

The Data Privacy Act of 2012 Impact and Significance To the Retail Industry

RAYMUND ENRIQUEZ LIBOROPRIVACY COMMISSIONER AND CHAIRMAN







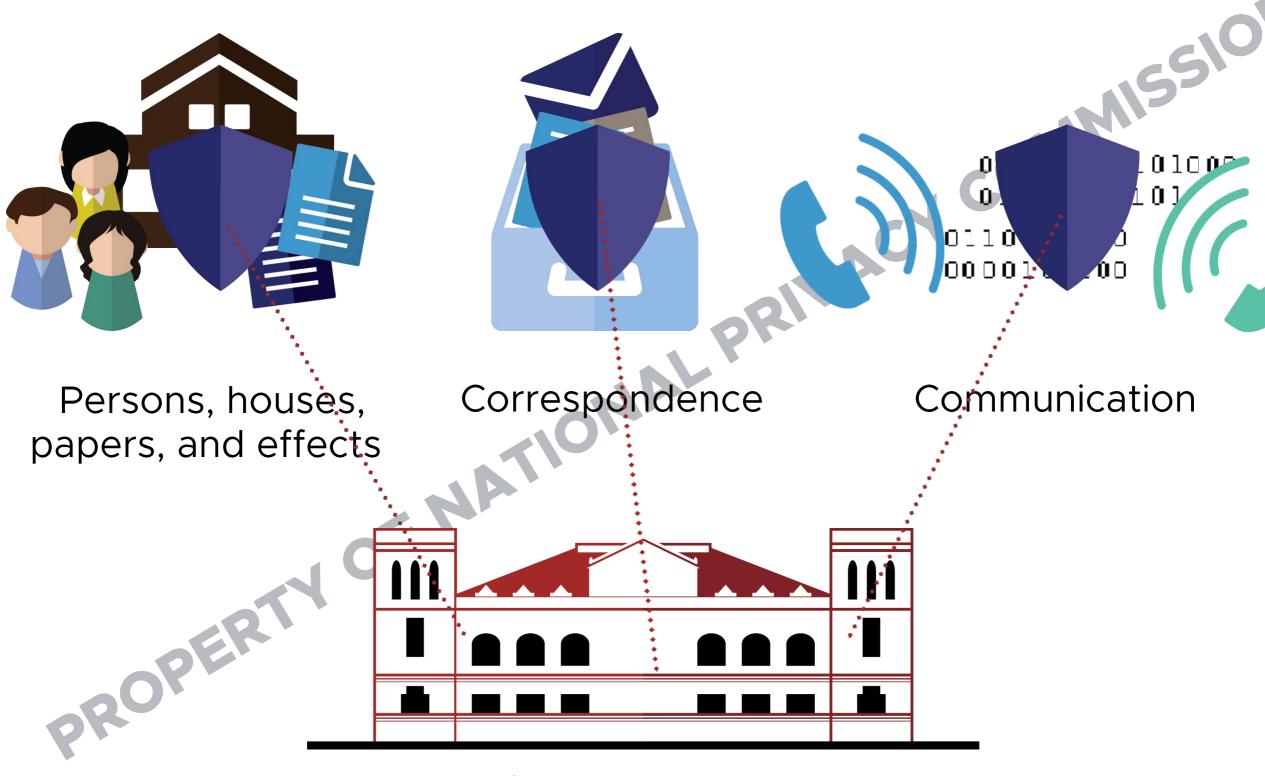
What the **law** is all about

How it will affect you





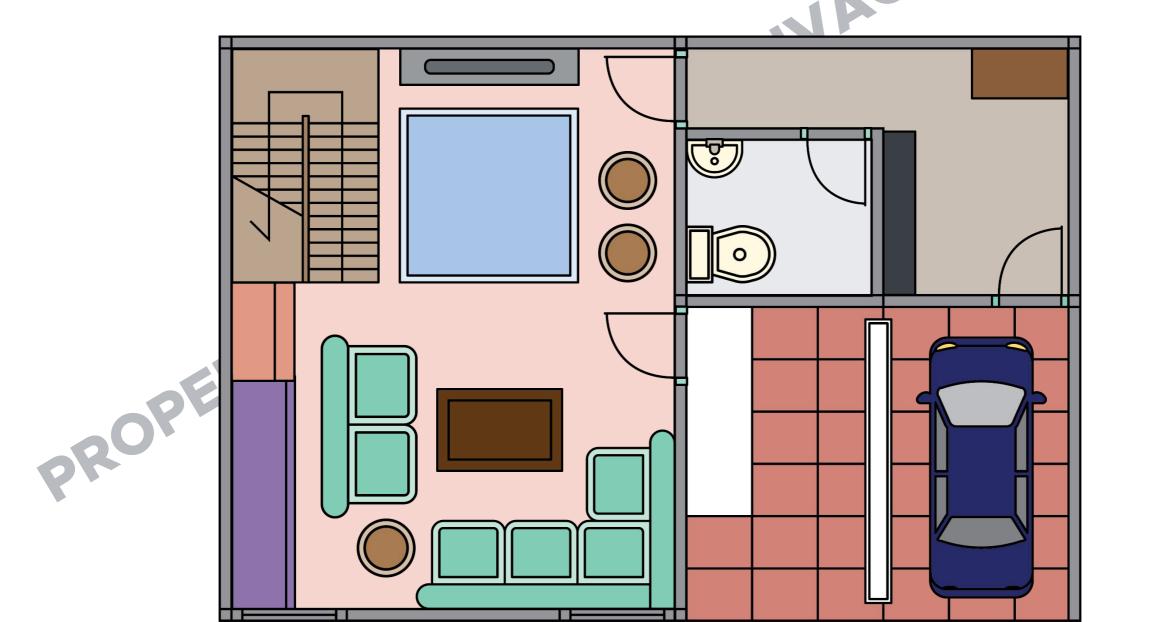
Information Privacy Then...



protected from government intrusions through **illegal searches**

What is private then

was what was found within the four corners of your **home** and within the confidentiality of communication.





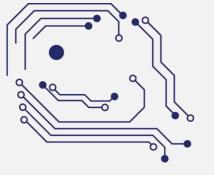
Shift of Perspective of

From the household to a reasonable expectation of privacy

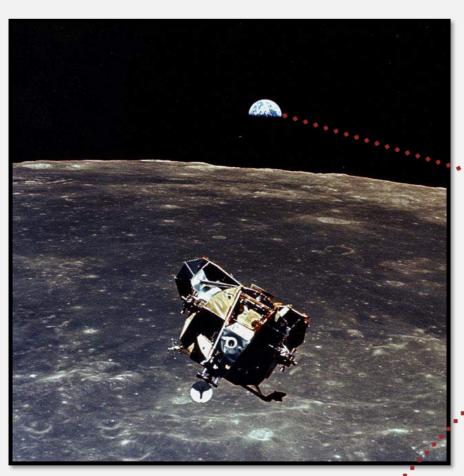
What a person knowingly exposes to the public, even in his own house or office, is not what is private,

But what he seeks to preserve as private, even in a public area.



