Ad Standards is responsible for the Accountability component of the Digital Advertising Alliance of Canada AdChoices Program.
Ad Standards is responsible for the Accountability component of the Digital Advertising Alliance of Canada AdChoices Program.
Table of Contents

Executive Summary 2
A Quick Guide to AdChoices Compliance 4
2018 Findings – Overview and Methodology 6
Website Compliance – 1st Parties and 3rd Parties 7
Improving the User Experience on Websites 9
AdChoices Compliance on Mobile Apps 12
Mobile App Guidance for First Parties 14
Comparing First Party AdChoices Participants and Non-Participant First Parties 16
2018 Consumer Complaints 18
Appendix A – Summary of the DAAC Principles 20
Appendix B – Glossary of Terms 21
Appendix C – First Party and Third Party Requirements – Websites 22
Appendix D – First Party and Third Party Requirements – Mobile Apps 23
Appendix E – Online Resources for Consumers and Participants 25
Executive Summary

Online Interest-Based Advertising ("IBA") benefits both consumers and digital advertisers. It provides consumers with messages aligned with their interests and allows advertisers to more effectively reach their target market. That being said, advertisers must ensure that consumer privacy is respected. The companies participating in the Digital Advertising Alliance of Canada ("DAAC")'s AdChoices Program ("AdChoices") have agreed to abide by DAAC's Self-Regulatory Principles (the "DAAC Principles") to ensure that consumers are adequately informed of the collection and use of data for IBA purposes, and that they can exercise choice regarding this collection and use.

Ad Standards is pleased to publish our fourth annual AdChoices Accountability Program Compliance Report. The report documents that the majority of AdChoices participants continue to substantially comply with AdChoices’ requirements, and further, that new participants are quick and eager to implement the features on their websites that are required to comply.

In 2018, Ad Standards continued to monitor both First Party participants ("First Parties") and Third Party participants' ("Third Parties") websites for compliance with the DAAC Principles, and evaluate new participants for compliance.

Desktop website compliance remained quite strong in 2018. Ad Standards found that, with respect to First Parties, most had maintained their website in a compliant fashion year over year, featuring Enhanced Notice and a functional Opt-Out Mechanism for Third Parties collecting and using data for IBA purposes on their websites.

Ad Standards also began to establish compliance protocols for the mobile environment in order to assess member compliance with the DAAC Principles, on mobile applications. The DAAC has published Application of the Self-Regulatory Principles to the Mobile Environment, which AdChoices participants can review to better understand mobile requirements.

Mobile compliance is progressing, though the majority of parties have yet to implement fully compliant solutions. Only a select number of First Parties have mobile apps, and as such, the mobile compliance requirements only apply to these participants for the time being. Further, some of those First Parties that do own mobile applications do not allow Third Parties to collect Cross-App Data for IBA purposes on their apps.
At the time of writing this report, Ad Standards has reviewed and reported to the majority of First Party AdChoices participants who own mobile applications that appear to be engaged in IBA activity, and communicated its findings to these participants regarding mobile compliance issues. At this time, all participants are still in the process of achieving compliance. However, they have been willing to discuss the difficulties that they are facing coming into compliance, and have expressed willingness to implement all required changes. Ad Standards is working with these participants to find solutions that are both compliant and user-friendly.

Compliance on mobile apps continues to be a work in progress across jurisdictions, with both the U.S. Digital Advertising Alliance (“DAA”) and the European Digital Advertising Alliance (“EDAA”) also reporting challenges in this area. A major sticking point for First Parties, in the mobile context, is the provision of Enhanced Notice – many participants are wary of driving away users of their apps by adding yet another notice or pop-up on their apps, with many suggesting that this detracts from the user experience on their apps.

Ad Standards has noticed that, upon entry to the AdChoices program, new participants are relatively quick to come into compliance on their websites. This may be in part because AdChoices has begun to set an industry standard – new participants can simply follow others’ examples, and have a good practical understanding of how to come into compliance. Mobile compliance presents more of a challenge. Because nearly all First Parties are experiencing delays in implementing effective solutions, no clear precedent has been set, and there are few examples that AdChoices participants can use to guide their own solutions.

The intention of AdChoices has been to craft a set of guidelines that provide consumers transparency and control, and that fit with Canadian privacy laws, without unduly forcing advertisers to eliminate targeted advertising as a key source of revenue in the modern advertising economy. AdChoices will achieve its purpose only if AdChoices’ requirements are followed.

Ad Standards is cognizant of the need to continually improve the AdChoices program to ensure the focus remains on providing consumers with true transparency and control in the IBA context. Our role includes listening to the practical challenges that participants face, critically assessing whether current implementations of the AdChoices program serve their purpose, and working with participants to help them achieve compliance.

