

# ASC AdChoices Accountability Program

## 2016 Compliance Report

*Advertising Standards Canada is responsible for the Accountability component of the Digital Advertising Alliance of Canada AdChoices Program.*



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## ASC AdChoices Accountability Program

Advertising Standards Canada (ASC), the national, independent, not-for-profit advertising self-regulatory body, is responsible for managing and operating accountability for the Digital Advertising Alliance of Canada (DAAC) AdChoices Program. The DAAC AdChoices Program is an industry self-regulatory program for online interest based advertising (IBA), which is similar to programs implemented in the EU and U.S. ASC's compliance efforts help ensure that participating companies achieve the requirements set out in the *DAAC Self-Regulatory Principles for Online Behavioural Advertising* (the DAAC Principles). Details about ASC's AdChoices Accountability Program can be found online at [adstandards.com/AdChoices](http://adstandards.com/AdChoices).

### ASC's responsibilities under the DAAC AdChoices Program include:

- Monitoring participating companies' websites and practices for compliance with the DAAC Principles;
- Accepting and handling consumer complaints concerning possible non-compliance with the DAAC Principles;
- Working collaboratively with participating companies to achieve compliance; and
- Publishing compliance reports.

## Foreword

**This is our second annual compliance report under ASC’s AdChoices Accountability Program. This report details our findings following our 2016 evaluation of the progress that companies have made in meeting their commitments as Participants under the Digital Advertising Alliance of Canada’s AdChoices Program (the DAAC AdChoices Program). The DAAC AdChoices Program, which was developed to be consistent with Canadian privacy legislation, helps companies ensure their online interest-based advertising activity meets consumer privacy expectations regarding transparency and control.**

The detailed findings provided in this report document growth in both DAAC AdChoices Program participation and in Participant compliance with the DAAC *Self-Regulatory Principles for Online Behavioural Advertising*.

In the conduct of ASC’s reviews, we heard from many Participants about the challenges of meeting all of the DAAC AdChoices Program requirements, and the significant resources that successful implementation demands. We also came to appreciate that the learning curve is steep and ongoing diligence is required for Participants to ensure continued compliance. ASC applauds those Participants that made the requisite investment to achieve successful DAAC AdChoices Program implementation. We are also gratified by the overwhelmingly positive response from Participants following their receipt of our recommendations. We thank them for their cooperation, commitment, and enthusiasm for achieving the DAAC Program requirements.

As we move into the third year of compliance work for the DAAC AdChoices Program, ASC looks forward to continuing to support Participants in both achieving and maintaining compliance. As well, in mid-2017, our accountability work will expand to incorporate the DAAC’s *Application of the Self-Regulatory Principles to the Mobile Environment*, which sets out how the DAAC Principles will apply across a variety of channels, including mobile.

Over the past year, in the conduct of our compliance work, ASC continued to receive wise counsel from our colleagues in the U.S. We acknowledge and thank Genie Barton, President, BBB Institute for Marketplace Trust, Inc. and Jon Brescia, Director, Adjudications and Technology at the Council of Better Business Bureaus for their support and partnership.



**Jani Yates**  
*President and CEO*  
Advertising Standards Canada

**ASC applauds those Participants that made the requisite investment to achieve successful DAAC AdChoices Program implementation.**

## 2016 Executive Summary

Technology has provided the digital advertising industry with methods to effectively and efficiently deliver relevant advertising directly to consumers through interest-based advertising (IBA). IBA provides advertisers an opportunity to effectively reach their target market and consumers with advertising that is aligned with their interests. However, with this opportunity comes a challenge for the advertising industry to implement mechanisms that respect consumer privacy. To ensure that consumers are made aware of the collection and use of their data for IBA purposes, and that they can exercise choice related to IBA, the Digital Advertising Alliance of Canada (the DAAC) developed a set of principles for responsible IBA practices – the *Self-Regulatory Principles for Online Behavioural Advertising* (the DAAC Principles). These include the Transparency Principle and the Consumer Control Principle, which together provide consumers with essential IBA disclosures and choice. To date, 79 companies have signed on as DAAC AdChoices Program Participants, thus committing to comply with the DAAC Principles. These companies represent leading ad networks, ad exchanges, and other advertising technology companies, as well as major Canadian publishers and advertisers.

As Canada’s national, independent, not-for-profit advertising self-regulatory body, Advertising Standards Canada (ASC) was asked to provide the accountability component for the DAAC AdChoices Program, and has been working with Participants since mid-2015 to foster compliance under our AdChoices Accountability Program.

Since publication of ASC’s inaugural report in 2015, both Participant understanding of the DAAC AdChoices Program requirements and compliance have markedly grown, and success has been achieved on a number of fronts. Advertising technology companies have been particularly successful in providing consumers with compliant IBA disclosures and opt-out mechanisms. As well, when tested by ASC, the industry-developed opt-out tool proved 100% effective (i.e., after choosing to opt out from all, IBA advertising ceased to be displayed). And Participants have largely adopted the AdChoices icon and accompanying “AdChoices”

or “Choix de pub” text to inform consumers of IBA activity, thus building awareness of this important communication tool.

Nonetheless, while ASC acknowledges DAAC Program Participants have made great progress in achieving Program requirements, there remains room for improvement in a number of key areas. For example, most but not all Participants meet the requirement to provide a real-time notice in a prominent and visible manner to communicate that data is being collected or used for IBA purposes. As well, the majority of Participants provide consumers with a mechanism on their websites to opt out of data collection or use for IBA purposes. However, for a number of Participants, IBA data is being collected by some companies for which an opt-out option is not provided. Finally, while the opt-out mechanisms used by Participants are highly effective, consistent with the findings cited in the June 2015 report by the Office of the Privacy Commissioner of Canada, these opt-out mechanisms are not always easy to use. ASC recommends that enhancing the ease of use of opt-out tools should be a high DAAC priority.