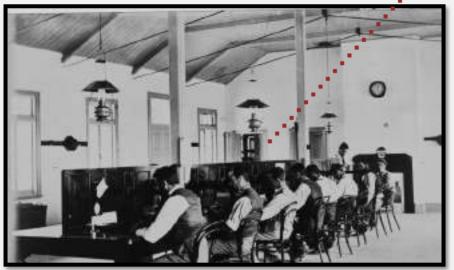


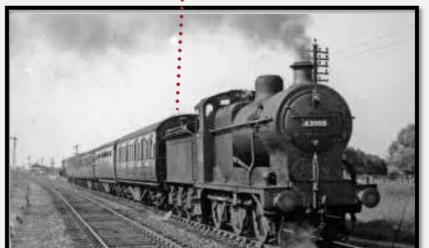
The Dramatic Change in Technology



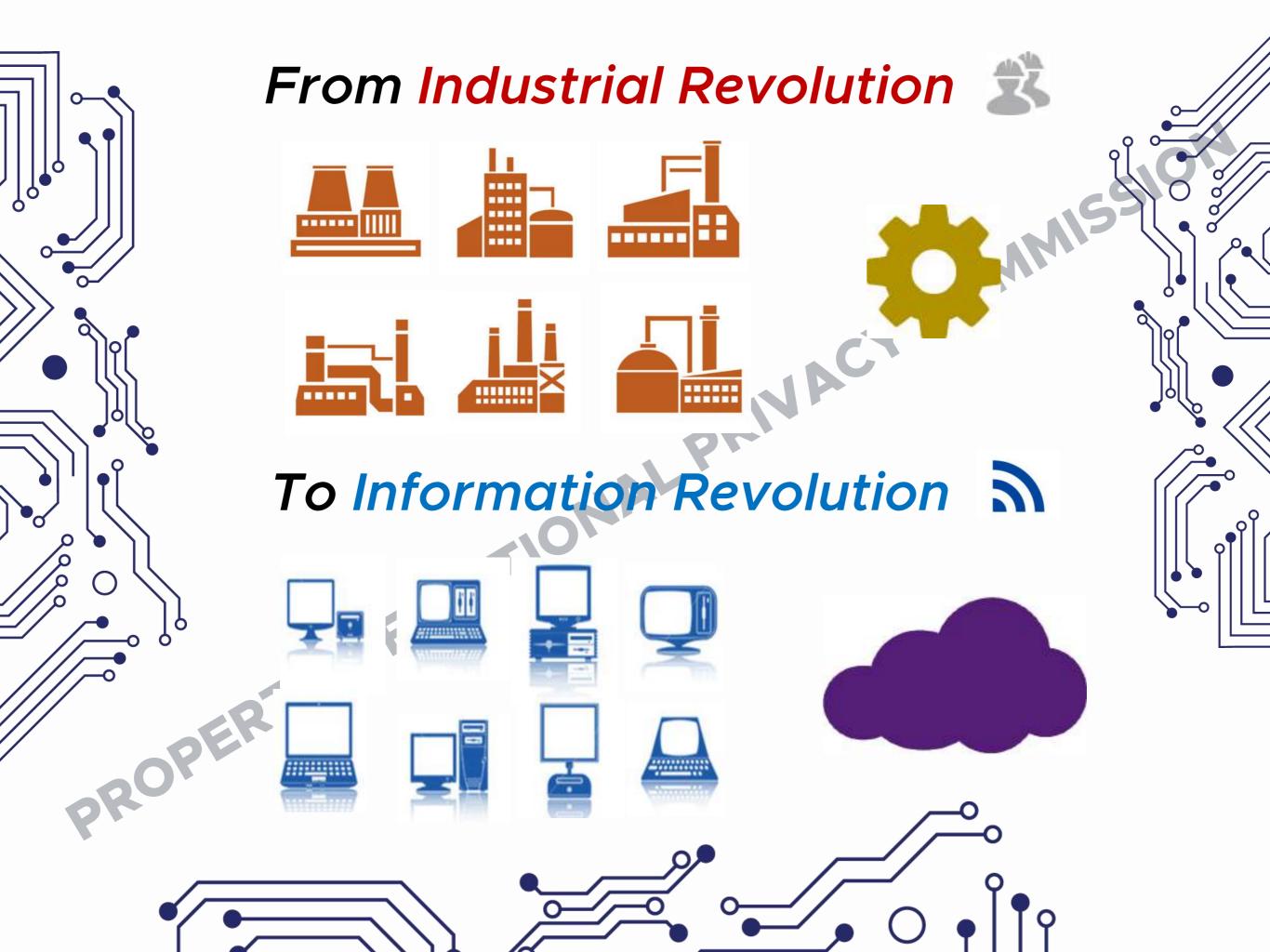


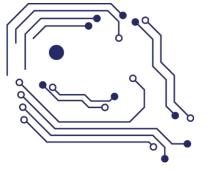






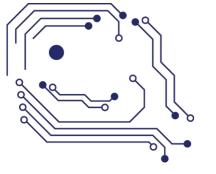




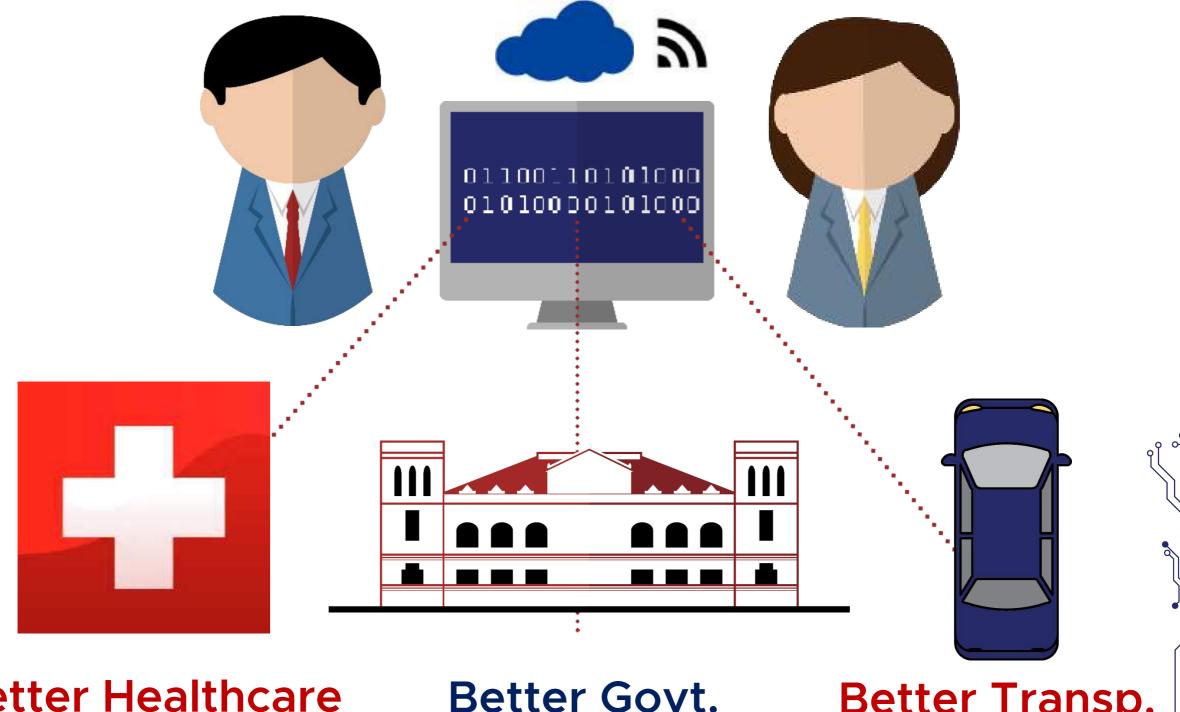


The Info Structure Environment



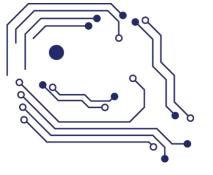


The Info Structure Environment



Better Healthcare

Better Transp



Potential Dangers



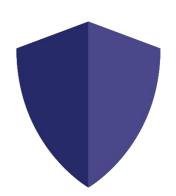












The Product of a 21st Century Law



For Addressing 21st Century Concerns

Philippine Constitution Article 3, Bill of Rights



- Section 2. Right to be secure in their persons, houses, papers, and effects against unreasonable searches
- Section 3. Privacy of communication and correspondence
- Section 5. Free exercise and enjoyment of religious profession and worship
- Section 6. Liberty of abode and the right to travel
- Section 8. Right to information, and access to official records















The world's largest taxi company, owns **no vehicles.**

The world's most popular media owner, creates no content.

The world's most valuable retailer, has no inventory.

The world's largest accommodation provider, owns no real estate.