Jani Yates  
President and CEO  
Ad Standards

Jeanette O’Sullivan  
Compliance Associate  
AdChoices Accountability Program
A QUICK GUIDE TO AdChoices Compliance

STEP 1

Use an Enhanced Notice for interest-based advertising (IBA).

The user should be able to click or tap on the Enhanced Notice, bringing them to a disclosure with more information about IBA.

What qualifies as Enhanced Notice?

On websites, the most effective way to provide Enhanced Notice is to include the AdChoices icon ( ) with accompanying text “AdChoices” or “Choix de pub” somewhere ‘above the fold’ on each page where data is collected or used or IBA.

On mobile apps, Enhanced Notice may take the form of an interstitial or pop-up that forms part of the onboarding process for the app, or by displaying the AdChoices icon somewhere in plain view on the app.

STEP 2

Provide a meaningful disclosure about IBA.

Describe what information is being collected (e.g. information about browsing activity on websites, activities across apps, etc.), who it is being disclosed to (e.g. Third Party companies), and what it is being used for (e.g. to serve more relevant online ads).

The disclosure must also confirm that opting out is possible, and link to an opt-out tool.

Know who your company is doing business with.

First Parties are responsible for keeping track of the Third Parties collecting and using data for IBA on their websites or mobile apps.

First Parties should be vigilant about reviewing this regularly, keeping apprised of which Third Parties are present, and providing an opt-out for each. Protect your company contractually from any unauthorized access to your audience data.
STEP 3

Offer an effective tool for opting out of IBA.

Opt-out tools should be linked to within the disclosure about IBA. Tools should be easy to use and work effectively, allowing the user to opt out of all Third Party companies that collect and use data for IBA.

For websites, we recommend linking to the DAAC’s WebChoices tool. For mobile apps, it is sufficient to provide a description of how to opt out of ad tracking on various devices’ operating systems (i.e. iOS and Android). However, we recommend linking to the DAAC’s AppChoices tool as a simple and effective solution to allow users to exercise their choices for cross-app IBA.

Be clear with users about their opt-out status.

It is important to ensure that website and app users receive a confirmation message, or other clear notification or feedback, that assures the user that they have successfully opted out.

If your company has its own choice mechanism, be precise and transparent about what users are opting out of – the collection and use of data for interest-based advertising by Third Parties on your website or app. We recommend also linking to the DAAC’s WebChoices tool.

STEP 4

Ensure that your disclosure and opt-out tool can be accessed at any time.

The disclosure and opt-out tool should be easy to find at any time, whether through a privacy policy, cookie policy, or a dedicated AdChoices or “Interest-Based Ads” page on a website or in an app.

The user should always be able find information about a company’s IBA practices.

Many participants link an Enhanced Notice to a dedicated page about IBA where an opt-out tool is included. In other cases, participants choose to link their Enhanced Notice directly to the relevant portion of their privacy policy. It is recommended that the content of any policy or disclosure that addresses IBA is accurate and up to date.

An outdated privacy policy may fail to provide full disclosure about data collection and use for IBA, even if your dedicated AdChoices or IBA page describes it. Ensure that all information and policies on your website and apps are updated to be consistent with one another.
2018 Findings – Overview and Methodology

Ad Standards reviews AdChoices participant websites and/or applications to evaluate the Transparency and Consumer Control mechanisms in place. These reviews include examining the websites and/or apps in detail and monitoring the collection and use of data for IBA purposes.

Ad Standards uses HTTP debugging tools, cookie viewers, and other technical tools to analyze data collection relating to IBA. In addition, Ad Standards reviews privacy policies and other similar statements, and tests any control tools presented to the consumer. When Ad Standards identifies a compliance issue, staff work cooperatively with the involved company on corrective action.

As of the end of 2018, AdChoices included 89 participants, up from 83 at the end of 2017. However, because new participants are given a 6-month grace period to come into compliance before being assessed, this report only addresses participants that joined AdChoices on or before July 1, 2018. For the purposes of this report, Ad Standards has reviewed 85 participants – 38 First Party participants, 42 Third Party participants, and 5 participants who qualify as both First and Third Parties.

The following pages contain summaries of our findings for both websites and mobile apps in the 2018 year.

WHAT IS SUBSTANTIAL COMPLIANCE?

We have used the term “substantially compliant” to indicate that these parties meet the basic requirements required by the DAAC Principles. However, in many cases, it is possible for improvements to be made, especially when it comes to First Party participants.

Though most First Parties’ websites contain an IBA disclosure, an Enhanced Notice that effectively leads the user to that disclosure, and an Opt-Out Mechanism, these disclosures and Opt-Out Mechanisms are not always optimal. It is important that disclosures are easy for users to understand, and that they are able to easily locate further information about the First Party’s IBA practices if desired. It is also important for users to be able to opt out of IBA with ease, and confirm whether their opt-out was successful.

