




Privacy & Data Protection

Enabling Business Growth in Times of Regulatory Change

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August 2016



Our Changing World

CHANGING WORLD

Changing World – Data



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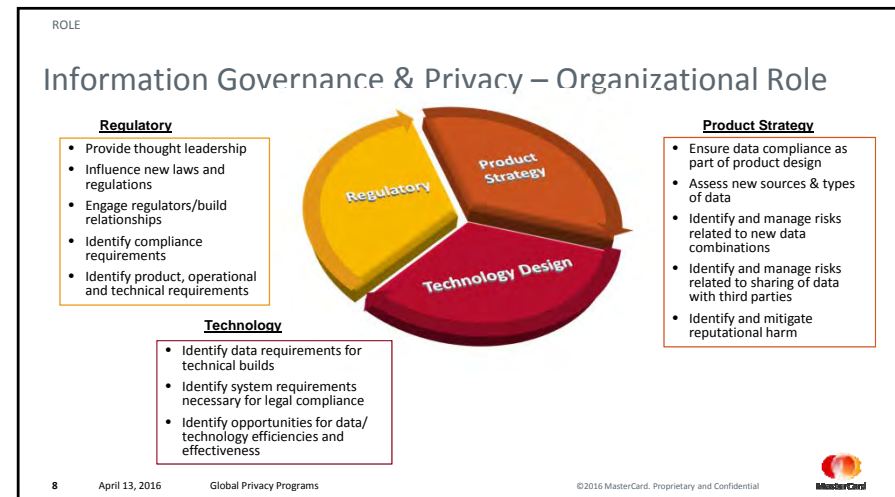
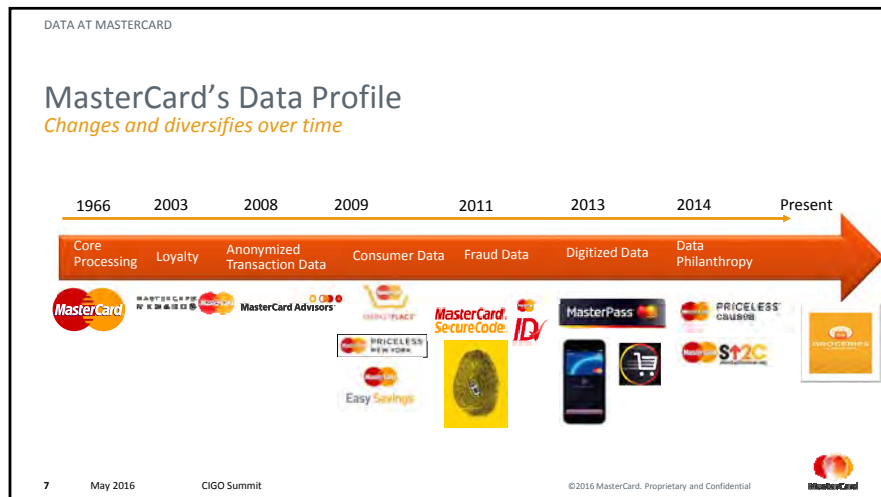
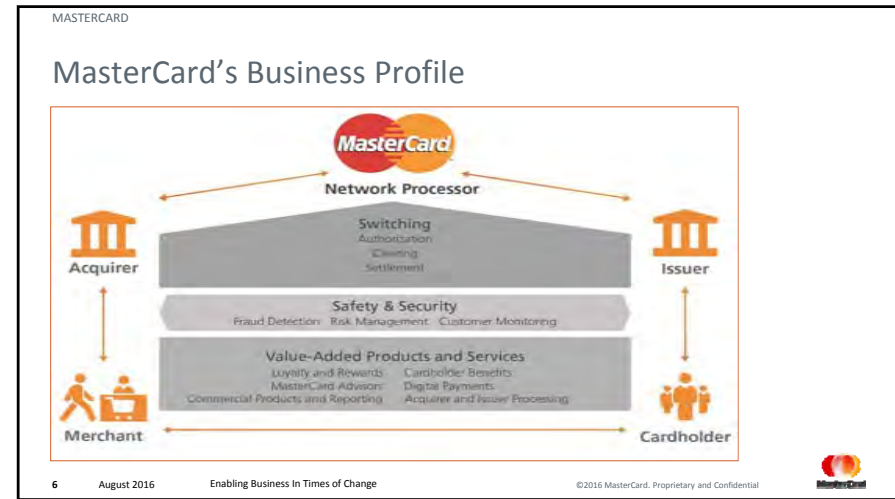
CHANGING WORLD