UBER



FACEBOOK



ALIBABA



AIRBNB





Technology eliminates the Middleman



as the common Denominator





Forbes Most Valuable Brands 2007 versus 2017

2007



Exxon Mobil



Petrochina



General Electric



China Mobile



ICBC



Microsoft



Royal Dutch



GazProm



AT&T





























Google

Microsoft

Facebook

Coca Cola

Amazon

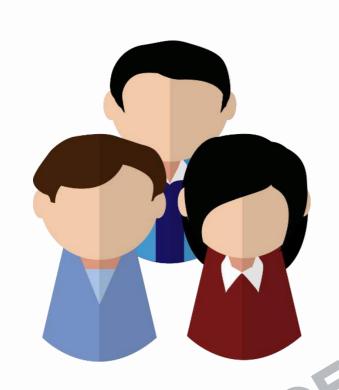
Disney

Toyota

McDonalds

Samsung

Impact of a Problematic Data Action on Business



Loss of reputation

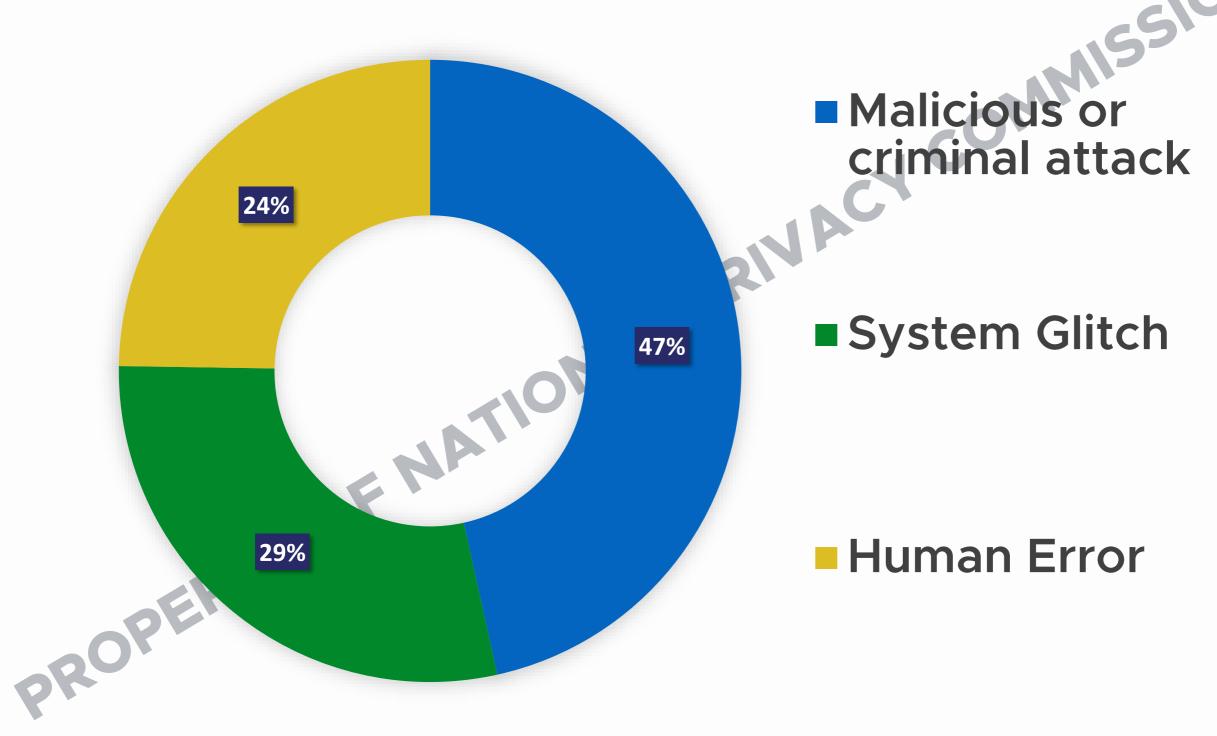
Loss of market share

Legal liabilities





ROOT CAUSES OF BREACH







Key Statistics

88%

Vulnerable – 19% very or extremely vulnerable

52%

Had a data breach overall – 19% in the last year, and 11% more than once 77%

Increasing IT security spending. Up from 61% in 2016 and 62% in 2015

88 percent of retailers vulnerable to data breaches in 2017

By Retail Tech Innovation editors | 2017-08-01

Email Print Share



The 2017 Thales Data Threat Report, Retail Edition revealed that 43% of retailers had experienced a data breach in the last year with 32% claiming a breach occurring more than once. Produced in conjunction with analyst firm 451 Research also revealed that 88% of retailers consider themselves vulnerable to data threats past year.

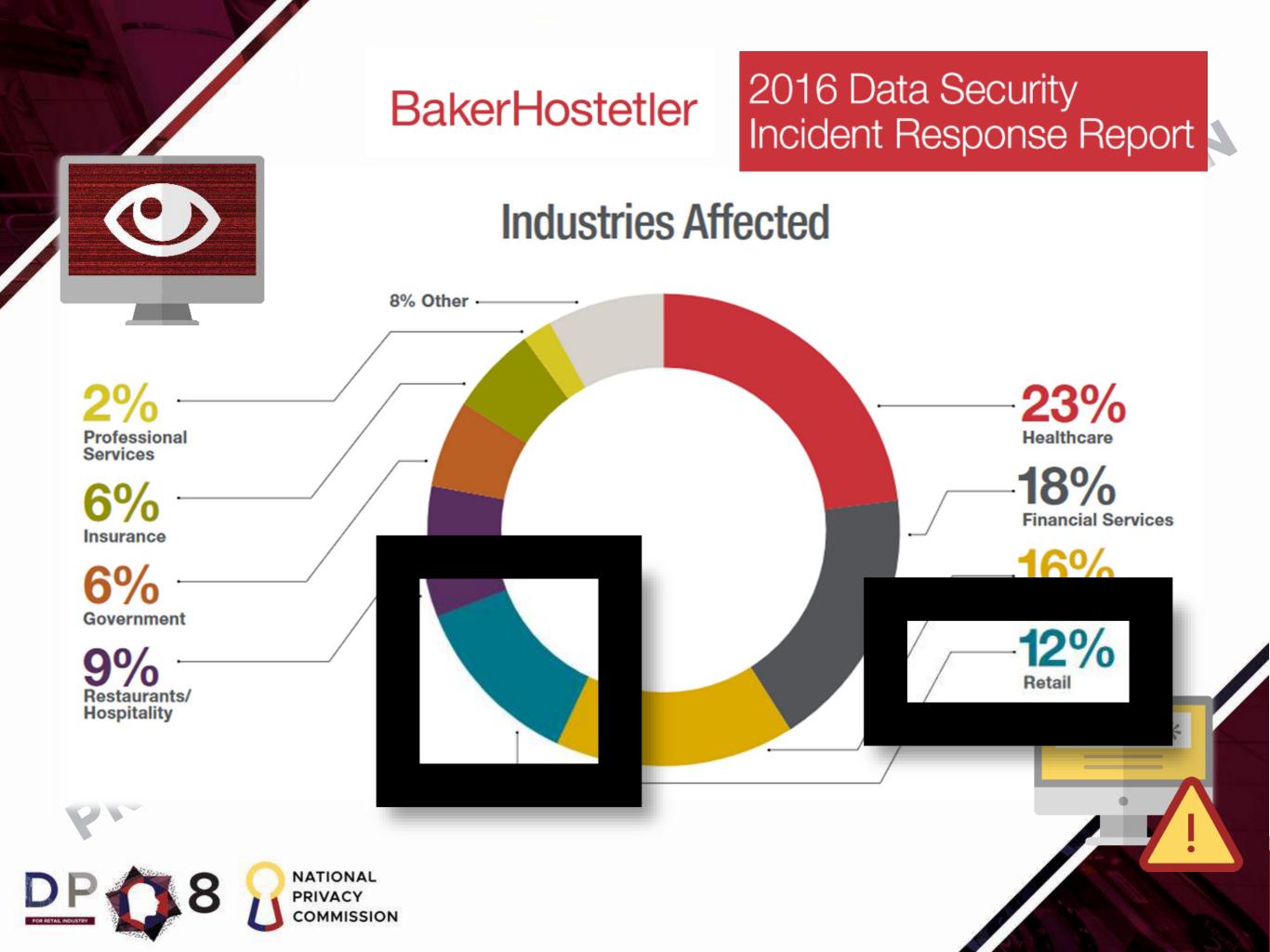
THALES

2017 Thales Data Threat Report Retail Edition









HOW DO PRIVACY BREACHES OCCUR

Employees accessing or disclosing personal information outside the requirements or authorization of their employment



Advertisement

Retailers tracking customer return data prompts concerns over transparency



Jennifer C. Kerr, The Associated Press
Published Sunday, August 11, 2013 8:33AM EDT

WASHINGTON -- It's not just the government that might be keeping tabs on you. Many retailers are tracking you, too -- or at least your merchandise returns.

The companies say it's all in the name of security and fighting fraud. They want to be able to identify chronic returners or gangs of thieves trying to make off with high-end products that are returned later for store credit.





HOW DO PRIVACY BREACHES OCCUR

Target Data Breach Has Cost Banks \$240M So Far

February 21, 2014 • min read by Christine DiGangi Comments 0 Comments

The Target data breach has caused a lot of headaches — it has also been crazy expensive.

A new report from the Consumer Bankers Association estimates the cost of replacing the credit and debit cards compromised in the breach has exceeded \$200 million. That's just card-replacement costs reported by the CBA and the Credit Union National Association. Factor in the impact of fraudulent activity and costs to financial institutions not members of the CBA or CUNA, and the price tag on the Target data breach gets a lot higher.

