

AdChoices Accountability Program

2019 Compliance Report



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



Table of Contents

Introduction	1
2019 Findings – Overview and Methodology	2
Website Compliance – Review of Findings	3
First Party Participants	
Third Party Participants	
Traditional Third Party Participants Acting as First Parties	
First Party/Third Party Participants	
Reminder To Third Parties Operating as First Parties	
Mobile App Compliance – Review of Findings	6
2019 Consumer Complaints	7
IBA-Related Complaints	
<i>Sensitive Data Used for Targeting</i>	
Non-IBA Related Complaints	
Unable to Pursue	
How to be Compliant – Best Practices for Participants	10
Appendix A – Summary of the DAAC Principles	11
Appendix B – Glossary of Terms	12
Appendix C – 1st and 3rd Party Requirements: Websites	13
Appendix D – 1st and 3rd Party Requirements: Mobile Apps	14
Appendix E – Online Resources	16
Appendix F – A Quick Guide to AdChoices Compliance	17

Introduction

The Digital Advertising Alliance of Canada (“DAAC”)’s AdChoices Program (“AdChoices”) arose from the industry’s recognition that it is best positioned to understand and address the implications of advertising technology on consumer privacy, and to develop solutions to address consumer privacy concerns. The companies participating in AdChoices (“Participants”) have agreed to abide by DAAC’s Self-Regulatory Principles for Online Behavioural Advertising (the “Principles”) to help ensure that consumers are adequately informed of the collection and use of data for interest-based advertising (“IBA”) purposes, and that they can exercise choice regarding this collection and use.

Ad Standards is responsible for monitoring Participants for compliance with the Principles, and addressing consumer complaints relating to IBA. We are pleased to publish our fifth annual AdChoices Accountability Program Compliance Report. Ad Standards is pleased to note that substantial compliance with the Principles among Participants remains high.

In 2019, Ad Standards reviewed and revised its AdChoices Accountability Program Compliance Procedure in order to help to ensure that Participants are reviewed on a consistent basis, and to provide a comprehensive compliance report at regular intervals. During the course of the 2019 year, Ad Standards continued to review Participants for compliance, and work with Participants to resolve existing compliance issues from the previous year. However, this report will focus only on reviews conducted under Ad Standards’ new periodic monitoring schedule. Between August and December of 2019, Ad Standards reviewed the practices of 31 Participants. This report covers 27 of those 31 Participants (the remaining 4 left the Program, or were acquired).

This report reviews Ad Standards monitoring efforts under its new compliance monitoring schedule, and will address trends seen in Participant compliance on both website and mobile properties. It also addresses all consumer complaints received in the 2019 year, and offers guidance and best practices to Participants.



Catherine Bate
Chief Legal & Policy Officer
Ad Standards



Jeanette O’Sullivan
Compliance Associate
AdChoices Accountability
Program

2019 Findings – Overview and Methodology

Ad Standards reviews Participant websites and mobile apps to evaluate the Notice & Transparency and Consumer Control¹ mechanisms in place. These reviews include examining the websites and apps in detail, and monitoring the collection and use of data for IBA purposes.

Ad Standards uses 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. In the case of mobile apps, Ad Standards relies upon Participants to diligently and accurately answer inquiries regarding mobile app practices, and to what extent information is disclosed to Third Parties for IBA purposes. This is because mobile apps tend to have stringent security restrictions that make it difficult to determine where data is being sent.

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

In 2019, Ad Standards reviewed and revised its compliance procedure in relation to the AdChoices Accountability Program, in order to help to ensure that Participants are reviewed on a consistent basis, and to provide a comprehensive compliance report at regular intervals. At present, this means that Participants' websites and mobile apps will be reviewed once per year.

At the end of 2019, AdChoices included 83 Participants. For the purposes of this report, under its new procedures, Ad Standards has reviewed 27 Participants: 14 First Party Participants, 11 Third Party Participants, and 2 Participants who traditionally qualify as both First Parties and Third Parties. These reviews were conducted between August and December of 2019. Ad Standards conducted a total of 31 reviews, but 4 Participants have since left the Program or been acquired.

The following pages contain summaries of our findings for both websites and mobile apps in 2019.