Changing World – Policy & Regulation



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Mastercard's Program



PRIVACY PROGRAM

Privacy Program at MasterCard

Compliance

- Legal & Data Inventories
- Policies, Standards, Procedures
- Regulatory Filings
- Data Transfer solutions

Privacy By Design

- Integrate in product development process
- Work as a key business advisor
- Ensure accurate system and process implementation

Regulatory

- Monitor new and pending laws and regulations
- Regulatory outreach to explain business implications of new or evolving law

Organization Engagement

- Provide training
- Understand privacy requirements in all business areas
- Create key partnerships and drive controls

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EXPANDED PROGRAM

Privacy & Information Governance

Strategy

- Data as an element of product design
- Information Assets managed to ensure maximum value – across business teams

Standards & Procedures

- Data Policies & Procedures
- Governance of sharing with third parties
- Coordination with other information security and other control functions

Product Design

- Formalize data as a key design element
- Identify and manage data complexity
- Proactively identify new data risks

Infrastructure

- Identify data requirements
- Build new functionality to manage data as an asset
- Act as a key advisor for tech teams

Risk Management

- Identify & solve risks related to:
 - new data types
 - sources

Communication

- Data Literacy
- Training

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METHODOLOGY

Flexible Approach

- Consider Data at Design inception
- Evaluate data sources for risks and related compliance

- Understand data use – ensure transparency
- Establish baseline compliance requirements

- Ensure privacy is part of product development
- Privacy included during technology build
- Automate if possible

- Understand risks of data output
- Utilize data minimization tools – de-identification, minimize retention

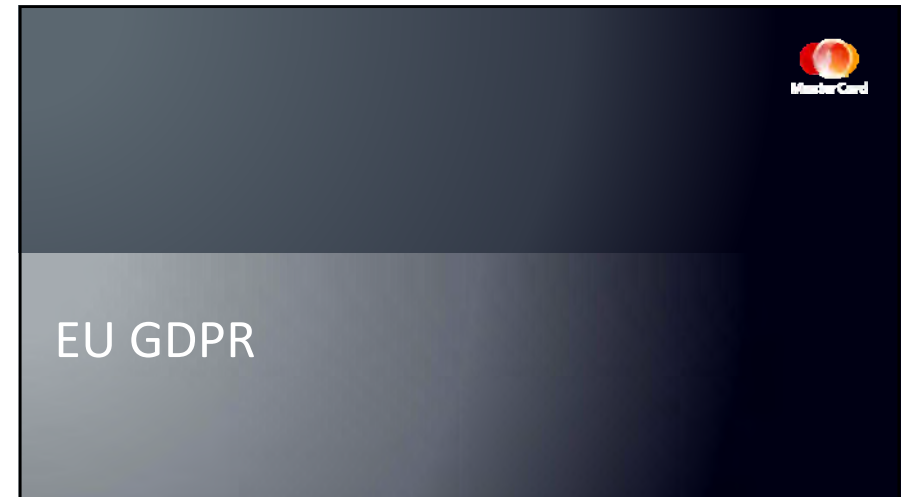
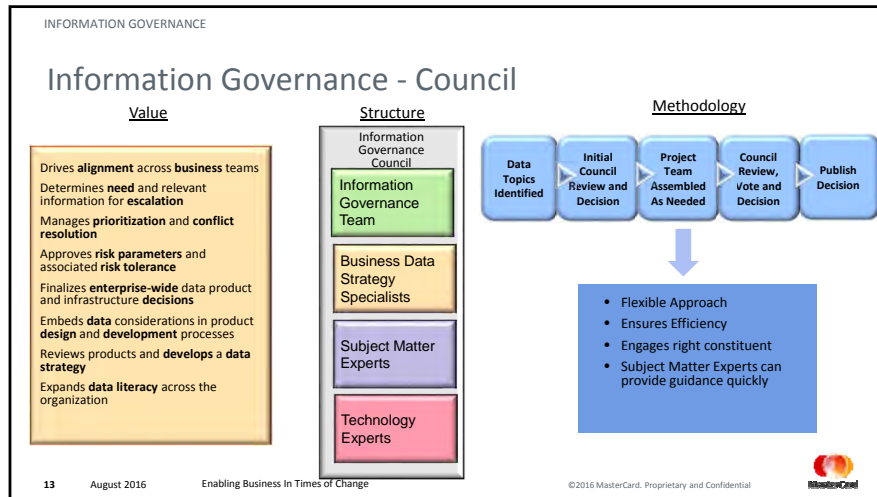
Security
Business Engagement
Senior Management Sponsorship