Databases containing personal information being 'hacked' into or otherwise illegally accessed by individuals outside of the agency or organization



https://nakedsecurity.sophos.com/2014/09/19/home-depot-breach-totals-56-million-credit-cards-exposed-62-million-in-losses/





Home Depot breach totals: 56 million credit cards exposed, \$62 million in losses

19 SEP 2014



Cryptography, Data loss, Law & order, Malware

HOW DO PRIVACY BREACHES OCCUR

Databases containing personal information being 'hacked' into or otherwise illegally accessed by individuals outside of the agency or organization









nttps://lapp.org/news/a/papc-fines-ion-orchara-15000-following-failure-to-protect-aamir credentials/

http://www.channelnewsasia.com/news/business/ion-orchard-fined-s-15-000-over-customerdata-breach-9010072

https://www.pdpc.gov.sg/docs/default-source/enforcement-data-protection-cases/grounds-of-decision---orchard-turn-dev---060717.pdf?sfvrsn=4

DATA PRIVACY RELATED DIFFICULTIES



- Customer database breaches
- Company's lack of adequate policies to protect customer information
- Payment card security breaches
- Customer profiling leading to transparency concerns



PROCESSING PERSONAL INFORMATION CAN CREATE PROBLEMS FOR INDIVIDUALS

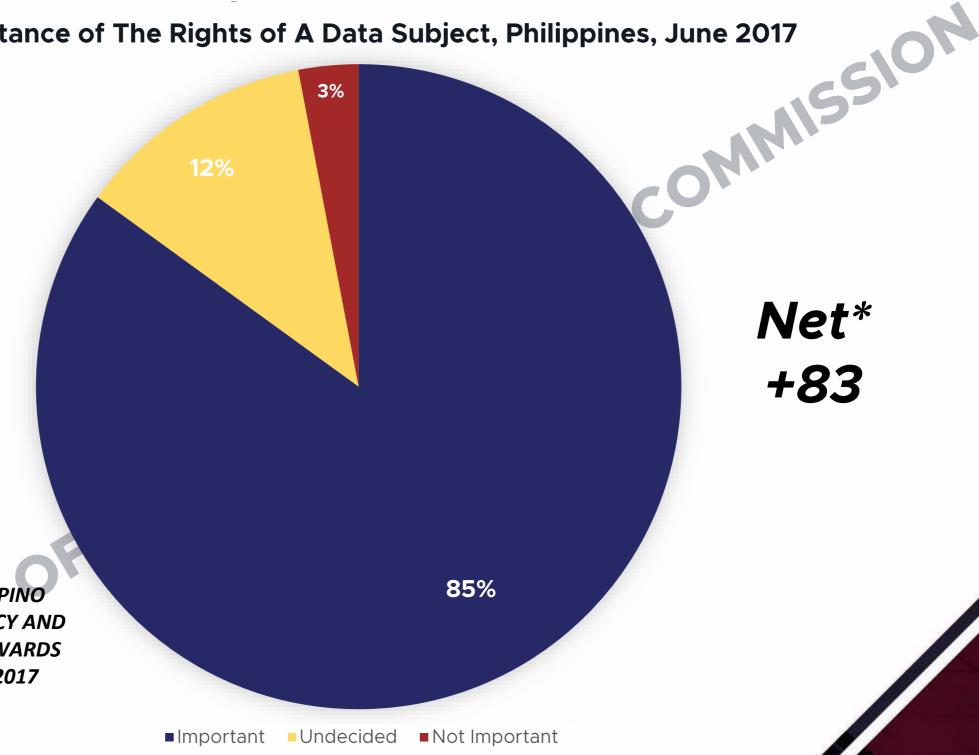


- Loss of trust
- Loss of self-determination
 - Loss of autonomy
 - Loss of liberty
 - Exclusion
 - Physical harm
- Discrimination
 - Stigmatization
 - Power imbalance
- Economic loss



Survey Results

Importance of The Rights of A Data Subject, Philippines, June 2017



*Based on the SWS Survey "FILIPINO **PUBLIC OPINION ON DATA PRIVACY AND ATTITUDES AND BEHAVIOUR TOWARDS** INTERNET USAGE"June 17-21, 2017 **National Survey**





*Net figure % Likes to know minus % Does Not like to Know, correctly rounded

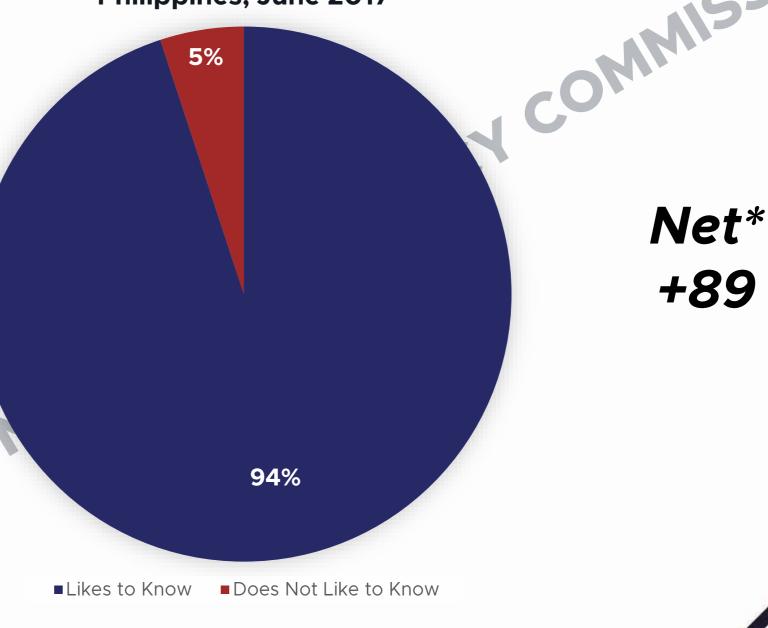
Survey Results

Extent of Liking or Not Liking to Know Where The Personal Information They Have Provided During Transaction or Application Will Be Used, Philippines, June 2017



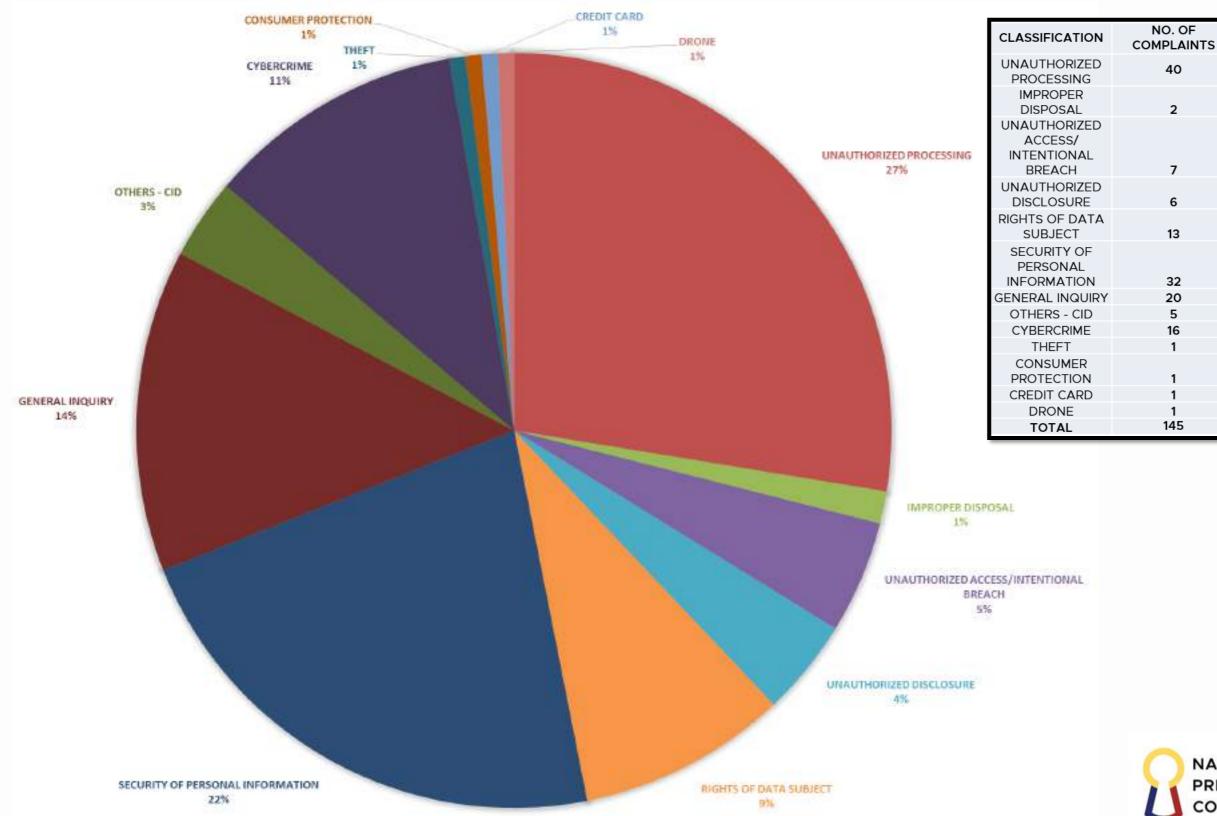
*Based on the SWS Survey "FILIPINO PUBLIC OPINION ON DATA PRIVACY AND ATTITUDES AND BEHAVIOUR TOWARDS INTERNET USAGE" June 17-21, 2017 National Survey





Note: No answer/Don't know/Refused responses are not shown.
*Net figure % Likes to know minus % Does Not like to Know, correctly rounded

Nature of Complaints (as of August 31, 2017)





NO. OF

40

2

20

145

PERCENTAGE

28%

1%

5%

9%

22%

14%

3%

11%

1%

1%

1%

1%

100%







RA 8484
Access Devices
Regulation Act

RA 9208 Anti-Trafficking Act RA 9775 Anti-Child Pornography Act

RA 9995 Anti-Photo and Video Voyeurism

1992 2000 2004 2012

1998

2003

2009

RA 10173
THE DATA PRIVACY
ACT OF 2012

RA 7610
Special Protection of
Children against
Abuse Act

RA 8792 Electronic Commerce Act RA 9262
Anti-Violence
against Women
and Children Act

RA 10173
Data Privacy Act

RA 10175
Cybercrime Prevention Act



STRUCTURE OF RA 10173

Sections 1-6.