¹ See Appendix A for a summary of these Principles, and the complete Principles available online at <https://youradchoices.ca/en/principles>

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 (notice of IBA activity, above-the-fold Enhanced Notice, and an opt-out mechanism). However, in many cases, it is possible for improvements to be made, especially when it comes to First Party Participants.

Most First Parties' websites contain a description of IBA activity, Enhanced Notice that effectively leads the user to that disclosure, and an Opt-Out Mechanism. However, these disclosures and Opt-Out Mechanisms are not always optimal or user-friendly; opt-out tools are sometimes difficult to use or effect an incomplete opt-out.

Participants should refer to the “Best Practices” on page 10 of this report for hints and tips on how to maximize the user experience, and ensure that they remain compliant.

Website Compliance – Review of Findings

Websites (including desktop and mobile websites) appear to remain the key source of IBA activity among Participants. For the purposes of this report, Ad Standards reviewed **27 Participants'** websites:

- **14** Participants classified as First Parties;
- **4** Participants classified as Third Parties;
- **7** Participants classified as Third Parties, who were also found to be acting as First Parties on their own corporate websites;
 - o These 7 Participants, although typically classified as Third Parties, were also acting as First Parties on their corporate websites. In other words, other Third Parties are collecting and using data on these corporate websites, usually by virtue of having some form of partnership or data-sharing agreements with these other companies.
- **2** Participants typically classified as both First Parties and Third Parties;
 - o One of these Participants is also a Service Provider¹.

¹An entity is a Service Provider to the extent that it collects and uses Data from all or substantially all URLs traversed by a browser across websites for Online Behavioural Advertising in the course of the entity's activities as a provider of Internet access service, a toolbar, an Internet browser, or comparable desktop application or client software and not for its other applications and activities.

First Party Participants

Most of the **14** reviewed First Party Participants in the AdChoices Program have remained substantially compliant, or in the case of new Participants, have come into compliance with, AdChoices' requirements. Participants typically express a desire to be compliant, and to provide consumers with meaningful choice when it comes to interest-based advertising. As highlighted in both our 2017 and 2018 Compliance Reports, Participants appear to be providing Enhanced Notice and Opt-Out Mechanisms far more often than their non-participant counterparts.

The following are Ad Standards' primary areas of concern from 2019:

- In some cases, AdChoices Participants have altered their websites since last being reviewed for compliance, and in the process, have inadvertently moved or removed Enhanced Notice of IBA activity on their websites, which is a critical component of AdChoices compliance. In the vast majority of cases, these Participants have communicated a plan to Ad Standards to re-introduce Enhanced Notice to their websites, within a specific timeframe.
- In other cases, although the First Party Participant is Substantially Compliant and offers an Opt-Out Mechanism, the Opt-Out Mechanism has fallen out of date, and may not reflect all Third parties present on these First Party's website.

The following is a summary of First Parties' compliance status at the end of 2019:

- **11 of 14** First Parties reviewed demonstrated substantial compliance with AdChoices' requirements.
 - o Ad Standards notes that although **11 of 14** First Parties reviewed demonstrated Substantial Compliance as defined in this report, **3 of these 11** Participants need to update their Opt-Out Mechanisms in order to effect a full and complete opt-out. As of the end of 2019, **2 of 3** of these Participants have communicated to Ad Standards their intention to update their Opt-Out Mechanisms.

- **2 of 14** First Parties were non-compliant in one area, but as of the time of writing this report, have demonstrated they are working toward fixing the noted compliance issues.
 - o Both of these Participants were lacking Enhanced Notice on their websites. Both have communicated with Ad Standards a plan and timeline to remedy the deficiencies.
- **1 of 14** First Parties were non-compliant in more than one area, and had not demonstrated a plan to address the noted compliance issues.
 - o This Participant has communicated with Ad Standards that the required changes have been approved, and that a plan has been implemented to address the deficiencies.

Third Party Participants

Ad Standards is pleased to report that **4 of 4** reviewed Third Parties remained compliant on their websites, in their capacity as Third Parties, by giving clear notice of their IBA practices, and a means to opt out of data collection and use from their own platforms for IBA purposes.

Traditional Third Party Participants Acting as First Parties

7 Participants reviewed for this report are typically classified as Third Parties, but were also found to be operating as First Parties on their corporate websites.

7 out of 7 of these Participants were found to be compliant on their websites, in their capacity as Third Parties, by giving clear notice of their IBA practices, and a means to opt out of data collection and use from their own platforms for IBA purposes.