Please see the next section for guidance on how participants can improve the user website experience by providing a more effective disclosure and Opt-Out Mechanism.
Website Compliance – 1\textsuperscript{st} Parties and 3\textsuperscript{rd} Parties

First Parties
Overall, year over year, First Party participants in the AdChoices program have remained substantially compliant with AdChoices’ requirements. The following are Ad Standards’ primary areas of concern from 2018:

- In some cases, AdChoices participants have altered their websites since last being reviewed for compliance, making changes that have caused their websites to fall out of compliance with AdChoices’ requirements. Ad Standards has been in touch with the majority of these participants to address these concerns. Overall, these participants have been very responsive, open to making the required changes, and have either made the required changes, or communicated their plans to make these changes. The most common issue was the disappearance/removal of an above-the-fold Enhanced Notice, where required.

- In other cases, AdChoices participants that previously appeared compliant were found to be hosting some Third Parties with no Opt-Out Mechanism available. Again, participants have generally been responsive, and are investigating solutions to these issues. In most cases, the issues are minor, and the majority of Third Parties on these websites have an Opt-Out Mechanism available.

The following is a summary of First Parties’ compliance status as of the end of 2018:

- **32 of 38** First Parties reviewed demonstrated substantial compliance with AdChoices’ requirements.

- **5 of 38** First Parties had significant non-compliance in one or more areas, and have demonstrated they are working toward fixing the noted compliance issues.

- **1 of 38** First Parties had significant non-compliance in more than one area, and had not demonstrated a plan to address the noted compliance issues. However, as of the time of writing this report, this First Party has made efforts to address these issues.
First Parties - Website Compliance

Third Parties
Ad Standards is pleased to report that, year over year, Third Parties’ websites have remained substantially compliant with AdChoices’ requirements. 100% (42 out of 42) of reviewed Third Parties are substantially compliant.

Note, for the purposes of this report, website compliance for Third Parties refers only to those requirements relating to IBA disclosures and Opt-Out Mechanisms located on Third Parties’ websites – not compliance as it relates to the adequacy of Third Parties’ In-Ad Notices. Where Ad Standards notices glitches or other issues with In-Ad Notices, or receives a complaint relating to an In-Ad Notice, Ad Standards proactively contacts the relevant Third Party to ensure these issues are addressed, and will continue to do so.

Third Parties – Website Compliance
Improving the User Experience on Websites

Overall, First Party AdChoices participants have made solid efforts to achieve compliance on their websites, ensuring that users are provided with adequate information about IBA and the ability to exercise choice. However, we believe that AdChoices participants can still make improvements to provide users with clearer information, and to ensure that the opt-out process is seamless.

PROVIDE A BETTER DISCLOSURE

One of the most challenging parts of providing consumers with adequate transparency and control, is drafting an effective disclosure.

Disclosures should be drafted in plain language that the average consumer will understand, and must still be accurate. The disclosure must be comprehensive enough, and cover all required elements (i.e. type of data collected, how data is used, who the data will be shared with), while still being concise enough not to lose the reader.

Describing Data Collection, Use and Disclosure
It is vital to be accurate and complete, even when trying to be concise, or writing in layperson’s terms. In an IBA disclosure, always ask whether the following have been answered:

• **What type of data is being collected?**
  Generally, merely stating that “data is being collected” is insufficient. A user should be able understand what type of data is being collected – for example “information about your browsing patterns and activity on this website”.

• **How is the data being used?**
  It should be clearly explained that the data being collected will be used to target or serve the user with relevant and/or interest-based advertisements on the internet (and on mobile apps, if applicable).

• **Who will the data be shared with?**
  It is key to note that data will be collected and used by Third Parties for the purposes above. It is important to identify these companies, or at the very least, to explain what types of companies these are, somewhere within your interest-based
ads policy, cookie policy, or privacy policy, and to ensure the user can find this information if it is not contained within the high-level disclosure (for example, by clicking a link to “learn more”).

The “Layered Approach” to Informing the User
In May 2018, the Office of the Privacy Commissioner (“OPC”) released *Guidelines for Obtaining Meaningful Consent*, which should be helpful for AdChoices participants in drafting the most effective disclosures possible.

The OPC advocates for a “layered” approach to informing consumers about data collection and use (whether relating to IBA, or otherwise). In basic terms, this means that consumers should be informed of IBA practices with a concise, easy to read disclosure that emphasizes key elements about data collection and use (what type of data is being collected, who it will be disclosed to, and the purposes for which it will be used). However, they should also be able to find out more in-depth information about these practices, if they choose to – for example, by linking to a more comprehensive disclosure located within a privacy policy or cookies policy.

The key idea is that consumers should be presented with a disclosure that is sufficient to give them a basic understanding of what is being done with their information, without forcing them to navigate through a lengthy privacy policy.