In addition to assessing individual DAAC AdChoices Program Participant compliance, as part of this year’s review process, ASC undertook a comparative analysis of DAAC Program Participants and a sample of leading companies that are not DAAC Participants to assess whether the non-participating companies are respecting consumer privacy in their IBA practices through alternative means. There is no question that DAAC Participants do a better job than the sample of non-participating companies in providing consumers with transparency of and control over their IBA activity. In terms of transparency, the non-participating companies do not typically provide consumers with a real-time alert that IBA activity is occurring, and if they do, it is typically not sufficiently visible. Further, the non-participating companies provide opt-out mechanisms less frequently than do Participants. The findings from this comparative analysis present a clear case for participation in the DAAC AdChoices Program.

## 2016 Highlights

- In 69% (51 of 74) of Participant reviews, ASC found compliant transparency and consumer control mechanisms in place, up from 20% (10 of 50) at the time of ASC’s initial review in 2015.
  - 80% (28 of 35) of Third Party\* Participants have compliant transparency and consumer control mechanisms in place – up from eight at the time of ASC’s initial review in 2015.
  - 59% (23 of 39) of First Party\* Participants have compliant transparency and consumer control mechanisms in place – up from two at the time of ASC’s initial review in 2015.
  - 87% of First Party Participants provide compliant Notice\* and 67% provide compliant prominent Enhanced Notice\*.
  - 82% of First Party Participants provide an opt-out mechanism that allows users to opt out of *all* companies collecting or using data for IBA purposes on that Participant’s website(s).
- ASC tested the DAAC opt-out tool and found that, after selecting to opt out of all listed companies, IBA advertising from all those listed companies ceased to be displayed on 20 top websites visited by Canadians.
- For all Third Parties listed, the DAAC opt-out tool meets or exceeds the minimum five-year lifespan required by the DAAC AdChoices Program.
- First Party Participant websites provide transparency and consumer control mechanisms more frequently and more effectively than a sample of popular websites in Canada owned and operated by non-participating companies. In a test to compare Participants and the 30 non-participating companies in the sample:
  - 87% of Participants provide IBA disclosures, compared to 77% of the non-participating companies.
  - 90% of Participants provide real-time notice that IBA is occurring, compared to 31% of the non-participating companies.
  - 67% of Participants provide prominent real-time notice, compared to 4% of the non-participating companies.
  - 95% of Participants provide a mechanism that allows consumers to opt out of collection or use of data for IBA purposes, compared to 69% of the non-participating companies.

\* See Appendix V for more information

## Tips for Achieving Compliance with the DAAC AdChoices Program

1

Review the information on the DAAC website in order to understand the DAAC AdChoices Program requirements and allocate human and financial resources toward implementation.

2

When collecting or using data for IBA purposes, Participants should make sure a prominent real-time notice that links to an IBA disclosure and opt-out mechanism is in place.

3

Opt-out mechanisms should be fully functional. Participants are responsible for taking reasonable and appropriate steps to ensure that opt-out is available from those companies collecting or using data for IBA purposes on the Participant’s website.

4

Use the AdChoices icon and accompanying “AdChoices” or “Choix de pub” text, both to communicate your commitment to responsible IBA and to build awareness of the icon as a universal notice of IBA activity.

5

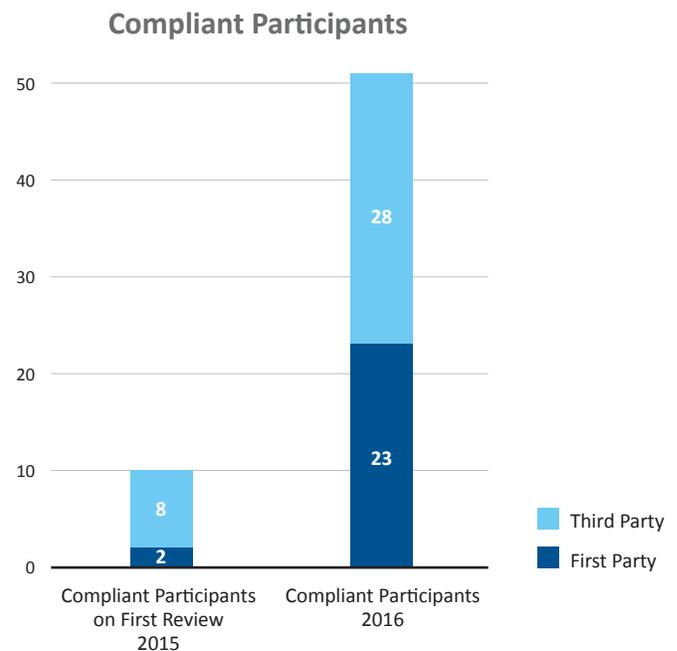
Regularly review your IBA activity to ensure ongoing compliance with the Transparency Principle and Consumer Control Principle, as well as the other four DAAC Principles – Education, Data Security, Sensitive Data, and Accountability.

## Detailed Findings

Digital Advertising Alliance of Canada (DAAC) AdChoices Program Participants have an obligation to monitor their data collection and advertising practices to comply with the *Self-Regulatory Principles for Online Behavioural Advertising* (the DAAC Principles), including ensuring disclosures and choice mechanisms are clearly presented, complete, and easy for consumers to understand. Under the AdChoices Accountability Program, Advertising Standards Canada's (ASC) monitoring and complaint processes are designed to identify areas of possible non-compliance, make Participants aware of potential non-compliance, and, as needed, work with Participants to achieve compliance.

### Overall Compliance – Transparency and Consumer Control

Since the inception of the DAAC AdChoices Program, ASC has conducted 74 reviews of 68 Participant websites (see Appendix IV: ASC Review Methodology). Eight Third Parties and two First Parties had the appropriate transparency and consumer control mechanisms in place at the time of ASC's first review in 2015. For those that did not have these compliance mechanisms in place, ASC opened an inquiry and provided the Participant with details about the required corrective action(s). By the end of 2016, 28 Third Parties and 23 First Parties had compliant transparency and consumer control mechanisms in place.