Definitions and General Provisions

Sections 7-10.

The National Privacy Commission Sections 25-37.



Provisions Specific to Government

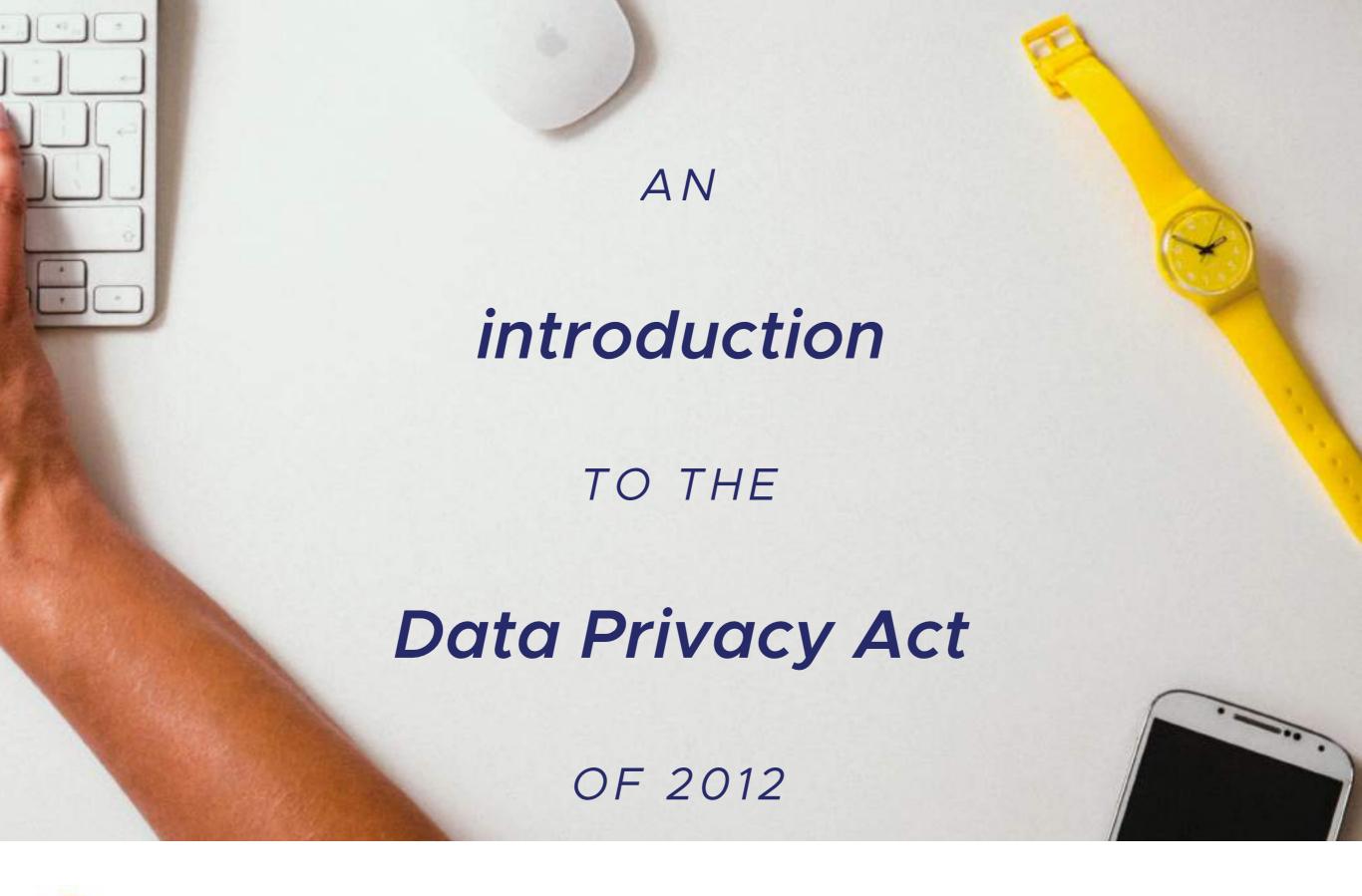


Sections 11-21.

Rights of Data Subjects, and Obligations of Personal Information Controllers and Processors













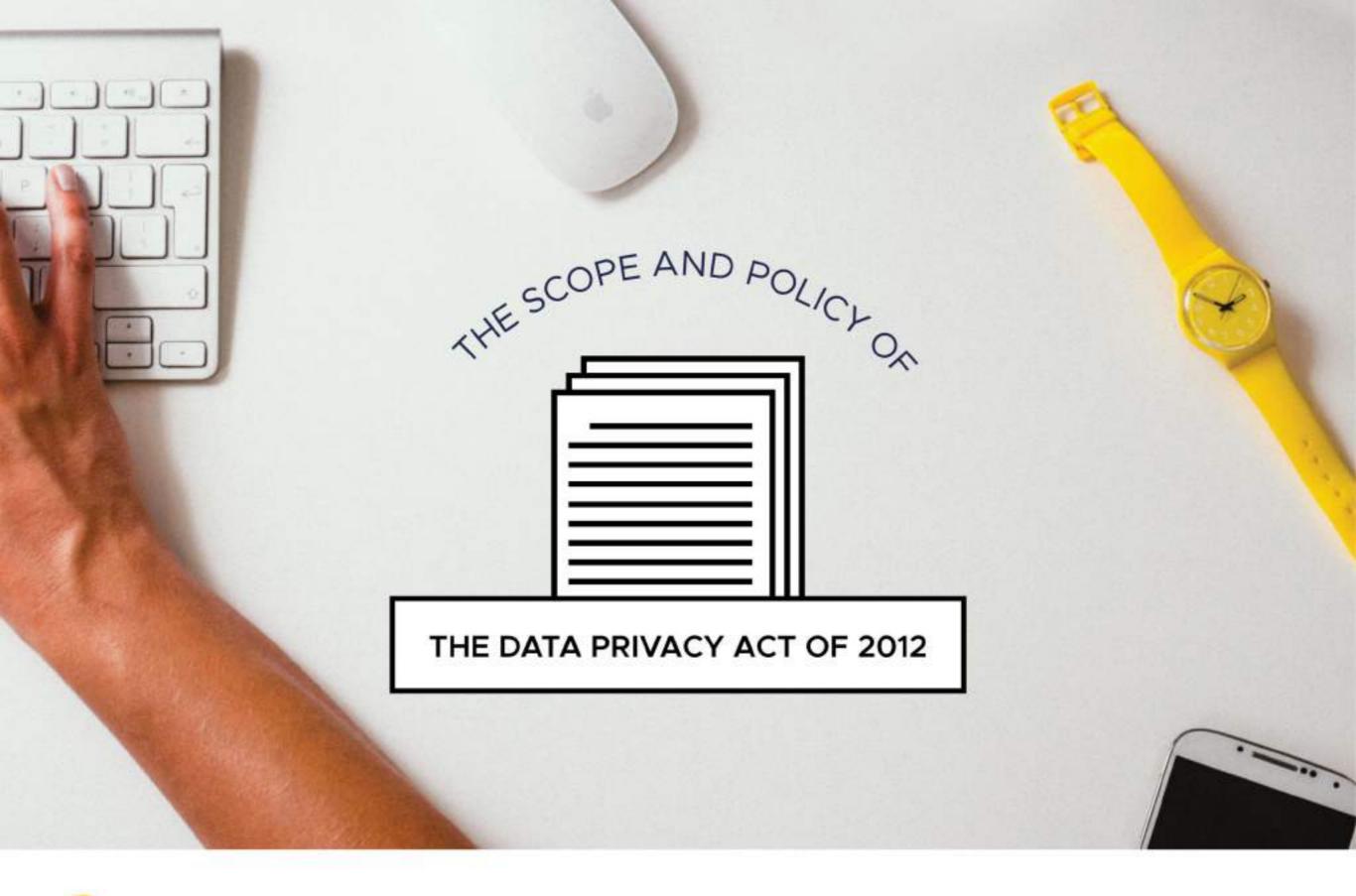
Where is privacy in all of these?

FULL TITLE

The law upholds the right to privacy by protecting individual personal information.