**PROVIDE A MORE EFFECTIVE OPT-OUT MECHANISM**

Consumers must understand they are under no obligation to have their data collected for IBA purposes in order to continue using a website or app. Their ability to opt out must clearly be made known to them, and it must not be difficult to exercise the option to opt out.

**An Opt-Out Mechanism Must Be Provided for All Third Parties**
Perhaps most importantly, First Parties must understand that if they are allowing a Third Party to collect and use data for IBA on their website, but there is no opt-out available for that Third Party, then they will not be compliant with AdChoices. It is not enough to simply inform the user who is collecting and using their data – the user must be able to exercise choice.

Transparency and Control are the fundamental tenets of AdChoices. First Parties must ensure an opt-out is provided for all Third Parties engaged in IBA activity on their website, and if they are unable to, must prevent that Third Party from tracking consumers for IBA purposes.
Opting Out Must Be Efficient and Easy

AdChoices requires First Parties to provide an easy-to-use Opt-Out Mechanism covering all Third Parties collecting and using data for IBA on their websites.

Ad Standards recognizes that First Party AdChoices participants have been diligent about providing an Opt-Out Mechanism. However, in some cases, these mechanisms are not easy-to-use, and require the user to take numerous steps to opt out of IBA from all Third Parties active on the website.

For example, some tools provide direct opt-outs for some but not all Third Parties, and direct the user to visit individual Third Parties’ websites for additional opt-outs. This often requires the user to search each individual Third Party site in order to locate the Third Party’s own Opt-Out Mechanism.

First Parties are advised that the DAAC WebChoices Tool currently provides direct opt-outs for 136 different Third Party companies. By linking to this tool, a user may, in one step, opt out of interest-based ads from all of these companies. If all Third Parties on a given First Party’s website can be found on the DAAC WebChoices Tool, we recommend using this tool, as it allows for an efficient, one-step means for users to opt out.
AdChoices Compliance on Mobile Apps

Ad Standards has reviewed a number of First Parties for compliance on their mobile apps, with details of our findings found below.

While Third Parties typically do not own mobile apps, they may collect and use Cross-App Data, precise location data (PLD) and/or personal directory data (PDD) via First Parties’ apps. They are required to provide adequate disclosure about their Cross-App Data collection practices on their websites, provide an Opt-Out Mechanism, and follow In-Ad Notice requirements when placing interest-based ads within mobile apps.

For the purposes of this report, Ad Standards has reviewed the adequacy of Third Parties’ disclosures on their websites.

First Party Mobile App Compliance
First Party compliance on mobile apps continues to be minimal. Ad Standards has focused on identifying and working with those First Parties that own apps where data is collected and used for IBA – many First Parties own apps, but have confirmed that they do not allow the collection and use of data (cross app, precise location data, or personal directory data) for IBA purposes.

Ad Standards is pleased to report that although compliant solutions still remain to be implemented, most participants have been actively engaged in trying to understand AdChoices’ requirements and implement an action plan. Many have proposed a timeline for coming into compliance, and have kept Ad Standards apprised of their plans to achieve a compliant solution for their mobile apps. Below are some of the hurdles that First Parties have brought to Ad Standards’ attention in achieving mobile compliance:

• Difficulty finding personnel with adequate expertise in mobile app development.

• Few examples of compliant mobile app solutions within the industry to use as examples, or for guidance.

• Pushback from app users, who are suspicious of additional pop-ups on apps, and may not be aware that IBA is a common practice.

• Difficulty reaching organizational consensus about how to design and implement a compliant solution.
Despite these challenges, Ad Standards encourages and reminds AdChoices participants that to be compliant with the Principles, and with Canadian privacy laws, companies must provide adequate notice and choice – or, Transparency and Control – to users.

It should be noted that in many cases, First Parties own apps but have chosen not to allow the collection and use of data for IBA purposes. In a number of other cases, First Parties simply do not own or operate any mobile apps. Ad Standards continues to seek confirmation from a number of First Parties regarding which, if any of their apps, are engaged in IBA.

At this stage, it appears that only a small number of First Parties own apps on which data is collected and used for IBA purposes. Ad Standards has directed its focus on helping these First Parties, who often own and operate widely-used apps, to come into compliance.

**Third Party Mobile App Compliance**

For the purposes of this report, Ad Standards has reviewed the websites of Third Parties who are both AdChoices participants, and who are featured on the AppChoices app to determine whether their disclosures address IBA activity on mobile apps. Ad Standards is pleased to report that all Third Party DAAC participants who have joined the AppChoices tool have disclosures on their websites that effectively address IBA activity on mobile apps, and provide a link to the AppChoices tool.