#### September 2013

DAAC launches its *Self-Regulatory Principles for Online Behavioural Advertising*

#### January 2014

ASC implements Consumer Complaint Procedure for DAAC Principles

#### September 2014

ASC launches AdChoices Accountability Program

## Third Party Transparency and Consumer Control Compliance

ASC conducted 35 reviews of Third Party Participant websites to evaluate compliance with the Notice requirement. A compliant Notice includes a description of the company’s IBA data practices, a statement of adherence to the DAAC Principles, and an easy-to-use opt-out mechanism. At the time of ASC’s 2015 review, all Participants provided a privacy Notice on their website, but many were lacking the requisite statement of adherence to the DAAC Principles. By the end of 2016, 28 of 35 Third Party Participants provided a compliant Notice.

### Third Party Transparency and Consumer Control Mechanisms

Third Party Websites	Present at the Time of First Review in 2015 # of Participants	Present at the end of 2016 # of Participants
Notice	35	35
Description of IBA Practices	33	33
Statement of Adherence to DAAC Principles	8	28
Opt-Out of Third Party	35	35

#### ***Lifespan of the DAAC Opt-Out Cookies***

Under the DAAC Program, Third Parties can satisfy the Consumer Control principle through the use of opt-out cookies. Cookies are small pieces of data used to store information in a user’s browser. Opt-out cookies should have a minimum five-year lifespan. To evaluate compliance, ASC tested the lifespan of the opt-out cookies set using the DAAC website’s opt-out tool ([youradchoices.ca/choices](http://youradchoices.ca/choices)). ASC found that the tool successfully processed the requests for all 126 companies listed, and the lifespan of all opt-out cookies met or exceeded the minimum requirement.

#### ***Effectiveness of the DAAC Opt-Out Tool***

To test the effectiveness of the DAAC opt-out tool ([youradchoices.ca/choices](http://youradchoices.ca/choices)), ASC compiled a list of the top 20 websites visited by Canadians (as reported by Alexa Internet, Inc., a web information company) that display interest-based advertisements. ASC opted out of IBA for all companies in the DAAC opt-out tool and then revisited the websites. On post opt-out visits, ASC found that interest-based advertisements were no longer displayed on any of the 20 tested websites.

#### **December 2015**

ASC releases *AdChoices Accountability Program: 2015 Compliance Report*

#### **February 2017**

DAAC extends Application of Self-Regulatory Principles for IBA to Mobile Environment

#### **September 2017**

ASC extends AdChoices Accountability Program to Mobile Environment

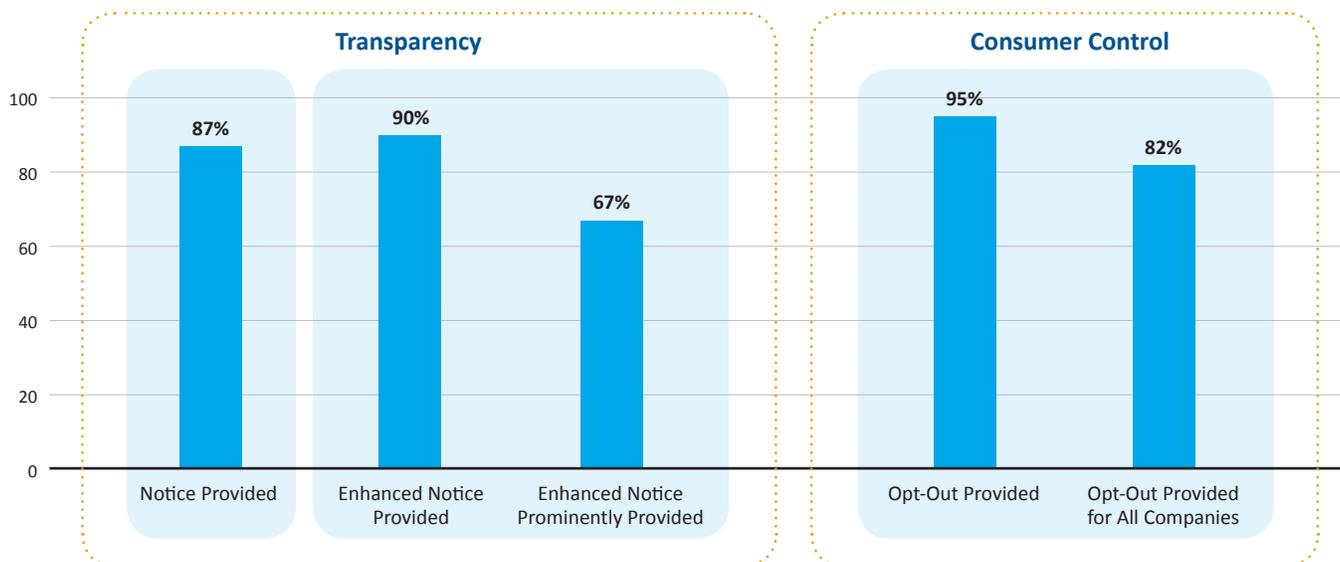
## First Party Transparency and Consumer Control Compliance

ASC reviewed 39 First Party Participant websites to ensure these website operators provide the appropriate Notice, Enhanced Notice, and opt-out mechanisms. A compliant website provides all three requirements in a manner consistent with the DAAC Principles; 23 of the 39 Participants (59%) meet these criteria. The remaining Participants either do not fully achieve these requirements, or their implementation is inconsistent with the DAAC Principles. The most common compliance issues involve a lack of or insufficiently prominent Enhanced Notice. The next most common concern is with First Party opt-out mechanisms that do not provide opt-out options for all companies conducting IBA activity on the Participant's website.

- Most (87%) First Party Participants provide a Notice that describes the IBA activity occurring on their website(s).
- Enhanced Notice is provided by 90% of First Party Participants, with most (67%) providing it in a prominent manner so that it is visible to consumers. Prominent Enhanced Notice means that it is 'above the fold' or otherwise displayed in a similarly conspicuous manner.
- While 95% of First Party Participants provide IBA opt-out mechanisms on their website(s), 82% provide opt-outs for all companies conducting IBA activity on their website(s).

