



Global Industry Statement on An Institutional Arrangement for Partnership on Data Free Flow with Trust

The undersigned industry and non-governmental organizations support the efforts of Group of Seven (G7) governments to operationalize a vision of *Data Free Flow with Trust* (DFFT) that strengthens the ability to transfer data across transnational digital networks while building digital trust.

We observe that the ability to access and transmit information across transnational digital networks supports governmental policy objectives, including those relating to cybersecurity, digital transformation, environmental sustainability, financial inclusion, health, innovation, privacy, and trade.

Unfortunately, the OECD has calculated an 800 percent increase in policies that undermine the ability to transfer data across transnational digital networks. The OECD's 2023 Services Trade Restrictiveness Index explains that the average cumulative increase in such policies was five times higher in 2022 than in 2021 and that barriers to cross-border data transfers topped the list of restrictions.

This increase in cross-border data restrictiveness is not simply unsustainable; it is irreconcilable with shared global goals to address cybersecurity risk, climate change, public health and safety, organized crime, illicit finance, and many other cross-border challenges. Without a shared commitment to permit the cross-border exchange of information, our collective ability to protect ourselves from a wide array of environmental, economic, health, safety, and security threats will be greatly diminished.

We therefore urge G7 Parties to explore concrete approaches to advancing DFFT. These should include: (a) aligning their own data transfer policies across economies and with international standards; (b) promoting and strengthening cross-border data interoperability mechanisms, such as the Global Cross-Border Privacy Rules Forum; (c) analyzing the importance of data transfers – and the costs of restrictions – in key sectors; and (d) collectively supporting the OECD Declaration on Government Access to Personal Data Held by Private Sector Entities.

We also urge the G7 Parties to support a public-private commitment to digital trust: Governments should not disturb the presumption favoring the seamless movement of data across digital networks. Governments should also not limit data transfers for protectionist purposes or via measures that are more restrictive than necessary. Finally, governments should support digital trust by incorporating stakeholder engagement, transparency, accountability, and consistency with good regulatory practices.

To complement the actions of the G7 Parties, private entities can facilitate digital trust by adhering to high standards of digital responsibility, including through the adoption of strong internal controls in relation to cybersecurity, data security, financial transparency, and other regulatory compliance objectives. In connection with personal data protection, private entities should adhere to the so-called “accountability principle,” under which organizations implement procedures to ensure that data will continue to be protected, even if it is transferred to countries other than where it was first collected. The accountability principle was first developed by the OECD and was subsequently integrated into the EU's General Data Protection Regulation (GDPR) and the privacy frameworks of Canada, Japan, the UK, and many other countries.

In view of the foregoing considerations, we support the concept of an “Institutional Arrangement for Partnership” that is carefully crafted to advance – and not undermine – DFFT by reflecting a shared commitment among G7 Parties to:

1. Support international and domestic rules that favor the seamless and responsible international movement of data.
2. Ensure that any domestic measures that may impact the international movement of data are:
 - a. Developed in a transparent and accountable manner;
 - b. Non-discriminatory;
 - c. Necessary to achieve a legitimate objective;
 - d. Consistent with relevant international standards; and
 - e. Interoperable with other countries’ legal frameworks.
3. Avoid specific technology mandates, particularly if a rigorous cost-benefit analysis has not been undertaken and if such mandates are not based on international standards and may distort marketplace conditions.

We thank the G7 Parties for promoting “Data Free Flow with Trust” so that data transfers can continue to support the economy, environment, education, health, privacy, safety, security, and other important cross-border data policy imperatives.

Sincerely,

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| 1. ACT The App Association | 20. International Chamber of Commerce |
| 2. American Council of Life Insurers | 21. Japan Information Technology Services Industry Association |
| 3. Asia Internet Coalition | 22. Japan Electronics and Information Technology Industries Association |
| 4. Australian Services Roundtable | 23. Japan Machinery Center for Trade and Investment |
| 5. Biotechnology Innovation Organization BIO | 24. Japan Services Network |
| 6. BSA The Software Alliance | 25. MedTech Europe |
| 7. Canadian Chamber of Commerce | 26. National Foreign Trade Council |
| 8. Center for International Economic Collaboration | 27. Pharmaceutical Research and Manufacturers of America |
| 9. Coalition of Service Industries | 28. Software & Information Industry Association |
| 10. Computer & Communications Industry Association | 29. TechUK |
| 11. Computing Technology Industry Association | 30. TheCityUK |
| 12. Confederation of Industry of the Czech Republic | 31. TECHNATION Canada |
| 13. Consumer Technology Association | 32. The Japan Business Council in Europe |
| 14. eco - Verband der Internetwirtschaft e.V. (eco – Association of the Internet Industry) | 33. U.S. Chamber of Commerce |
| 15. European Games Developer Federation | 34. U.S. Council for International Business |
| 16. European Services Forum | 35. World Innovation Technology and Services Alliance |
| 17. Global Data Alliance | |
| 18. InfoBalt Lithuania | |
| 19. Information Technology Industry Council | |