In the coming year, Ad Standards will continue to evaluate which Third Party participants are engaged in Cross-App Data, PLD and/or PDD collection and use on mobile apps, and determine whether their disclosures and In-Ad Notices are compliant AdChoices’ requirements.
Mobile App Guidance for First Parties

The DAAC Principles have been applied to the mobile environment, where cross app data is collected and used by Third Parties. Below is a breakdown of the requirements First Parties must meet on mobile applications. The *DAAC’s Application of Self-Regulatory Principles to the Mobile Environment* is the definitive core document that addresses First Party and Third Party AdChoices requirements in the mobile app context. However, this breakdown is intended to help participants better understand how to operationalize AdChoices on their mobile apps. Note, if Precise Location Data (PLD) and/or Personal Directory Data (PDD) are being collected for IBA purposes, additional requirements apply.

**CROSS-APP DATA REQUIREMENTS**

**ENHANCED NOTICE**

When a Third Party collects and uses Cross-App Data (see definition below) from a First Party App for IBA purposes, the First Party should:

1) Provide a clear, meaningful, and prominent link to a *disclosure that is*:
   a. conspicuously displayed, either:
      i. before the application is installed, OR
      ii. as part of the process of downloading the application, OR
      iii. at the time the application is first opened, OR
      iv. at the time Cross-App Data is collected.
   AND:
   b. can also be found within the application’s settings or privacy policy.

   ▶ *Note*, as with websites, *clear and meaningful in the mobile context means that app users are informed, in a consistent and obvious manner, when data is collected or used on a webpage for IBA purposes. Prominent means that the notice is given by means of conspicuous notice that the user cannot miss, such as a pop-up or on-boarding notification.*

2) Ensure the Cross-App Data disclosure:
   a. Refers to Third Party collection and/or use of Cross-App Data for IBA purposes; **AND**
   b. Contains a statement of adherence to the DAAC Principles; **AND**
   c. Contains, or links to, an Opt-Out Mechanism (see below for requirements)
**OPT-OUT MECHANISM**

The Opt-Out Mechanism contained in or linked to via the Enhanced Notice must contain either:

1) a link to an opt-out mechanism that provides consumers with the ability to exercise choice regarding Third Parties’ collection and use of Cross-App Data for IBA purposes, OR

2) a list of all Third Parties collecting and using Cross-App Data for IBA purposes, with either:
   a. links to all of the Third Parties’ Opt-Out Mechanisms, OR
   b. a link directing users to the AppChoices website ([youradchoices.ca/appchoices](http://youradchoices.ca/appchoices)), OR
   c. a description of how to use the “Limit Ad Tracking” and “Opt Out of Interest-Based Ads” functions on iOS and Android mobile devices.
Comparing First Party AdChoices Participants and Non-Participant First Parties

As in its 2017 Compliance Report, Ad Standards wanted to understand whether non-participating companies are taking proactive steps to address privacy concerns relating to Interest-Based Advertising (IBA), outside of the AdChoices program.

For this year’s report, Ad Standards identified 40 popular websites in Canada that are clearly collecting and using data for IBA purposes. These websites are operated by companies not participating in AdChoices. Ad Standards assessed whether the websites in this sample provided disclosure about their IBA activities somewhere on their website (whether in a privacy policy, cookies policy, interest-based ads policy, or other similar disclosure), a clear and prominent notice to notify users of data collection or use for IBA purposes, and an Opt-Out Mechanism.

The results show that First Party AdChoices participants continue to provide more effective transparency and control in relation to IBA than non-participants.

Notice
The majority of both AdChoices participants and non-participants provide disclosure within their privacy or cookies policies regarding IBA practices. However, AdChoices participants do so more often than non-participants. 100% of reviewed participants provide clear disclosure about IBA practices on their websites, while 88% (35 of 40 surveyed) of non-participants do so.
**Enhanced Notice**
While nearly of all reviewed AdChoices participants (84%) currently display a real-time, above-the-fold, Enhanced Notice of IBA activity on their websites, a mere 3% (1 out of 40) of non-participants do so. This is particularly important – it is important that consumers who do not know about these practices are made aware, and even if they are, that they can easily locate this information. Enhanced Notice ensures that users are notified of IBA activity, and that they can easily locate the relevant information.

**Opt-Out Mechanism**
97% of reviewed AdChoices participants provide an Opt-Out Mechanism for IBA, while only 33% of non-participants do (13/40). Of the 13 non-participants that do provide an Opt-Out Mechanism, 6 link to the DAAC WebChoices Tool (despite not being AdChoices participants), while others link to tools provided by the Digital Advertising Alliance in the US, the Network Advertising Initiative, or their own customized tools.