**Most First Party Participants use the AdChoices icon or text as their Enhanced Notice link.**

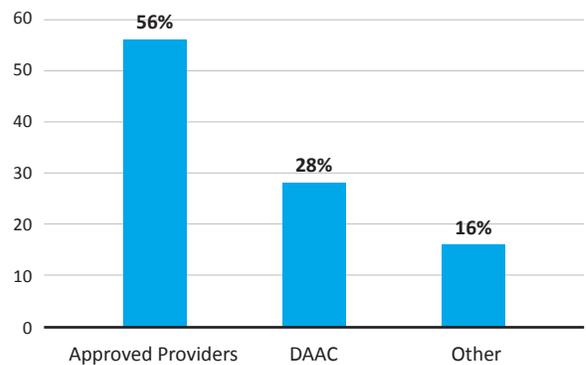
**First Party Transparency and Consumer Control Mechanisms**  
% of Participants



### Opt-Out Mechanisms that First Parties Use

First Party Participants can provide opt-outs for the Third Parties active in IBA on their website(s) through a link to an industry-developed website designed specifically to provide opt-outs. The DAAC offers a website for this purpose at [youradchoices.ca/choices](http://youradchoices.ca/choices), and the DAAC's Approved Service Providers, Ghostery and TRUSTe, offer a similar service. Of the 37 First Party Participants providing an opt-mechanism, 56% use the DAAC Approved Service Providers (Ghostery and TRUSTe), 28% use the DAAC opt-out tool, and another 16% use some other mechanism.

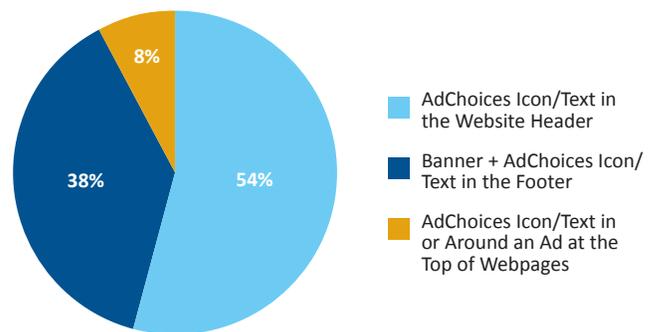
Opt-Out Use by First Parties



### How First Parties Implement a Prominent Enhanced Notice

The DAAC Program requires Participants to provide a prominent real-time Enhanced Notice that is sufficiently visible to website users. This Enhanced Notice must be present on every webpage where data is collected or used for IBA purposes. Of the 26 First Party Participants that provide a sufficiently prominent Enhanced Notice, 54% use the AdChoices icon and accompanying "AdChoices" or "Choix de pub" text in the website's header; 38% deploy a banner or pop-up in combination with the AdChoices icon and text in the website's footer; and 8% use the AdChoices icon and accompanying text within an advertisement placed at the top of the webpage.

Prominent Enhanced Notice by First Parties



### How First Parties Use the AdChoices Icon and Accompanying Text for Enhanced Notice

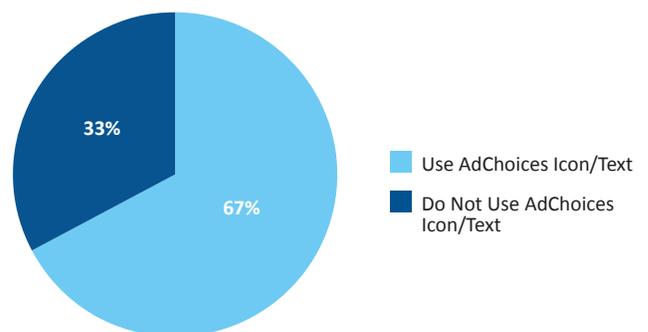
The DAAC's preferred mechanism for providing a clear and meaningful Enhanced Notice is the AdChoices icon and accompanying "AdChoices" or "Choix de pub" text:

AdChoices  Choix de pub 

The icon is a universal symbol that informs website users, in a consistent and obvious manner, that information about their interests may be collected or used for IBA purposes.

Most First Party Participants (26 or 67%) use the AdChoices icon and/or text as their Enhanced Notice link.

Use of the AdChoices Icon and Accompanying Text by First Parties



## Is the DAAC AdChoices Program Working?

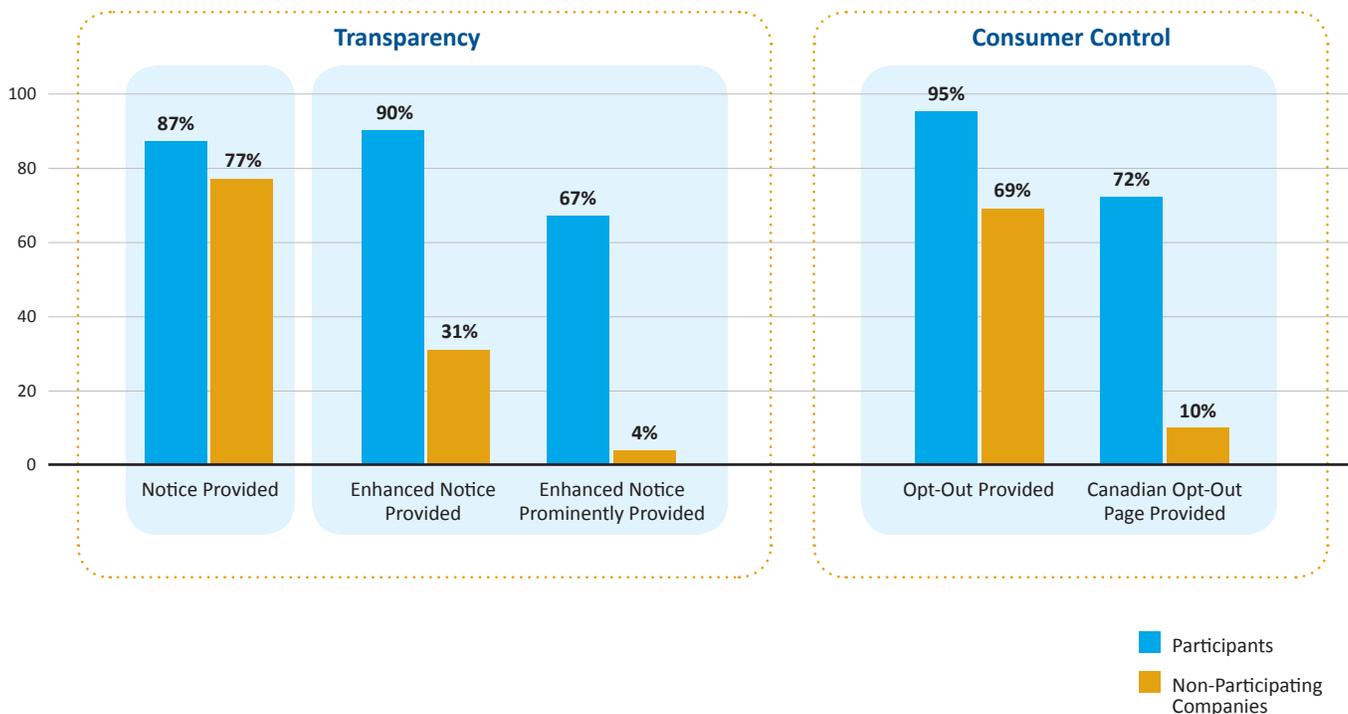
### Comparing First Party Participants with Non-Participating Companies