2 of 7 have fully implemented First Party requirements, and demonstrate substantial compliance in their capacity as First Parties. Of the remaining 5 of those 7 Participants, 4 of 5 communicated a plan before the end of the 2019 calendar year to update their websites to meet First Party Program requirements.

First Party/Third Party Participants

Ad Standards reviewed **2 Participants** traditionally operating as both First Parties and Third Parties (i.e. Participants that have consumer-oriented websites, but also operate ad technology platforms, and have traditionally been recognized as both First Parties and Third Parties for compliance purposes).

1 of 2 is Substantially Compliant in its capacity as both a First Party and a Third Party.

1 of 2 is non-compliant in more than one area, and as of the end of 2019, had not yet communicated a plan to come into compliance. At the time of writing this report, Ad Standards continues to work with the Participant to assist it in coming into compliance.

Reminder to Third Parties Operating as First Parties:

Most Participants in the business of operating SSPs, DSPs, Ad Exchanges, and other ad technology platforms typically enter the AdChoices Program with the understanding that they are Third Parties under the Principles. In order to maintain the integrity of the Program, however, it is important that Third Parties' websites also abide by First Party requirements, if acting as such on their own corporate websites.

When Third Party Participants allow other Third Parties on their websites to collect and use people's browsing data for IBA purposes, they become First Parties under the Program. Although these websites may not be oriented towards the average consumer, the fact remains that consumers who enter onto these websites would be subjected to data collection and use from other Third Parties.

This means that, in addition to providing notice about the ways in which their technology platform uses data for IBA, and a means to opt out of the platform, these Third Parties must also provide:

- **Notice** of IBA practices as they relate to disclosing data to other third parties for IBA purposes, on the website.
- **Enhanced Notice** at the website level: an above-the-fold link, in the form of the AdChoices Icon and text, or within a cookie banner, that immediately informs the consumer of IBA activity, and directs them to a fulsome disclosure about IBA practices on the website.
- **Opt-Out Mechanism** for all Third Parties who collect or use data, via the website, for IBA purposes (rather than an Opt-Out Mechanism that applies only to the Participant's technology platform), whether by developing a tool internally, using an approved provider, or linking to the DAAC WebChoices tool.

Please see Appendix F, "A Quick Guide to AdChoices Compliance" for Additional Guidance, in addition to reviewing First Party Requirements outlined in Appendix C.

Mobile App Compliance – Review of Findings

As with websites, Ad Standards has reviewed **14 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, using advertising IDs. 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.

In addition, Ad Standards has reviewed the same 2 Parties identified as First Party/Third Party in the above section on website compliance, for compliance in their capacities as both First Parties and Third Parties.

First Party Mobile App Compliance

Of the 14 First Party Participants reviewed, interestingly, only **1 of 14** has shown to be conducting IBA activity on its app. Ad Standards is pleased to report that this Participant has implemented all Program requirements on its mobile app.

Of the 14 First Party Participants, **11 of 14** either do not operate mobile apps, or have confirmed that they do not allow Third Parties to collect and use Cross-App Data, PLD, or PDD, for IBA purposes on their apps. At the time of writing this report, Ad Standards was awaiting answers from the remaining **2 of 14** First Participants regarding their mobile app practices, which will determine whether Ad Standards must review these apps for compliance.

Third Party Mobile App Compliance

Ad Standards reviewed the websites of the 11 Third Parties covered by this report to determine whether their disclosures address their IBA practices on mobile apps, and how to opt out of IBA on apps. Ad Standards is pleased to report that **11 of 11** reviewed Third Parties' websites effectively address IBA activity on mobile apps, and either provide a link to the AppChoices tool, or instructions as to how to opt out of IBA activity on mobile apps.

First Party/Third Party Mobile App Compliance

Of the **2** Participants who are First Party/Third Parties, **1** was found to be Substantially Compliant with regard to its mobile app practices, in its capacity both as a First Party and a Third Party. The other has been unresponsive, and as such, Ad Standards is unable to report with regard to its mobile app compliance status.