The National Privacy Commission protects individual personal information by regulating the processing of personal information







The Privacy Ecosystem

The Data Subject



The NPC

Personal Information

Controllers & Processors



POLICY



SEC. 2. Protect the fundamental human right of privacy of communication while ensuring free flow of information to promote innovation and growth; role of information and communications technology to ensure that **personal** information under the custody of the government and private sector are secured.



Data Privacy

Information

Privacy

Free Flow

Research

National Security and Public Safety

Right to Information

National Privacy Commission





SCOPE



SEC. 4. Applies to the processing of all types of personal information, in the country and even abroad, subject to certain qualifications.

SEC. 15. Personal information controllers may invoke the principle of privileged communication over privileged information that they lawfully control or process.



SCOPE OF THE LAW

COMMISSION **Data Subjects** National Privacy Commission Those who process Personal Data **Processing of Personal Data**

 PERSONAL INFORMATION CONTROLLERS (PIC) and PERSONAL INFORMATION PROCESSORS (PIP) PROCESSING PERSONAL DATA of DATA **SUBJECTS**



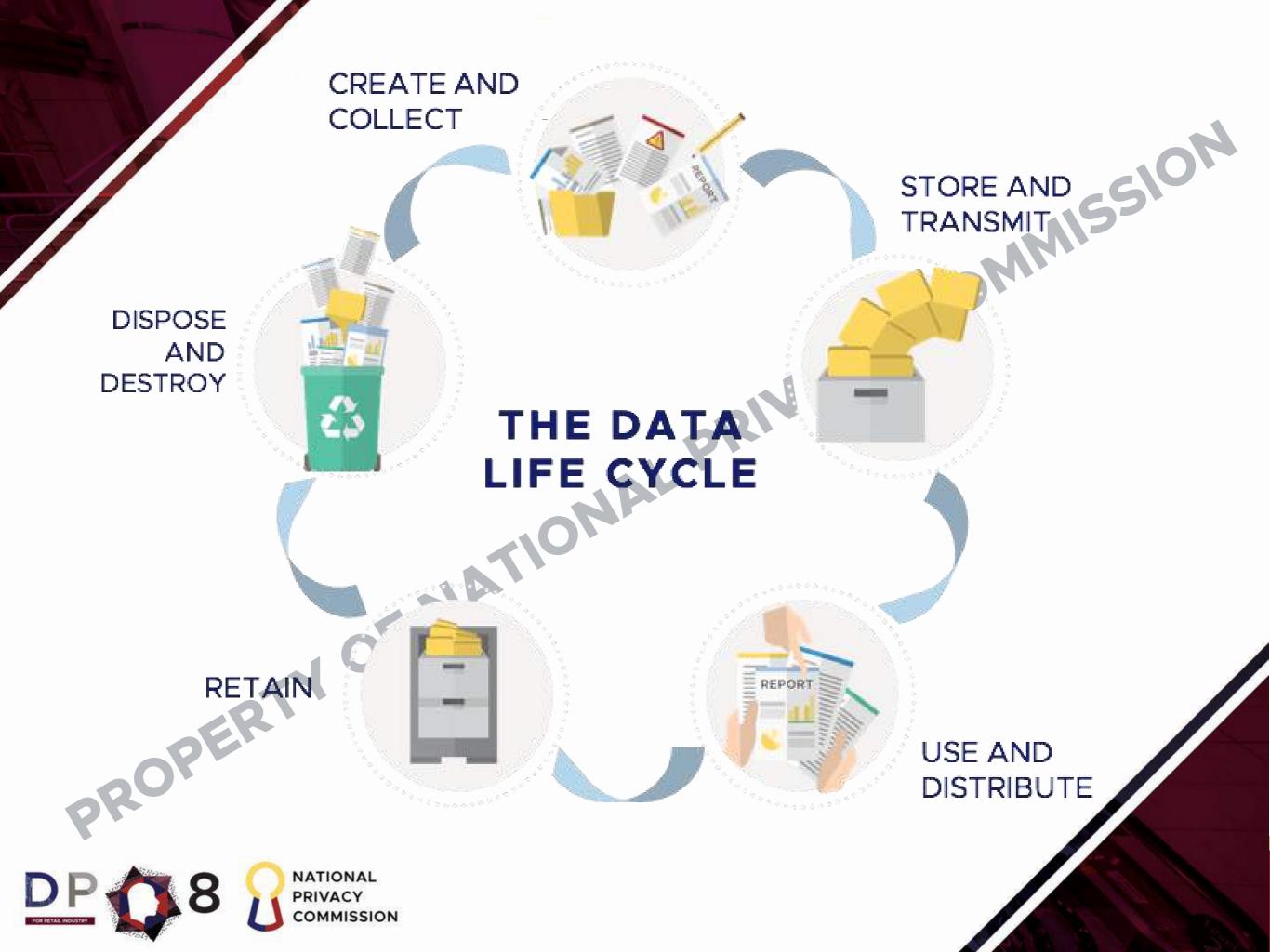


PROCESSING



Any operation of any set of operations performed upon personal data including, but not limited to, the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure or destruction of data.





I. CREATE AND COLLECT



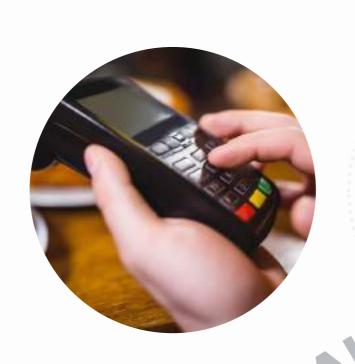
Punishable Act Imprisonment Fine (PHP) 18 months to 5 years -2**Unauthorized Purposes** 500 thousand to 2 million years to 7 years Unauthorized Processing of 1 year to 3 years — 3 years to 500 thousand to 4 million Personal Information/Records

6 years





II. STORE AND TRANSMIT





Punishable Act	Imprisonment	Fine (PHP)	
Accessing of Personal Information and Sensitive Personal Information due to Negligence	1 year to 3 years — 3 years to 6 years	500 thousand to 4 million	
Intentional Breach	1 year to 3 years	500 thousand to 2 million	
Malicious Disclosure	18 months to 5 years	500 thousand to 1 million	
Unauthorized Disclosure	1 year to 3 years — 3 years to 5 years	500 thousand to 2 million	





III. USE AND DISTRIBUTE



Punishable Act	Imprisonment	Fine (PHP)	
Unauthorized Processing of Personal Information and Sensitive Personal Information	1 year to 3 years — 3 years to 6 years	500 thousand to 4 million	
Unauthorized Purposes	18 months to 5 years — 2 years to 7 years	500 thousand to 2 million	
Intentional Breach	1 year to 3 years	500 thousand to 2 million	
Concealing Breach	18 months to 5 years	500 thousand to 1 million	
Malicious Disclosure	18 months to 5 years	500 thousand to 1 million	
Unauthorized Disclosure	1 year to 3 years — 3 years to 5 years	500 thousand to 2 million	





IV. RETAIN



Punishable Act	Imprisonment	Fine (PHP)
Access due to Negligence of Records	1 year to 3 years — 3 years to 6 years	500 thousand to 4 million
Malicious Disclosure	18 months to 5 years	500 thousand to 1 million
Unauthorized Disclosure	1 year to 3 years — 3 years to 5 years	500 thousand to 1 million





V. DISPOSE AND DESTROY



Punishable Act	Imprisonment	Fine (PHP)
Improper Disposal of Records	6 months 2 years — 1 year to 3 years	100 thousand to 1 million
Access due to Negligence	1 year to 3 years — 3 years to 6 years	500 thousand to 4 million
Concealing Breach	18 months to 5 years	500 thousand to 1 million









Risk Management

Risk can never be eliminated, so it must be managed.