To gauge the effectiveness of the DAAC AdChoices Program, ASC wanted to understand whether non-participating companies active in IBA were respecting consumers' privacy through means other than the tools provided in the DAAC AdChoices Program. To conduct this assessment, ASC identified 30 popular French and English language websites in Canada. These websites are operated by companies not participating in the DAAC AdChoices Program and all allow data collection or use for IBA purposes. ASC noted whether the websites in this sample provided an IBA disclosure, a real-time alert to notify users of data collection or use for IBA purposes, and an opt-out mechanism.

It is clear that First Party Participant provision of transparency and consumer control mechanisms is more prevalent and effective than in the sample of non-participating companies. 87% of Participants provide a disclosure of the IBA activity on their website(s), compared to 77% of the non-participating companies. 90% of Participants provide real-time notice of data collection or use for IBA purposes, compared to only 31% of the non-participating companies. 67% of Participants provide prominent real-time notice, compared to only 4% of the non-participating companies. 95% of Participants provide an opt-out mechanism, compared to 69% of the non-participating companies. And finally, 72% of Participants provide a link to opt-out webpages designed for the Canadian marketplace (rather than to websites designed for other jurisdictions), compared to only 10% of the non-participating companies in the sample.

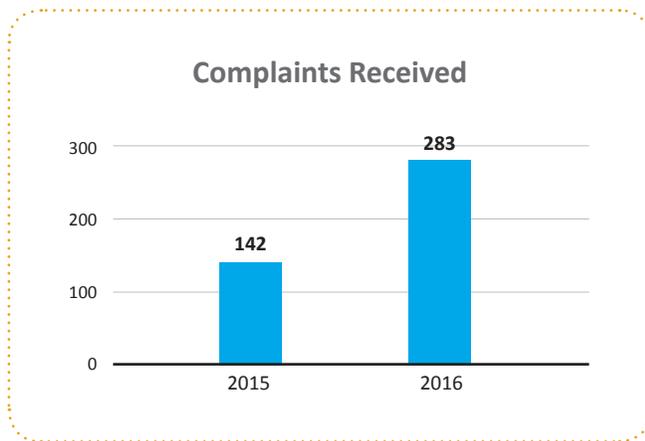
### First Party Participants vs. a Sample of Non-Participating Companies Transparency and Consumer Control Mechanisms

% Providing



## 2016 Consumer Complaints

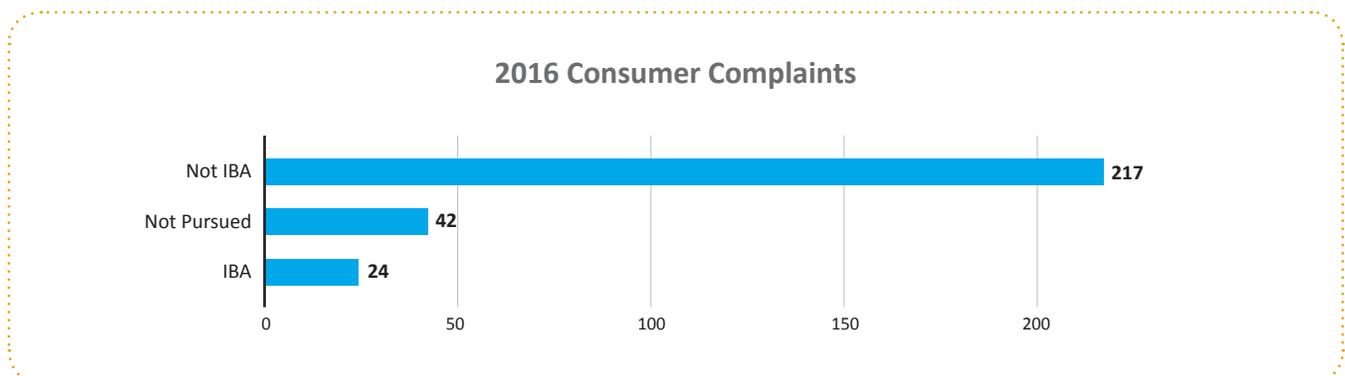
ASC accepts and investigates complaints it receives about DAAC Program Participants, as well as non-participating companies, regarding possible non-compliance with the DAAC Principles. For each complaint, ASC conducts a preliminary review and determines whether there is sufficient evidence to pursue an investigation. Upon finding possible non-compliance, ASC works with the subject company to investigate further and achieve compliance.



From January to December 2016, ASC received 283 consumer complaints for review under the IBA Accountability and Complaint Procedure. This marks a 100% increase from the 142 complaints received in 2015.