---

1 For the purposes of this study, Ad Standards did not evaluate whether the Opt-Out Mechanisms used by both AdChoices participants and nonparticipants are 100% effective, only whether they are substantially effective. Ad Standards is in the process of reviewing AdChoices participants’ Opt-Out Mechanisms on a more granular level, and helping them ensure that all Third Parties collecting and using data for IBA on their websites are covered by their Opt-Out Mechanisms.
2018 Consumer Complaints

Ad Standards accepts and investigates complaints it receives regarding possible non-compliance with the DAAC Principles. Ad Standards reviews each complaint and determines whether there is sufficient evidence to pursue an investigation. When Ad Standards opens an investigation, the subject company is contacted and Ad Standards works collaboratively with the company to further investigate and remedy the issue.

From January to December 2018, Ad Standards received 275 consumer complaints for review under the IBA Accountability and Complaint Procedure. Between 2016 and 2018, the number of complaints has remained relatively consistent each year. It is worth noting that, in many cases, the same individual will re-submit similar complaints multiple times, which to some extent artificially enlarges the number of actual complaints.

IBA-Related Complaints

Of the total number of complaints submitted to Ad Standards, 42 were determined to raise potential IBA concerns. Nearly all of these related to difficulties opting out of IBA, often due to trouble using the DAAC WebChoices tool. In the majority of these cases, complainants found that the tool did not effectively opt out of a very small number of companies on the tool, while in other cases, complainants alleged that the tool would not launch on their browser.

In most cases where the WebChoices tool was ineffective for a small number of the listed companies, complainants were advised to simply re-try using the tool, as sometimes a temporary technical error results in an incomplete opt-out the first time around. Ad Standards did not receive any indication that these complainants had ongoing trouble following Ad Standards’ response.

In cases where the tool would not launch, this usually appeared to be due to the settings on complainants’ default browsers (most often Apple’s Safari browser). Ad Standards was able to provide specific advice to these complainants, with no further follow-up required. In only three cases, complainants were concerned with
the subject matter or content of ads they believed may be interest-based. However, in these cases, there was no evidence the ad was actually interest-based, or that the subject matter was sensitive in nature.

**Non-IBA Related Complaints**

Of the 275 complaints received, 150 did not appear to be IBA-related, and did not raise concerns under the DAAC Principles. Most of these complainants told Ad Standards they did not want to see any advertising at all on the websites they visit and the apps they use. Others were concerned with the size and placement of advertisements, and advertisements disrupting their website or app experience. Some cited concerns about receiving advertisements in free email or social media services. Other consumers were concerned about being hacked, potential fraud, and advertisements they found to be inappropriate. Where possible, these complaints were redirected to Ad Standards’ consumer complaints department.

![Non-IBA Related Complaints](chart)

**Unable to Pursue**

Ad Standards was unable to investigate or pursue the remaining complaints (70 of 275). In most cases, this was due to a lack of information provided (48 of 275). In other cases, the complaints were incomprehensible, irrelevant, or entirely unrelated to advertising (17 of 275), or the complaints related to matters outside of our jurisdiction (5 of 275). Where complaints fell outside of Ad Standards’ jurisdiction, the complainants were redirected to the appropriate authority, where possible.

![Unable to Pursue](chart)
Appendix A
Summary of the DAAC Principles

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. Below is a brief summary of the Principles – the complete Principles can be found at: https://assets.youradchoices.ca/pdf/DAAC-ThePrinciples.pdf

Education
Participate in efforts to educate about online interest-based advertising.

Notice & Transparency
Clear, meaningful, and prominent notice should be given to consumers about data collection and use practices associated with online interest-based advertising.

Consumer Control
Provide consumers with an ability to choose whether data is collected and used for online interest-based advertising purposes.

Data Security
Provide appropriate security for, and limited retention of, data collected and used for online interest-based advertising purposes.

Sensitive Data
Do not collect personal information for interest-based advertising purposes from children under the age of 13 or from sites directed to children 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 interest-based advertising purposes without consent.

Accountability
Under the Accountability principle, Ad Standards, an independent advertising self-regulatory body, monitors companies participating in the AdChoices self-regulatory program for compliance with these principles, and works cooperatively with them to effect compliance. Ad Standards also accepts and responds to complaints about practices that may not comply with the principles.
Appendix B
Glossary of Terms

**Above the Fold** – the placement of Enhanced Notice in a location on a website or app that is immediately visible, without requiring the user to scroll or navigate.

**AdChoices Icon and Text** – the icon licensed by the DAAC, with accompanying words “AdChoices” or “Choix de Pub”, that can be used as Enhanced Notice or In-Ad Notice, to inform consumers of IBA activity on a website or mobile app:

![AdChoices Icon and Text](image)

**Cross-App Data** – 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.

**Enhanced Notice** – Clear, meaningful, and prominent notice of IBA activity, most often implemented by displaying the AdChoices Icon and Text “Above the Fold” on a website or mobile app, though sometimes implemented by way of a banner or pop-up notification that informs the user of IBA activity.