2019 Consumer Complaints

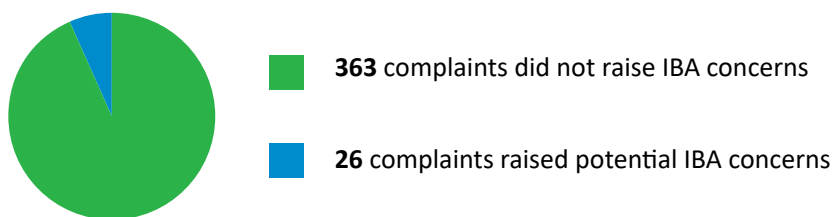
Ad Standards accepts and investigates complaints it receives regarding possible non-compliance with the Principles, through its OBA Complaint Form. Ad Standards reviews each complaint and determines whether there is sufficient evidence to pursue an investigation. Where the complaint involves a Participant, and there is evidence of non-compliance with the Principles, Ad Standards works with the Participant to remedy the breach. Where the complaint involves a non-participant, and where there is evidence of a breach of the Principles, Ad Standards informs the non-participant of the complaint.

From January to December 2019, Ad Standards received **389** consumer complaints for review under the AdChoices Accountability Program. Although this is a substantial increase from the years 2016 to 2018, when the number of complaints was very consistent (ranging between 271 and 285), Ad Standards notes that in 2019, there were substantially more complaints that were clearly unrelated to IBA, unrelated to advertising generally, or entirely lacking information. As such, Ad Standards concludes that there is no marked increase in the number of complaints that relate to genuine concerns about IBA. It is also possible that an increase in “bot” activity is partially responsible for an uptick in complaints that are either essentially blank, or incomprehensible. A breakdown of the types of complaints received can be found below.

It should be noted that in 2019, the DAAC amended its website to include a contact form. In the wake of this, the DAAC began to receive submissions similar to those received by Ad Standards through the OBA Complaint Form. Of the submissions received by DAAC, none were escalated to Ad Standards as giving rise to a potential breach of the Principles. As such, Ad Standards will not include or report on the complaints received by the DAAC.

IBA-Related Complaints

Of the total number of complaints submitted to Ad Standards, only **26 of 389** were determined to raise potential IBA concerns. As a proportion of total complaints, the total number of IBA-related complaints was lower in 2019 than in 2018 or 2017.



As in 2018, nearly all IBA-related complaints (**20 out of 26**) related to difficulties opting out of IBA, most often due to trouble using the DAAC WebChoices tool. In most cases, complainants found that the tool would fail to opt out of a select few companies on the tool. In these cases, 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. Nonetheless, Ad Standards has advised the DAAC of consumer concerns with the tool not always effecting a full opt-out in one step.

Of the IBA-related complaints, **4 of these 26** related to the subject matter or content of ads the complainants indicated may be interest-based. However, in these cases, there was inadequate evidence that the ad was actually interest-based, or that the subject matter was sensitive in nature.

Sensitive Data Used for Targeting

In the remaining 2 cases, the complainant was concerned about sensitive data being used to retarget an ad. In the first case, the subject matters of concern were mental health, and in the second, creditworthiness/insolvency. In both cases, Participant companies were involved in facilitating the retargeting of ads based on the sensitive browsing information. Ad Standards notes that in both cases, Participants were responsive, cooperative about providing information that Ad Standards requested, and concerned about the issues involved.

Complaint #1

In the first case, the complainant had been retargeted with an ad for an addictions facility. Ad Standards considers browsing data on an addictions website to constitute Sensitive Data.

An investigation of the complaint led Ad Standards to see that the publishing addictions facility (a non-participant) was using a Participant's ad technology product to retarget based on visits to its site. The Participant took the position that it was not itself collecting or using this data, and that the non-participant was best positioned to control the use of the technology for retargeting. Further, the Participant advised Ad Standards that a contract between the parties required the non-participant not to use the product to retarget ads based on sensitive browsing information.

As such, Ad Standards contacted the non-participant to advise them of the Sensitive Data principle, and to discourage the use of retargeting technologies in association with sensitive browsing data. Ad Standards also encouraged the Participant to diligently monitor the use of its technology platform for any misuse of Sensitive Data, whether perpetrated by itself or a third party.

Complaint #2

In the second case, the complainant had been delivered interest-based ads for a law firm specializing in personal debt and insolvency services. Ad Standards considers browsing data for bankruptcy and insolvency services site to constitute Sensitive Data.

