising.

Ad Reporting

Ad Reporting is the logging of page views on websites and/or apps or the collection or use of other information about a browser, operating system, domain name, date and time of the viewing of the website/app or advertisement, and related information for purposes including but not limited to:

- Statistical reporting in connection with the activity on a website(s) and/or app(s);
- Analytics and analysis;
- Optimization of location of ad and media placement;
- Reach and frequency metrics (e.g., frequency capping);
- Ad performance; and
- Logging the number and type of advertisements served on a particular website and/or application.

Cross-App Data

Cross-App Data is data collected from a particular device regarding application use over time and across other applications for the purposes of delivering Interest-Based Advertising in an application. Cross-App Data does not include Precise Location Data or Personal Directory Data.

Cross-App Data includes unique values assigned or attributed to a device or a unique combination of characteristics associated with a device where combined with Cross-App Data. Cross-App Data does not include data that is not associated with a specific individual or device, such as data that has been De-Identified.

Cross-App Data does not include data that is not associated or combined across applications. If a Third Party associates or combines previously collected data to create Cross-App Data, the obligations under these Principles are triggered at the time that the entity creates such Cross-App Data.

Data

The data, including personal information, that is collected, used, or otherwise processed in connection with Interest-Based Advertising, including Cross-App Data, Precise Location Data, and Personal Directory Data.

De-Identification

De-Identification is any technology or process that reduces the identifiability of data. Data has been de-identified when an entity has taken reasonable steps to:

- (a) Ensure that the data cannot reasonably be re-associated or connected to an individual or be connected to or associated with a particular computer or device;
- (b) Protect the non-identifiable nature of data if it is distributed to Third Parties and obtain satisfactory written assurance that such entities will not attempt to reconstruct the data in a way such that an individual may be re-identified and will use or disclose the de-identified data only for uses as specified by the entity; and
- (c) Ensure that any entity that receives de-identified data will itself ensure that any further entities to which such data is disclosed agree to the foregoing restrictions and conditions.

Interest-Based Advertising

Interest-Based Advertising (or “IBA”) is the collection of data from a particular computer or device regarding web and/or app viewing behaviours over time and across websites and/or apps for the purpose of using such data to predict user preferences or interests to deliver advertising to that computer or device based on preferences or interests inferred from such web and/or app viewing behaviours. For clarity, Interest-Based Advertising does not include the collection and use of data by the First Party for advertising in the First Party’s own website(s)/ app(s), Ad Delivery or Ad Reporting, or contextual advertising (i.e., advertising based on the content of the website/app being visited, or a consumer’s current visit to a website/app, or a search query).

Enhanced Notice

A conspicuous notice that sits outside of a privacy policy that uses the icon, links to a meaningful description (II.A.2. Plain Language Notice) or in-ad experience (II.A.3.(a) Advertisement Notice) of equal merit and, and, space permitting, the phrase “AdChoices” for English or “Choix de pub” for French.

First Party

An entity that is the owner of the website and/or app or has control over the website and/or app with which the consumer interacts.

Market Research

Market Research means the analysis of:

- (a) market segmentation or trends;
- (b) consumer preferences and behaviours;
- (c) research about consumers, products, or services; or
- (d) the effectiveness of marketing or advertising.

A key characteristic of market research is that the data is not re-identified to market directly back to or otherwise re-contact to a specific computer or device. Thus, the term “market research” does not include sales, promotional, or marketing activities directed at a specific computer or device.

Personal Directory Data

Personal Directory Data is calendar, address book, phone/text log, or photo/video data created by a consumer that is stored on or accessed through a particular device and obtained for the purposes of delivering Interest-Based Advertising in an application.

Personal Directory Data includes unique values assigned or attributed to a device or a unique combination of characteristics associated with a device where combined with Personal Directory Data. Personal Directory Data does not include data that is not associated with a specific individual or device, such as data that has been De-Identified.

Personal Information

Personal Information is information about an identifiable individual, as more particularly defined under applicable Canadian privacy and other applicable legislation.

Precise Location Data

Precise Location Data is data obtained from a device about the physical location of the device that is sufficiently precise to locate a specific individual or device for the purposes of delivering Interest-Based Advertising in an application.

Product Development

Product Development means the analysis of:

- (a) the characteristics of a market or group of consumers; or
- (b) the performance of a product, service or feature, in order to improve existing products or services or to develop new products or services.

Like data used for Market Research, data used for Product Development is not re-identified to market directly back to or otherwise re-contact a specific computer or device.

Service Provider

An entity is a Service Provider to the extent that it collects and uses Data from all or substantially all URLs traversed by a browser across websites for Interest-Based Advertising in the course of the entity's activities as a provider of Internet access service, a toolbar, plug-in, an Internet browser, or comparable desktop application or client software and not for its other applications and activities.

Third Party

An entity is a Third Party to the extent that it engages in Interest-Based Advertising on another entity's website and/or application.

An entity may be a Third Party if it collects Cross-App Data, Precise Location Data, or Personal Directory Data by providing software development kits or other technical tools that are integrated into a non-affiliated First Party's application.

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