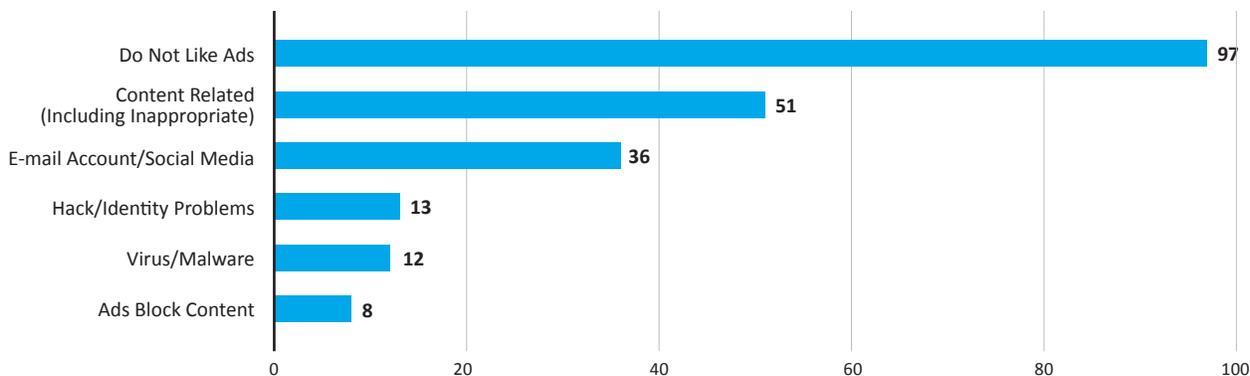
From January to December 2016, ASC received 283 consumer complaints for review under the IBA Accountability and Complaint Procedure. This marks a 100% increase from the 142 complaints received in 2015.

Of the total number of complaints submitted to ASC, following assessment, 24 (or 8%) were determined to raise potential IBA concerns. All of these involved allegations that an "IBA Opt-Out" did not work. In most of these cases, complainants incorrectly believed that after opting out they would not receive any advertising at all.



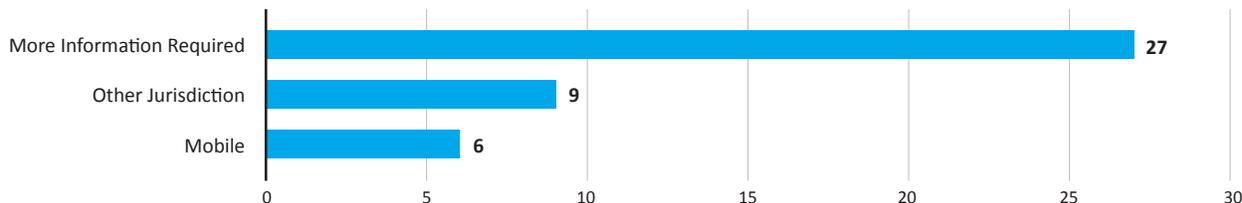
The majority of complaints, 217 (or 77%), were about issues that did not raise concerns under the DAAC Principles. Some consumers simply did not want to see advertising in their browsers, and others cited concerns about the appearance of advertisements in free email or social media services. Other consumers had concerns about the content of an advertisement, or concerns about being hacked or getting computer viruses.

### Not IBA Related



ASC did not pursue 42 (or 15%) of the complaints received due to reasons such as jurisdictional concerns or lack of information.

### Not Pursued



For more information or to submit a complaint, please see [adstandards.com/adchoices](http://adstandards.com/adchoices).

### **Native Advertising**

Native advertising is a type of paid-for content marketing in which users experience advertisements organically as part of the content, for example with news, entertainment, or sponsored content (*ICC Consolidated Code of Advertising and Marketing Communication Practice*).

Native advertisements are sometimes delivered to users using IBA. When this occurs, the DAAC Principles apply as they do to any other form of IBA, and both First and Third Party Participants are required to provide the transparency and consumer control mechanisms required by the DAAC Principles. For more information on native advertising, please see *The Native Advertising Playbook* by the Interactive Advertising Bureau (IAB).

### **DAAC, DAA, and EDAA**

The internet transcends borders and developing programs for responsible online interest-based advertising (IBA) demands a global approach. The DAAC, the US Digital Advertising Alliance (DAA), and European Interactive Digital Advertising Alliance (EDAA) operate self-regulatory programs for IBA in their respective jurisdictions. Many features of the DAAC, DAA, and EDAA programs are similar, enabling global companies to seamlessly implement the programs. The most recognizable feature of these programs is the AdChoices icon, which appears on website headers or footers, and in advertisements that are delivered using IBA. This symbol is internationally recognized and informs users that their information may be collected or used for IBA purposes.



### 1

**Why is this work important?**

Globally, online advertising is becoming increasingly important to both industry and the public. Advertisers are devoting more resources to online advertisements, while countless new companies have entered the ecosystem pioneering technological solutions – especially in the online interest-based advertising (IBA) niche. All of this activity enables free online content and services for the consumer, something that most of us have come to expect when we use our computers, tablets, and phones. It is exciting to work in a space with fast-paced innovation and, at the same time, rewarding to be at the cutting edge of consumer privacy protection. IBA raises some of the foremost privacy concerns today. Allowing for progress in the online advertising industry while protecting consumer privacy requires a delicate balance that poses exciting challenges for us at ASC every day.

### 2

**Why does the ASC AdChoices Accountability Program recommend using the AdChoices icon for Enhanced Notice?**

Most players in the IBA ecosystem are global companies. Likewise, users' online experience transcends regional and national borders. So it makes sense for industry to tackle responsible IBA with the international user in mind. A common symbol is the most efficient and effective way to alert consumers – clearly and meaningfully – that their information may be collected and used for IBA purposes. The DAAC AdChoices Program (the Program) was implemented in Canada after the self-regulatory programs in the EU and U.S., where the AdChoices icon had already gained traction. The DAAC adopted the icon as a principal feature of the Program and has observed icon recognition grow every year in Canada. When users see the same symbol appear from website to website, they come to understand it represents responsible IBA.

### 3

**What should be in an Enhanced Notice banner?**

If a First Party Participant chooses to deploy a banner or pop-up alert upon a visitor's entry to the website, then it should be accompanied by an Enhanced Notice link in the footer of every webpage where data is collected or used for IBA purposes. In addition, the language in a banner or pop-up should communicate that data is being collected, the purpose of such collection (e.g. to provide more relevant advertising), and provide a link that takes users directly to a disclosure with a description of data collection practices as they relate to IBA and an opt-out mechanism.