**First Party/ies** – A First Party is a participant in AdChoices that operates or controls a website with which the consumer interacts, and that allows Third Parties to collect and use consumer data via its website.

**In-Ad Notice** – Notice of IBA that is found within the corner of an advertisement, by way of displaying the AdChoices Icon and Text (ie. informing the user that the ad being delivered may be interest-based).

**Interest-Based Advertising (IBA)** – the collection of data online from a particular computer or device regarding web browsing activity, or activity on mobile apps, for the purpose of using such data to predict user preferences or interests, and to deliver advertising based on the preferences or interests inferred from such browsing activity and/or app activity.

**Opt-Out Mechanism** – A tool or other means by which a consumer is enabled to opt out of the collection and use of their data for IBA purposes.

**Personal Directory Data (PDD)** – 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.

**Precise Location Data (PLD)** – 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.

**Third Party/ies** – A Third Party is a participant in AdChoices who engages in Interest-Based Advertising (IBA) on a First Party’s website or mobile app – in other words, advertising networks and data companies that collect web-viewing or app data across multiple sites and/or apps and use such data to serve online Interest-Based Advertising.
## Appendix C

### First Party and Third Party Requirements – Websites

#### FIRST PARTY REQUIREMENTS
(For websites such as publishers, retailers, and brands)

**Notice** (Disclosure on website in privacy policy or similar location)
- Describes IBA activity occurring on the website,
- Links to an Opt-Out Mechanism, and
- States adherence to the DAAC Principles.

**Enhanced Notice** (Clear, meaningful, and prominent real-time notice of collection or use of data for IBA purposes)
- Is displayed ‘Above the Fold’ or otherwise in a conspicuous manner,
- Links directly to a disclosure that describes IBA activity,
- Links to an Opt-Out Mechanism or lists all Third Parties conducting IBA activity,
- States adherence to the DAAC Principles, and
- Appears on all pages where data is collected or used for IBA.

**Opt-Out Mechanism** (To exercise choice with respect to the collection and use of data for IBA purposes)
- Easy-to-use Opt-Out Mechanism provided for all Third Parties conducting IBA activity on the website.

#### THIRD PARTY REQUIREMENTS
(For ad tech companies such as ad networks and data brokers)

**Notice** (Disclosure on website in privacy policy or similar location)
- Describes IBA data collection and use practices,
- Links to an Opt-Out Mechanism, and
- States adherence to the DAAC Principles.

**Enhanced Notice** (Real-time notice of collection or use)
- A Third Party is responsible for providing Enhanced Notice when collecting or using data for IBA purposes on a First Party website. It is usually provided through “In-Ad Notice” — notice in or around an advertisement, typically using the AdChoices Icon and Text, that directs users to the Third Party’s disclosure of its IBA practices, and an Opt-Out Mechanism (see First Party Requirements – Notice, above).
- Where Third Parties are collecting data for IBA purposes on a First Party website, Enhanced Notice is typically provided by the First Party (see First Party Requirements – Enhanced Notice, above). However, Third Parties should collaborate with First Parties to ensure the requirements are met.

**Opt-Out Mechanism** (To exercise choice with respect to the collection and use of data for IBA purposes)
- Provides an easy-to-use Opt-Out Mechanism.
## Appendix D
### First Party and Third Party Requirements – Mobile Apps

### FIRST PARTY REQUIREMENTS FOR CROSS-APP DATA
(for mobile app providers)

**Enhanced Notice** (Clear, meaningful, and prominent real-time notice of collection or use of Cross-App Data)
- First Parties should provide a clear, meaningful, and prominent Enhanced Notice that links directly to a disclosure that:
  - describes Cross-App Data collection and use practices,
  - points to an easy-to-use Opt-Out Mechanism that meets DAAC specifications* or lists all Third Parties and links to their Opt-Out Mechanisms, and
  - states adherence to the DAAC Principles.
- Enhanced Notice should be conspicuously displayed and provided:
  - before installation; or
  - as part of the download process; or
  - on first opening of an application; or
  - at the time Cross-App Data is first collected;
  AND, thereafter, a link to the disclosure should be provided in the app’s menu, settings section, or footer.

* An Opt-Out Mechanism that meets DAAC specifications include a link to the DAAC’s AppChoices tool youradchoices.ca/appchoices/, or an explanation of how to use the “Limit Ad Tracking” and “Opt Out of Ads Personalization” settings on iOS and Android, respectively.

### THIRD PARTY REQUIREMENTS FOR CROSS-APP DATA
(For ad tech companies such as ad networks and data brokers)

**Notice** (Disclosure in privacy policy or accessible in app from which Third Party collects data)
- Usually found on Third Party’s own website, and accessible through any application from or through which it collects Cross-App Data,
- Describes Cross-App Data collection, use, and disclosure practices,
- Includes, or links to, an easy-to-use Opt-Out Mechanism, and
- States adherence to the DAAC Principles.

