

## PIPEDA –WHAT IT MEANS FOR YOUR BUSINESS

By Lee Carter-Godfrey  
Managing Director  
**internet : intelligence**

PIPEDA is an acronym for “Personal Information and Privacy of Electronic Documents Act”. This piece of legislation is an Act to govern the privacy and security of personal information. Its early precedents originated in California and Europe. The Act protects personally-identifying data, such as name and address. However, non-personal data – like a postal code – is not protected. The Act has extensive powers to protect medical information and social insurance numbers.

PIPEDA came into effect January 1, 2002, after a 2-year grace period, which was given to allow businesses to ‘make the shift’. This grace period ended on January 1, 2004. Currently, data privacy must be considered a necessity in any business plan.

Your business plan should include direction for privacy policies, data security procedures and control measures. Ensuring your business is in complete compliance with PIPEDA is not only legally mandatory, but it also makes good business sense. Lack of privacy procedures can not only damage your business reputation, but may result in considerable cost to your business in terms of both time and money. Precedent cases in the United States have resulted in convictions, fines and even jail sentences!

Your business must have an explicit privacy policy regarding the collection, use and storage of personal information. This can include the personal information of your clients, suppliers, partners and/or employees. All of these people must be considered in your policy, and the necessary points spelled out in clear and concise terms, for both your clients and employees.

eMail is a main area of concern. There are number of elements required to make an eMail campaign fall in line with PIPEDA legislation. Ideally, you should provide

- a double opt-in message – where permission to send is received both at time of sign-up, and upon receipt of the first message
- identification of the message source – including, if you send eMail to US-based recipients, a postal address for the message origin
- an “unsubscribe” function – which is a mandatory element, under the Act