Risk Responses

Accept risk
Avoid risk
Mitigate risk
Transfer/share risk



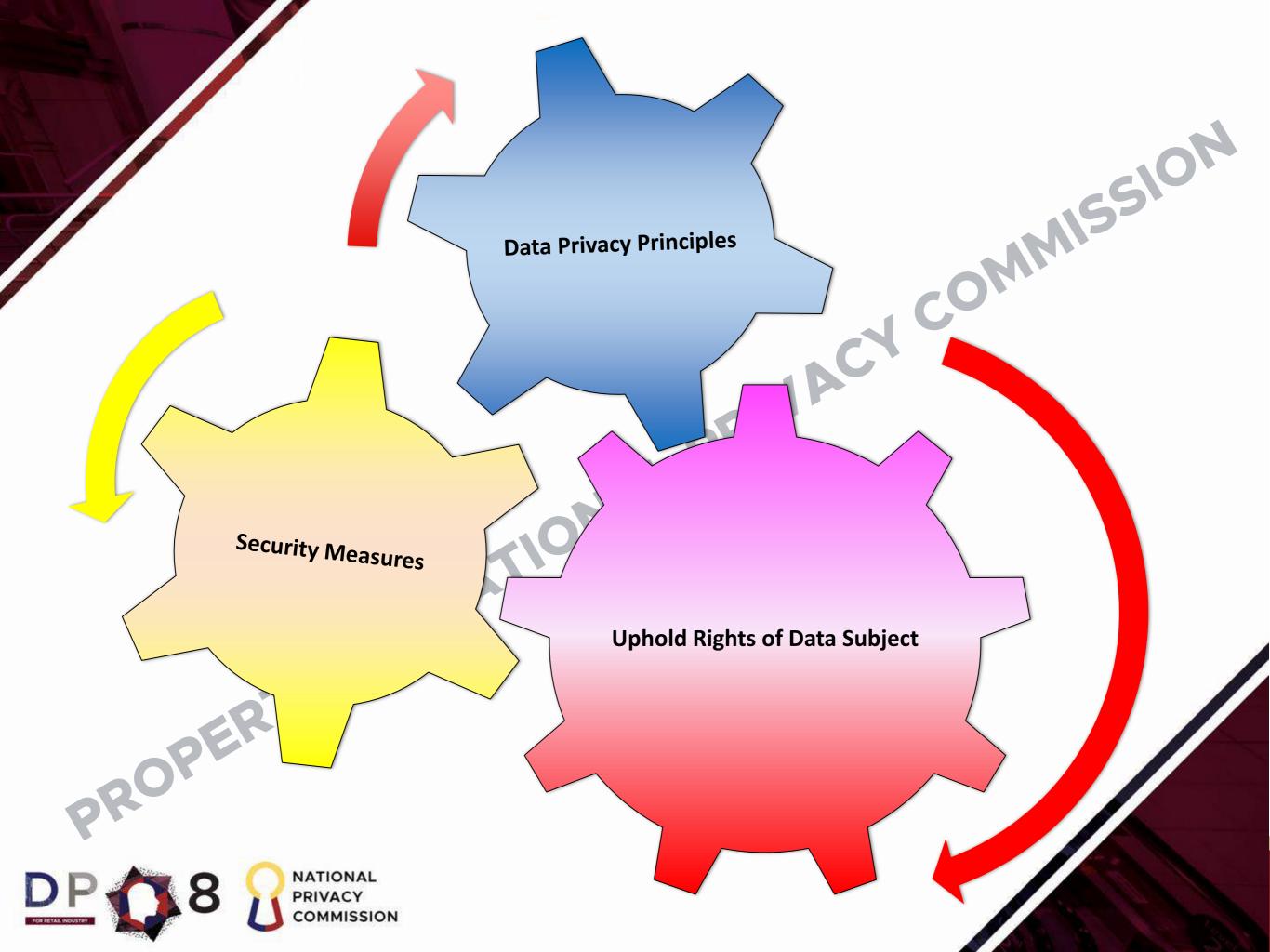
What is a Privacy Risk?

A Personal Data Breach and a Data Privacy Violation that has NOT happened









DATA SUBJECT



An individual whose personal, sensitive personal or privileged information is processed.



RIGHTS OF A DATA SUBJECT



Right to Object



Right to be Informed



Right to Access

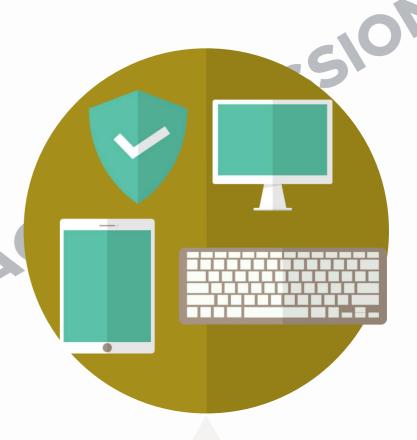




RIGHTS OF A DATA SUBJECT



Right to Block/Remove



Right to Correct/Rectify



Right to Data Portability





RIGHTS OF A DATA SUBJECT



Right to be Indemnified

Right to File a Complaint













CLASSIFICATION OF PERSONAL DATA



Personal Information:

Personal information refers to any information whether recorded in a material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual.



Sensitive Personal Information



Refers to personal information about an individual's:

race, ethnic origin, marital status, age, color, religious, philosophical or political affiliations, health, education, genetics, sexual life, any proceeding for any offense committed or alleged to have been committed, the disposal of such proceedings, the sentence of any court in such proceedings;

Also includes information issued by government agencies peculiar to an individual which includes, but not limited to:

social security numbers, previous or current health records, licenses or its denials, suspension or revocation, and tax returns;

and specifically established by an executive order or an act of Congress to be kept classified.



Personal Information	Sensitive Personal Information (List based on IRR)	Privileged Information (List based on Rules of Court)	
Name	Race	Data received within the	
Address	Ethnic origin	context of a protected	
Place of work	Marital status	relationship - husband and	
Telephone number	Age	wife	
Gender	Color	Data received within the context of a protected relationship – attorney and client	
Location of an individual at a particular time	Religious affiliation		
IP address	Philosophical affiliation		
Birth date	Political affiliation	Cherit	
Birth place	Health	Data resolved within the	
Country of citizenship	Education	Data received within the context of a protected relationship – priest and	
Citizenship status	Genetics		
Payroll & benefits information	Sexual life	penitent	
Contact information	Proceeding for any offense committed or alleged to have been committed, the disposal of such proceedings, the sentence of any court in such proceedings	Data received within the context of a protected relationship – doctor and patient	





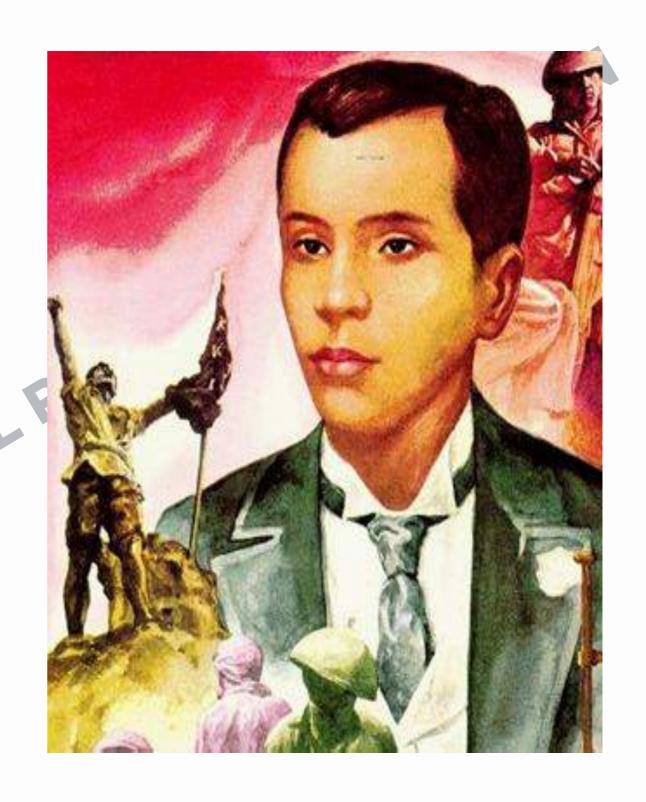
Sensitive Personal Information (List based on IRR)	
Social security number	
Licenses or its denials, suspension or revocation	
Tax returns	
Other personal info issued by government agencies	
Bank and credit/debit card numbers	
Websites visited	
Materials downloaded	
Any other information reflecting preferences and behaviors of an individual	
Grievance information	
Discipline information	
Leave of absence reason	
Licenses or its denials, suspension or revocation	





Which data is personal information?

- A) November 30, 1863
- B) Filipino, male, born on November 30, 1863
- C) Philippine Hero, born on November 30, 1863







PERSONAL INFORMATION CONTROLLER



Refers to a natural or juridical person, or any other body who controls the processing of personal data, or instructs another to process personal data on its behalf.

It excludes:

- A natural or juridical person, or any other body, who performs such functions as instructed by another person or organization; or
- A natural person who processes personal data in connection with his or her personal, family, or household affairs;



PERSONAL INFORMATION PROCESSOR



Refers to any natural or juridical person or any other body to whom a personal information controller may outsource or instruct the processing of personal data pertaining to a data subject.



OBLIGATIONS OF A PERSONAL INFORMATION CONTROLLER

The PIC should collect personal information for specified and legitimate purposes determined and declared before, or as soon as reasonably practicable after collection

The PIC should process personal information fairly and lawfully, and in accordance with the rights of a data subject.

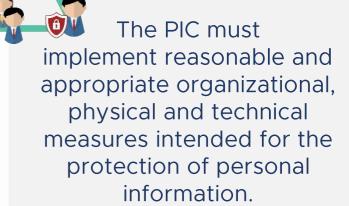


The PIC should process accurate, relevant and up to date personal information.



The PIC should collect and process personal information adequately and not excessively.

