

# Canadian Privacy Law & AdChoices

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Digital Advertising Alliance of Canada

**Canadian federal privacy laws are overseen by the Privacy Commissioner and his office (the OPC).**

**PIPEDA** sets out ground rules for how private sector organizations may collect, use or disclose personal information in the course of commercial activities.

- Accountability
- Identifying Purposes
- Consent
- Limiting Collection
- Limiting Use, Disclosure, and Retention
- Accuracy
- Safeguards
- Openness
- Individual Access
- Challenging Compliance

## **Online Behavioural Advertising (OBA) defined:**

OBA, often called “interest-based advertising” or “IBA”, pertains to the use of data collected across multiple websites and/or applications in order to predict user preferences and to show ads that are most likely to be of interest to users.

## **Privacy Laws in Canada and Online Advertising**

The Personal Information Protection and Electronic Documents Act, also called PIPEDA, is Canada’s federal private-sector privacy law. PIPEDA sets out **ground rules** for how private sector organizations may collect, use or disclose personal information in the course of a commercial activity.

The Office of the Privacy Commissioner of Canada (OPC) is tasked with overseeing compliance with PIPEDA and released specific **guidelines on online behavioural advertising** in 2011 and a **policy position** soon after. In these guidelines, the OPC indicates that data associated with online behavioural advertising (also called targeted advertising or online interest-based advertising (IBA)) could be personal information, and therefore is subject to PIPEDA. This puts an onus on private sector organizations involved in OBA/IBA to comply with privacy regulations and the OPC’s expectations, as set out in their guidelines, policy positions, and published investigations.

The OPC’s investigations are published as **reports of findings**. In 2015, an intensive OBA study was conducted by the OPC. Amongst several findings, the OPC named companies found to be non-compliant with PIPEDA in their various OBA-related investigations, and re-published their clear expectations of private sector organizations engaged in OBA practices. The AdChoices program was featured in the 2015 report as well.

## **The OPC’s expectations for OBA:**

- Individuals are made aware of the purposes for the practice in a manner that is **clear** and **understandable** – the purposes must be made **obvious** and cannot be buried in a privacy policy.
- Organizations should **be transparent** about their practices and consider how to effectively inform individuals of their online behavioural advertising practices, by using a variety of communication methods, such as online banners, layered approaches, and interactive tools;
- Individuals are informed of these purposes **at or before the time of collection** and provided with information about the various parties involved in online behavioural advertising;
- Individuals are able to **easily opt-out** of the practice - ideally at or before the time the information is collected;
- The opt-out takes effect **immediately** and is **persistent**;
- The information collected and used is **limited**, to the extent practicable, to non-sensitive information (avoiding sensitive information such as medical or health information); and
- Information collected and used is **destroyed** as soon as possible or effectively **de-identified**.

**The Canadian AdChoices program was modelled after the requirements that the OPC set out. Our principles closely mirror and support what is required by law.**

# AdChoices in Canada

"Disclosures should be clear and easily accessible. This is one of the purposes of the AdChoices icon; interested consumers can click on it to learn why they are seeing an ad (or to opt out of targeted advertising), but the icon isn't disruptive to consumers who are less privacy-sensitive. Simply having it on a website can be beneficial and in and of itself can foster trust." – [Harvard Business Review](#)

Consumers (53%) report having more trust in brands that are using the Canadian AdChoices program, when they know they can manage their privacy preferences through it.

- AdChoices Consumer Awareness Report, 2018



## About AdChoices

Officially launched in September 2013, the Canadian AdChoices self-regulatory program (the "Program") was designed by the DAAC to educate consumers about online interest-based advertising (IBA) and provide mechanisms for consumers to exercise their choices, all within an accountability framework.

Participants of the Program pledge to adhere to a set of [Principles](#) and agree to be monitored by our Accountability Program, run by [Ad Standards](#). The goal of the Program is to provide the online ad industry with a standardized notice to use for IBA (the AdChoices icon) and to demonstrate responsible self-regulation to the Office of the Privacy Commissioner of Canada (OPC).

## About the DAAC

The Digital Advertising Alliance of Canada is a consortium of the leading national advertising and marketing associations whose members share a commitment to delivering a robust and credible program for online interest-based advertising.



## The DAAC AdChoices Principles:

- Education
- Transparency
- Consumer Control
- Data Security
- Sensitive Data
- Accountability

## Demonstrate Accountability

Ad Standards has been tasked with monitoring our participants for compliance with the AdChoices principles. As our participants get started on their AdChoices compliance journey, they may contact Ad Standards at any time for support.



## CONTACT THE DAAC

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## Get Relevant Advertising Partners Involved

Program participants should engage with their advertising partners to ensure that they understand the participant is aiming to adhere with the AdChoices Principles. In some cases, this may involve adjustments to contractual agreements or the need to better understand IBA data collection and use practices. Conducting a data inventory is helpful in this regard.

**When a company is ready to join the AdChoices program for interest-based advertising, simply contact us at [info@daac.ca](mailto:info@daac.ca).**