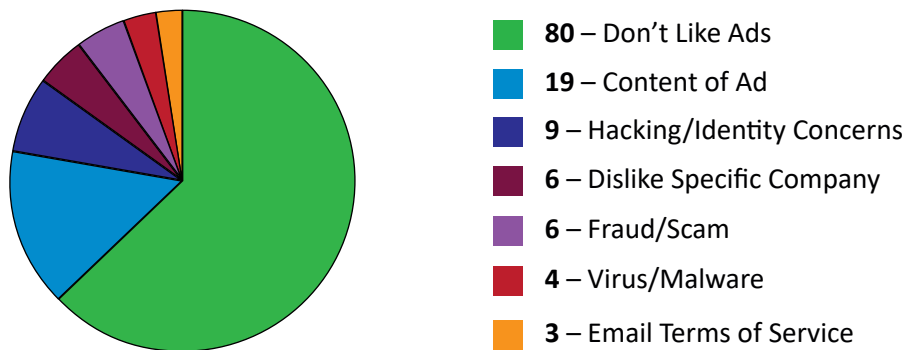
An investigation of the complaint showed that the company responsible for targeting the ad was a Third Party Participant. Ad Standards contacted the Participant to let them know that they appeared to be delivering ads based on Sensitive Data, and identified the advertiser. In response, the Participant promptly contacted the advertiser, and shut down its business account with the advertiser. Ad Standards is pleased to note that, as of the time of writing this report, the non-participant advertiser appears to have removed all third-party IBA cookies from its website.

Non-IBA Related Complaints

Of the 389 total complaints received, 127 appeared to be unrelated to IBA, and therefore did not raise concerns under the DAAC Principles.

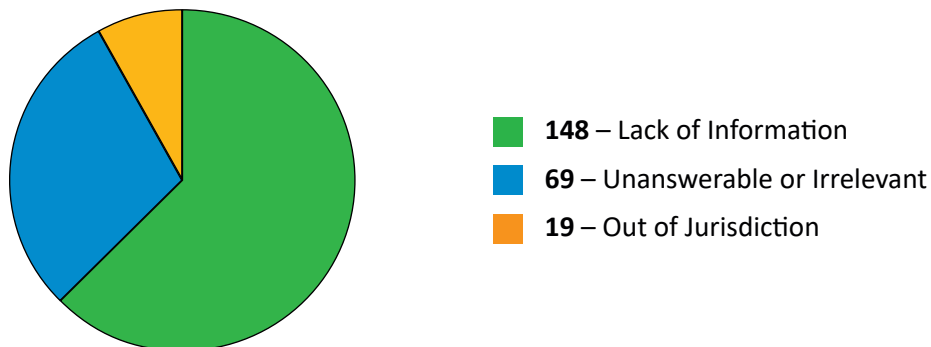
In most cases (80 of 127), the complainants desired to entirely eliminate advertising, or were unhappy with ads blocking content. An increasing number of complaints also appear to relate to pop-up ads, and issues with the presentations of ads on mobile devices in particular.

As in previous years, a smaller number of complaints cited concerns about hacking or identity theft, potential fraud or scams, and advertisements with content they found to be distasteful or inappropriate. Where possible, these complaints were redirected to Ad Standards' consumer complaints department.



Unable to Pursue

Ad Standards was unable to investigate or pursue the majority of all complaints received (**236 of 389**). In most cases, this was due to a lack of information provided by complainants, even following Ad Standards' best efforts to request additional information (**148 of 236**). In other cases, the complaints were irrelevant or unanswerable by reason of being incomprehensible/unreadable or entirely unrelated to advertising-related matters (**69 of 236**), or appeared to relate to matters or consumers outside of Canada (**19 of 236**). Where complaints fell outside of Ad Standards' jurisdiction, the complainants were redirected to the appropriate authority, where possible.



Overall, consumer complaints received by Ad Standards in 2019 reflect similar trends to previous years. There has been no remarkable change in the number of relevant, IBA-related complaints received, or in the subject matter of those complaints.

How to be Compliant – Best Practices for Participants

Companies have many laws and regulations to turn their attention to, and often multiple jurisdictions to consider, when considering making changes to their websites and mobile apps. It requires an ongoing effort to create websites and apps that provide a favourable experience to the consumer, are well-designed, promote their products and services effectively, and meet all of their legal, regulatory and self-regulatory obligations.