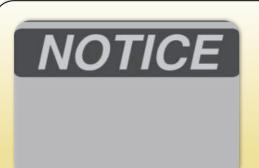
The PIC should retain personal information only for as long as necessary for the fulfillment of the purposes for which the data was obtained. The information should be kept in a form which permits identification of data subjects for no longer than is necessary.



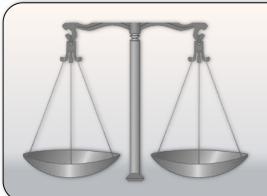




DATA PRIVACY PRINCIPLES

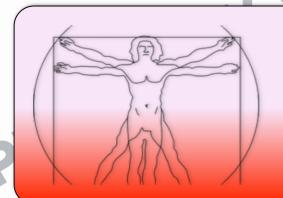


TRANSPARENCY



LEGITIMATE PURPOSE

MISSION



PROPORTIONALITY





TRANSPARENCY



Principle of Transparency

A data subject must be aware of the nature, purpose, and extent of the processing of his or her personal data, including the risks and safeguards involved, the identity of personal information controller, his or her rights as a data subject, and how these can be exercised. Any information and communication relating to the processing of personal data should be easy to access and understand, using clear and plain language.



IS DEMONSTRATED MISSION HOW TRANSPARENCY

-CONSENT
-PRIVACY NOTICE

•PRIVACY POLICY







Consent of the data subject

refers to any freely given, specific, informed indication of will, whereby the data subject agrees to the collection and processing of personal information about and/or relating to him or her. Consent shall be evidenced by written, electronic or recorded means. It may also be given on behalf of the data subject by an agent specifically authorized by the data subject to do so.



If It's NOT CLEAR

It's NOT Consent



Sometimes, consent is NOT necessary...

Contractual or Legal Obligation

National Emergency, public order, public safety

Personal Information (not Sensitive)

To protect life, health, vitally important interests

Legitimate interests





Sometimes, consent is NOT necessary...

Law/ Regulation

To protect life and health

Sensitive Personal Information Provided to government under legal mandate

Protection of rights in court

SUBPOENA





LEGITIMATE PURPOSE

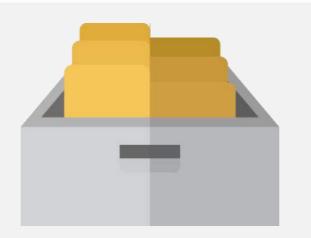


Principle of Legitimate Purpose

The processing of information shall be compatible with a declared and specified purpose, which must not be contrary to law, morals, or public policy.



PROPORTIONALITY



Principle of Proportionality

The processing of information shall be adequate, relevant, suitable, necessary, and not excessive in relation to a declared and specified purpose. Personal data shall be processed only if the purpose of the processing could not reasonably be fulfilled by other means.









Commit to Comply:
Appoint a **Data**Protection Officer
(DPO).



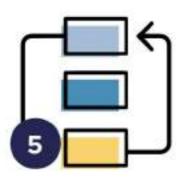
Know Your Risks: Conduct a **Privacy Impact Assessment** (PIA).



Be Accountable: Create your **Privacy Management Program** and **Privacy Manual**.



Demonstrate Your Compliance: Implement your **privacy and data protection** (PDP) measures.



Be Prepared for Breach: Regularly exercise your **Breach Reporting Procedures** (BRP).



THE NPC DATA PRIVACY ACCOUNTABILITY AND COMPLIANCE FRAMEWORK



A. Choose a DPO



B. Register C. Records of processing activities D. Conduct PIA



E. Privacy Management Program F. Privacy Manual



IV. DAY TO DAY

G. Privacy Notice H-O. Data Subject Rights P. Data Life Cycle



V. DATA SECURITY

Q. Organizational R. Physical

S. Technical

▶ Data Center

▶ Encryption

Access Control Policy



VI. BREACHES

T. Data Breach Management;

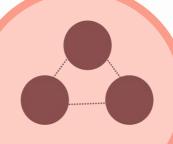
Security Policy

Data Breach Response Team

► Incident Response Procedure

Document

Breach Notification



VII. THIRD PARTIES

U. Third Parties;Legal Basis for

Data Sharing Agreements

► Cross Border Transfer Agreement

Disclosure



VIII. MANAGE HR

V. Trainings and Certifications W. Security Clearance



IX. CONTINUITY

X. Continuing Assessment and Development

- ► Regular PIA
- ▶ Review Contracts
- ► Internal Assessments
 - ▶ Review PMP
 - Accreditations



X. PRIVACY ECOSYSTEM

Y. New technologies and standards Z. New legal requirements





I. Establishing Data Privacy Governance 1. Appointment of your Data Privacy Officer (DPO) II. Risk Assessment 2. Register 3. Records of processing activities 4. Conduct of a Privacy Impact Assessment (PIA) III. Preparing Your Organization's Data Privacy Rules 5. Formulate your organization's privacy management program (PMP) 6. Craft your agency's privacy manual IV. Privacy in Day-to-Day Information Life Cycle Operations (To Be Included in the Privacy Manual) 7. Informing data subjects of your personal information processing activities and obtain their consent, when necessary. (Privacy Notice) 8. Formulation of policies/procedures that allow data subjects to object to subsequent processing or changes to the information supplied to them 9. Policies for limiting data processing according to its declared, specified and legitimate purpose 10. Policies/procedures for providing data subjects with access to their personal information including its sources, recipients, method of collection, purpose of disclosure to third parties, automated processes, date of last access, and identity of the controller (Data Subject Access Request) 11. Policies/procedures that allow data subjects to dispute inaccuracy or error of their personal information including policies/procedures to keep the same up to date CREATION AND COLLECTION, STORAGE, TRANSMISSION, USE AND DISTRIBUTION, RETENTION, AND DESTRUCTION/ 12. Policies/procedures that allow a data subject to suspend withdraw or order the blocking, removal or destruction of their personal information DISPSOSAL 13. Policies/procedures for accepting and addressing complaints from data subjects 14. Policies/procedures that allow data subjects to get indemnified for any damages sustained due to such inaccurate, incomplete, outdated, false and unlawfully obtained or nauthorized use of personal information. 15. Policies/procedures that allow data subjects to obtain from the personal information controller a copy of his or her personal data processed by electronic means and in a structured and commonly used format 16. Policies/procedures for creation and collection, storage, transmission, use and distribution, retaining personal data for only a limited period or until the purpose of the processing has been achieved, and ensuring that data is securely destroyed or disposed of V. Managing Personal Data Security Risks 17. Implement appropriate and sufficient organizational security measures (Policies and procedures in place) 18. Implement appropriate and sufficient physical security measures (Physical Access and Security, Design and Infrastructure) 19. Implement appropriate and sufficient technical security measures (Firewalls, Encryption, Access Control Policy, Security of Data Storage, and Other Information Security Tools) VI. Data Breach Management 20. Compliance with the DPA's Data Breach Management Requirements (e.g. Security Policy, Data Breach Response Team, Incident Response Procedure, Document, Breach Notification) VII. Managing Third Party Risks 21. Maintaining data privacy requirements (Legal Basis for Disclosure, Data Sharing Agreements, Cross Border, Security of Transfers) for third parties (e.g. clients, vendors, processors, affiliates) VIII. Managing Human Resources (HR) 22. Periodic and mandatory personnel training on privacy and data protection in general and in areas reflecting job-specific content 23. Issuance of Security Clearance for those handling personal data IX. Continuing Assessment and Development 24. Scheduling of Regular PIA for new and existing programs, systems, processes and projects 25. Review of Forms, Contracts, Policies and Procedures on a regular basis 26. Scheduling of Regular Compliance Monitoring, Internal Assessments and Security Audits 27. Review, validation and update of Privacy Manual 28. Regular evaluation of Privacy Management Program 29. Establishing a culture of privacy by obtaining certifications or accreditations vis-à-vis existing international standards X. Managing Privacy Ecosystem 30. Monitoring of emerging technologies, new risks of data processing, and the Privacy Ecosystem 31. Keeping track of data privacy best practices, sector specific standards, and international data protection standards 32. Seeking guidance and legal opinion on new National Privacy Commission (NPC) issuances or requirements

What do we look for when the NPC comes knocking at your door?

- 1. Can we feel a culture of **Privacy**?
- 2. Do you have a sensible data privacy program?
- 3. Is it based on risk assessment?
- 4. Do you train your staff in data privacy and protection?
- 5. Are you prepared for breach?





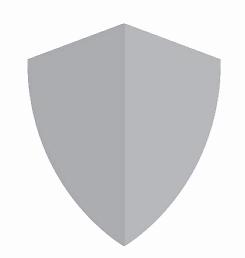


When will you hear from the NPC?

- 1. When the NPC sends advisories and circulars
- 2. When the NPC conducts audit and compliance checks
- 3. When you notify the NPC about a personal data breach



The Data Privacy Golden Rule



DONT Collect It.