### 4

**What is the easiest part of the Program for Participants to implement as soon as they join?**

Including a statement of adherence to the DAAC Principles and a link to [youradchoices.ca](http://youradchoices.ca) is a great way for Participants to take action immediately after joining the Program. In the past, when we have indicated that this is missing, we have seen Participants add it to their privacy statement that same day. The adherence statement is the fastest way to show you are committed to responsible IBA in Canada and a part of a global community that is paying attention to consumer privacy.

### Canadian Self-Regulatory Principles for Online Behavioural Advertising

**The DAAC Principles set out a consumer-friendly framework for the collection of online data in order to facilitate the delivery of advertising based on the preferences or interests of web users, in a manner consistent with applicable Canadian privacy laws and the core elements of the Self-Regulatory Principles for Online Behavioral Advertising created by the Digital Advertising Alliance in the United States.**

#### **Education**

The Education Principle calls for entities to participate in efforts to educate individuals and businesses about online behavioural advertising. In an effort to educate consumers, a consumer-focused campaign, launched by the DAAC, helps educate the public about the DAAC Principles, what online behavioural advertising is, and how to opt-out.

#### **Notice and Transparency**

The Transparency Principle calls for clear, meaningful and prominent notice to consumers about data collection and use practices associated with online behavioural advertising. The Principle sets out requirements for enhanced notice on the page where data is collected through links embedded in or around advertisements, or on the webpage itself.

#### **Consumer Control**

The Consumer Control Principle provides consumers with an ability to choose whether data is collected and used for online behavioural advertising purposes. This choice is available through various means, including a link from the notice provided on the webpages where data is collected.

#### **Data Security**

The Data Security Principle calls for entities to provide appropriate security for, and limited retention of, data collected and used for online behavioural advertising purposes. Additional requirements are in place to address the treatment of OBA data by Service Providers under this Principle as well.

#### **Sensitive Data**

The Sensitive Data Principle prohibits entities from collecting personal information for OBA 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 OBA, or otherwise engaging in OBA 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 legislation. Entities are also prohibited from collecting or using sensitive personal information for OBA purposes without consent, as required and otherwise in accordance with Canadian privacy legislation.

#### **Accountability**

Under the Accountability Principle, Advertising Standards Canada (ASC), the independent advertising self-regulatory body, monitors Companies participating in the Program for compliance with the Principles, and works cooperatively with them to effect compliance. ASC also accepts and responds to complaints about practices that may not comply with the Principles.

**A copy of the Principles is available for download.**

## Appendix II: The 2016 Participants

Accordant Media, LLC  
Accuen Inc.  
AcuityAds Inc.  
Acxiom  
AdGear Technologies, Inc.  
AdRoll, Inc.  
Amazon.com.ca, Inc.  
Amex Canada Inc.  
Amobee, Inc.  
AOL Canada Corp.  
Capital One  
ChoiceStream, Inc.  
Conversant, LLC  
Criteo SA  
Dell Canada Inc.  
Demandbase, Inc.  
Drawbridge, Inc.  
Education Management Corporation (EDMC)  
Enterprise Holdings, Inc.  
Evolve Media, LLC  
Exponential Interactive, Inc.  
Eyeota PTE Ltd  
Eyereturn Marketing Inc.  
Facebook, Inc.  
Ford Motor Company of Canada, Limited  
Gap Inc.  
Google Inc. (Canada)  
Hewlett-Packard Enterprise  
HP Inc.  
IBM Canada Ltd.  
IgnitionOne, Inc. (Netmining LLC)  
Index Exchange  
Johnson & Johnson Inc.  
Kellogg Canada Inc.  
Kraft Canada Inc.  
LinkedIn Corporation  
Live Nation Entertainment, Inc.  
Loblaw Companies Limited  
  
Magnetic Media Online, Inc.  
  
MaxPoint Interactive, Inc.  
MediaMath, Inc.  
Microsoft Online, Inc.  
Monster Worldwide Canada Inc.  
Netflix, Inc.  
Ontario Lottery and Gaming Corporation  
Oracle Corporation  
ownerIQ, Inc.  
PushSpring, Inc.  
RadiumOne, Inc.  
Rocket Fuel Inc.  
Rogers Communications Inc.  
RUN, Inc.  
S. C. Johnson & Son, Inc.  
Simplifi Holdings, Inc.  
Staples Canada Inc.  
Taboola, Inc.  
Tapad, Inc.  
TC Media  
TD Canada Trust  
The Bank of Nova Scotia  
The Clorox Company of Canada, Ltd.  
The Globe and Mail Inc.  
The Procter & Gamble Company  
The Rubicon Project, Inc.  
The TJX Companies, Inc.  
The Trade Desk, Inc.  
The Vanguard Group Investments Canada Inc.  
Tourism New Zealand  
Trader Corporation  
TubeMogul, Inc.  
Turn Inc.  
Undertone  
Unilever Canada Inc.  
Wal-Mart Canada Corp.  
xAD, Inc.  
Xaxis, Inc.  
Yahoo! Inc. / BrightRoll Inc.  
Yellow Pages Digital & Media Solutions Limited  
Ziff Davis, LLC

## Appendix III: DAAC Member Associations

### *The Digital Advertising Alliance of Canada and the AdChoices Program*

AdChoices  Choix de pub 

The Digital Advertising Alliance of Canada (the DAAC) is a consortium of the leading national advertising and marketing trade associations whose members share a commitment to delivering a robust and credible program for responsible online interest-based advertising (IBA). For more information, please visit [youradchoices.ca](http://youradchoices.ca). The Canadian DAAC AdChoices Program (the DAAC Program) was developed by the DAAC. The DAAC Program was designed to educate consumers about IBA and provide mechanisms for consumers to know when IBA is occurring and the ability to control whether or not they choose to permit the collection and use of their browsing data for IBA purposes. The framework for the DAAC Program is set out in the DAAC's *Canadian Self-Regulatory Principles for Online Behavioural Advertising*.

### **DAAC Member Associations**



## Appendix IV: ASC Review Methodology

### Methodology

ASC regularly reviews DAAC AdChoices Program Participant websites to evaluate the transparency and consumer control mechanisms in place. These reviews include examining the websites in detail and monitoring the collection and use of data for IBA purposes. ASC uses HTTP debugging tools, cookie viewers, and other technical tools to analyse the data transfers occurring on the webpages. In addition, ASC reviews privacy policies and other similar statements, and tests any consumer control tools presented on the webpages.