Below are a few points that Participants should keep in mind when building or updating websites and apps, implementing Opt-Out mechanisms, and updating privacy and technology policies:

- Most Participants are doing a good job of meeting the basic requirements of the Principles, but more can be done to improve. Ad Standards encourages Participants to review carefully their implementation of the Program requirements, and thoughtfully consider how to optimize the user experience by using layered notices, and easy-to-understand language.
 - o Pages 9-11 of our 2018 Compliance Report provide detailed advice to Participants on how to improve their IBA disclosures.
- It is important for First Parties to ensure that their Opt-Out Mechanisms are functional, and kept current with opt-outs for all Third Parties collecting and using data for IBA purposes on their websites. First Parties should have a system or schedule in place to ensure that this is reviewed on a periodic basis, or monitored and updated continually.
- Participants using external service providers to create and monitor Opt-Out Mechanisms should work with these service providers to find innovative ways to create a clearer and simpler experience for the consumer. Many Opt-Out Mechanisms require multiple steps to opt-out, or may cause confusion to the consumer about their opt-out status. It is important to step into the shoes of the average consumer, and carefully consider how user-friendly the opt-out experience is.
- Participants would be well-served to ensure that one or more of their staff are assigned to handle AdChoices compliance, and depending on available resources, consider forming a team of people who have experience in all areas that may be impacted: privacy, legal, marketing, UI/UX, and website/software development.
- In some cases, Ad Standards will ask Participants to provide information about its practices that cannot efficiently or reasonably be procured without the Participants' help. It is important for Participants to investigate diligently and answer the questions posed by Ad Standards, in order to allow Ad Standards to monitor compliance effectively, and preserve the integrity of the program. Participants should ensure that the information they provide to Ad Standards is comprehensive and accurate.
- In order to better understand their AdChoices obligations, Participants can:
 - o Review the Principles regularly;
 - o Read Supplementary Guidance released by DAAC;
 - o Refer to the resources in Appendix E of this report;
 - o See the infographic in Appendix F;
 - o Contact Ad Standards anytime to discuss potential changes to their websites and mobile apps, and how these changes might affect their compliance with AdChoices.

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  Choix de pub

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. Links to further information about IBA, and how to opt out.

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 – 1st and 3rd 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 Third 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 – 1st and 3rd 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:
 - a. describes Cross-App Data collection and use practices,
 - b. 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
 - c. states adherence to the DAAC Principles.
- Enhanced Notice should be conspicuously displayed and provided:
 - o before installation; or
 - o as part of the download process; or
 - o on first opening of an application; or
 - o 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

In order to understand the scope of the AdChoices Program and Ad Standards' role as the accountability partner, both companies and consumers are encouraged to review the key documents and tools that form AdChoices' foundation. Below are direct links to the full text of the Principles, supplementary guidance documents issued by DAAC, industry-created Opt-Out Mechanisms, as well as links to Ad Standards' compliance procedure, complaint submission form, and annual reports. All of these resources are available on DAAC and Ad Standards' respective websites.

[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 Compliance Procedure](#)

[Ad Standards IBA Complaint Submission Form](#)

[Ad Standards Compliance Reports – Previous Years](#)

Appendix F – 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 to find information about a company's IBA practices.



Be consistent.

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.

About Ad Standards

Ad Standards is the self-regulatory body for Canada's advertising industry. Through member support and cooperative industry initiatives, we build public confidence in advertising by helping ensure ads, in all media, are truthful, fair and accurate. We administer the *Canadian Code of Advertising Standards*, which sets criteria for acceptable advertising, and provide a mechanism for adjudicating and resolving consumer complaints and competitive disputes. We also review advertising creative and offer consultative services to help ensure compliance with relevant laws and regulatory guidelines. Our collaborative relationships with Canadian regulators and global self-regulatory organizations provide a diversity of valuable insights, which inform our initiatives and goals.

Contact Information

Toronto Office

33 Bloor Street East, Suite 303

Toronto ON, M4W 3H1

Phone: (416) 961-6311

Montreal Office

505 René-Lévesque Boulevard West, Suite 1250

Montreal QC, H2Z 1A8

Phone: (514) 931-8060

info@adstandards.ca

www.adstandards.ca



© 2020 Advertising Standards Canada

This report is the property of Ad Standards and may not be reproduced, in whole, or in part, without prior permission from Ad Standards.