**Enhanced Notice** (Real-time notice of collection or use of Cross-App Data)
- A Third Party is responsible for providing Enhanced Notice when collecting or using Cross-App Data for IBA purposes on a First Party app. Where an ad is delivered using Cross-App Data, this is usually provided through “In-Ad Notice” – notice in or around an ad, typically using the AdChoices Icon and Text, that directs users to the Third Party’s disclosure of its IBA practices, and an Opt-Out Mechanism (see Third Party Requirements for Cross-App Data – Notice, above).
- Where Third Parties are collecting data for IBA purposes on a First Party’s app, Enhanced Notice is typically provided by the First Party (see First Party Requirements for Cross-App Data – Enhanced Notice, above). However, Third Parties should collaborate with First Parties to ensure the requirements are met.

**Choice Mechanism** (To exercise choice with respect to the collection and use of Cross-App Data)
- Opt-Out Mechanism must meet DAAC specifications and be included in, or linked to via First Party or Third Party Enhanced Notice.
FIRST PARTY REQUIREMENTS FOR PRECISE LOCATION DATA AND PERSONAL DIRECTORY DATA (PLD/PDD)
(For mobile app providers)

Notice (Disclosure in privacy policy or other similar location, accessible from First Party’s app)
• Found on First Party’s own website or accessible through any application from or through which PLD/PDD is collected or used for IBA purposes,
• Clearly describes First party’s practices relating to the collection and use of PLD/PDD for IBA purposes on its app, including collection and use of PLD/PDD by Third Parties via the First Party’s app,
• Includes instructions for accessing and using a tool to provide and withdraw consent for the collection and use of PLD/PDD, and
• States adherence to the DAAC Principles.

Enhanced Notice (Real-time notice of collection or use of PLD/PDD)
• Clear, meaningful and prominent notice provided as part of the download process, on first opening of an application, or at the time PLD/PDD is collected.
• Links to disclosure (First Party Notice) presented before an application is installed as part of the download process, on first opening of an application, or at the time PLD/PDD is collected AND in the applications settings or privacy policy.

Opt-Out Mechanism (To provide or withdraw consent to the collection or use of PLD/PDD)
• First Parties must obtain explicit consent to disclose PLD/PDD to Third Parties, and/or for Third Parties to collect and use PLD/PDD from or through First Party’s app, and provide a tool to withdraw such consent at any time.
• Tool to provide or withdraw consent should be easy to use.

THIRD PARTY REQUIREMENTS FOR PRECISE LOCATION DATA AND PERSONAL DIRECTORY DATA (PLD/PDD)
(For ad tech companies such as ad networks and data brokers)

Notice (Disclosure in privacy policy or other similar location)
• Found on Third Party’s own website in privacy policy or other similar location, and accessible through any app from or through which PLD/PDD is collected or used by the Third Party for IBA purposes,
• Clearly describes Third Party’s practices relating to the collection or disclosure of PLD/PDD for IBA purposes,
• Include instructions for accessing and using a tool to provide and withdraw consent for the collection, use, and disclosure of PLD/PDD, and
• States adherence to the DAAC Principles.

Opt-Out Mechanism (To provide or withdraw consent re PLD/PDD)
• Third Party must obtain consent prior to collection, use, or disclosure of PLD/ PDD, or ascertain that the First Party has obtained consent for Third Party’s data collection, use, and disclosure of PLD/ PDD for IBA purposes.
Appendix E
Online Resources for Consumers and Participants

DAAC Canadian Self-Regulatory Principles for Online Behavioural Advertising
DAAC Application of Self-Regulatory Principles to the Mobile Environment
DAAC Supplementary Guidance for the DAAC Principles
DAAC Tools Page (Links to Opt-Out Mechanisms: WebChoices, AppChoices, etc.)
Ad Standards IBA Complaint Submission Form
Ad Standards Compliance Reports – Previous Years
About Ad Standards

Ad Standards is committed to fostering community confidence in Canadian advertising and to ensuring the integrity and viability of advertising through effective industry self-regulation. As an independent, not-for-profit body, we administer the Canadian Code of Advertising Standards, the principal instrument of advertising self-regulation in Canada, and a national mechanism for accepting and responding to consumer complaints about ads. Ad Standards Clearance Services reviews creative and offers consultative services in five categories, to help ensure advertising complies with relevant regulations.

Contact Information

Toronto Office
Ad Standards
33 Bloor Street East
Suite 303, Toronto ON
M4W 3H1
Phone: (416) 961-6311
info@adstandards.ca
www.adstandards.ca

Montreal Office
Ad Standards
505 René-Lévesque Boulevard West
Suite 1250, Montreal QC
H2Z 1A8
Phone: (514) 931-8060