When ASC identifies a compliance issue, ASC staff work cooperatively with the involved company on corrective action.

### DAAC AdChoices Program Participants

From 2015-2016, the DAAC AdChoices Program grew to include 79 Participants, up 14 from 2015. Since the inception of the ASC AdChoices Accountability Program, ASC has reviewed the websites of 68 of the 79 Participants at least once. The remaining 11 Participants are new to the DAAC AdChoices Program and will be reviewed in the first quarter of 2017.

Participant Category	2015 # Participants	2016 # Participants
First Party	28	37
Third Party	33	36
First and Third Party	4	6
<b>Total</b>	<b>65</b>	<b>79</b>

### ASC Reviews

Some Participants (6 total) are classified as both a First Party and a Third Party under the DAAC AdChoices Program, which required ASC to conduct a separate review for each set of requirements. This resulted in the total number of website reviews exceeding the total number of Participants in each of the First and Third Party categories.

Participant Category	Participants Reviewed	Total Reviews
First Party	33	39
Third Party	29	35
First and Third Party	6	
<b>Total</b>	<b>68</b>	<b>74</b>

## Appendix V: The DAAC AdChoices Program and Summary of Requirements

### Participant Categories

Participating companies are categorized under the DAAC Program according to their online activities.

**First Party (such as publishers, retailers, and advertisers):** A First Party is the entity that owns or has control over the website with which the consumer interacts.

**Third Party (such as ad networks and data brokers):** A Third Party is an entity that engages in IBA on another entity's website.

First Parties and Third Parties have different obligations under the DAAC Program.

### The DAAC Principles

Participants in the DAAC Program have committed to a set of self-regulatory principles that include handling data securely and respecting sensitive data. ASC's primary compliance focus is on the Transparency Principle and the Consumer Control Principle. Under these two important Principles, Participants commit to providing consumers with Notice, Enhanced Notice, and Consumer Opt-Out controls.

### First Party Summary for Transparency and Consumer Control

A First Party must include a disclosure on its website that describes the IBA activity occurring on the website (Notice). This Notice must contain a link to an opt-out mechanism and a statement of adherence to the DAAC Principles.

As well, a First Party must provide a real-time clear, meaningful, and prominent link on its website when Third Parties are collecting or using data for IBA purposes (Enhanced Notice). The prominent requirement means that Enhanced Notice should be visible to website users, either 'above the fold' or otherwise displayed in a conspicuous manner. The Enhanced Notice link should take consumers directly to a disclosure that describes the Third Party IBA activity permitted on the First Party's website. This disclosure must also direct consumers to an industry developed opt-out website or list every Third Party engaged in IBA activity on the website and link to their respective opt-out mechanisms.

### First Party Summary for Transparency and Consumer Control

*(For websites such as publishers, retailers, and advertisers)*

<b>Notice</b> <i>(Disclosure in privacy policy or similar)</i>	<b>Enhanced Notice</b> <i>(Real time notice of collection or use of data for IBA purposes)</i>	<b>Opt-Out Mechanism</b> <i>(To exercise choice with respect to the collection and use of data for IBA purposes)</i>
<ul style="list-style-type: none"> <li>• Describes IBA activity</li> <li>• Links to opt-out mechanism</li> <li>• States adherence to the DAAC Principles</li> </ul>	<ul style="list-style-type: none"> <li>• Links to disclosure that describes IBA activity</li> <li>• Links to an industry developed opt-out website or lists Third Parties conducting IBA activity</li> <li>• Appears on all pages where data is collected or used for IBA purposes</li> <li>• Is clear, meaningful and prominent</li> </ul>	<ul style="list-style-type: none"> <li>• Provides opt-out mechanism</li> <li>• Includes opt-outs for all companies conducting IBA activity on the website</li> </ul>

### **Third Party Summary for Transparency and Consumer Control**

A Third Party must provide a clear, meaningful, and prominent Notice on its website that includes a description of its IBA data collection and use practices; a statement of adherence to the DAAC Principles; and an easy-to-use opt-out mechanism for consumers to exercise choice regarding data collection for IBA.

As well, a Third Party is responsible for providing Enhanced Notice when collecting or using data for IBA purposes on a First Party website. While the DAAC Principles allow for this Enhanced Notice to be delivered in a variety of ways, it is usually provided through a notice in or around an advertisement via a link that directs users to a place where the Third Party discusses its IBA practices and includes a link to an opt-out mechanism.

In cases where Third Parties are collecting data for IBA purposes on a First Party website, Enhanced Notice is typically provided by the First Party.

#### **Third Party Summary for Transparency and Consumer Control**

*(For Ad tech companies such as ad networks and data brokers)*

<b>Notice</b> <i>(Disclosure in privacy policy or similar)</i>	<b>Enhanced Notice</b> <i>(Real time notice of collection or use of data for IBA purposes)</i>	<b>Opt-Out Mechanism</b> <i>(To exercise choice with respect to the collection and use of data for IBA purposes)</i>
<ul style="list-style-type: none"><li>• Describes IBA activity</li><li>• Links to opt-out mechanism</li><li>• States adherence to the DAAC Principles</li></ul>	<ul style="list-style-type: none"><li>• Links to disclosure that describes IBA activity</li><li>• Links to opt-out mechanism</li><li>• Most commonly provided by the AdChoices icon and text in or around advertisement.</li></ul>	<ul style="list-style-type: none"><li>• Opt-out mechanism provided</li></ul>

## Contact Information

### Toronto Office

Advertising Standards Canada  
175 Bloor Street East  
South Tower, Suite 1801  
Toronto, Ontario M4W 3R8

Phone: (416) 961-6311

[info@adstandards.com](mailto:info@adstandards.com)  
[www.adstandards.com](http://www.adstandards.com)

### Montreal Office

Advertising Standards Canada  
2015 Peel Street  
Suite 915  
Montreal, Quebec H3A 1T8

Phone: (514) 931-8060



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