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PRODUCT DESIGN

Privacy By Design/Data By Design

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GDPR

EU General Data Protection Regulation (GDPR): A Multi-Year Plan

- ✓ Takes effect May 2018, but we will see implementing acts clarifying the current language over the next 15 months or so
- ✓ Replaces the existing EU Data Protection Directive in its entirety
- ✓ One single law for all 28 EU member states – a single set of rules applicable to all, but we will still see some variety in implementation
- ✓ Applicable to companies both inside and outside EU that process data of European Citizens

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GDPR

EU General Data Protection Regulation

The Good News – What Stays the Same ...

- The law still applies to all personal data
- Responsibility for compliance continues to be allocated to parties in the roles of “controller” and “processor”
- Some concepts are likely to be good for business:
 - Regulation – harmonization of laws across Europe
 - One-stop-shop – lead regulator or Supervising Authority



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GDPR

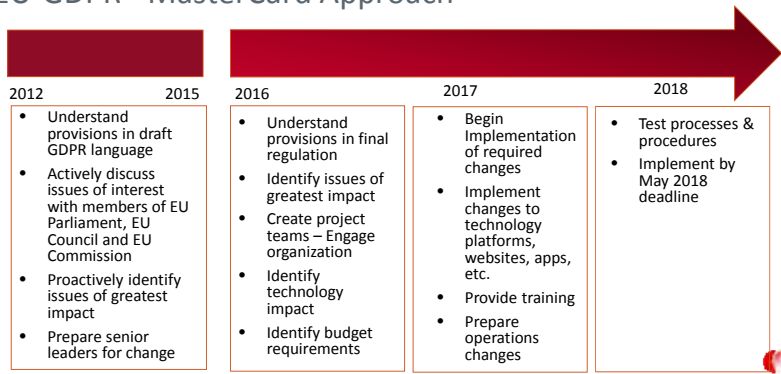
Key Provisions - Highlights

Privacy By Design/Privacy Impact Assessments	<ul style="list-style-type: none"> • Implement appropriate technical and organizational safeguards when designing systems • Data Protection Impact Assessments
Profiling	<ul style="list-style-type: none"> • Profiling is allowed – BUT requires the data subject’s consent
Notice	<ul style="list-style-type: none"> • ALL Requirements under the Directive PLUS specific uses of data • The right to complain to the Supervising Authority • Must disclose method for cross border data transfers
Consent	<ul style="list-style-type: none"> • Increased Requirement especially for sensitive data including biometrics • Consent Language Must be Explicit
Data Protection Officers	<ul style="list-style-type: none"> • All business must appoint at DPO if they have large scale activities or process special categories of personal data
Data Breach Reporting	<ul style="list-style-type: none"> • Data Breaches must be reported to the Supervising Authority within 72 hours of being discovered

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GDPR APPROACH

EU-GDPR - MasterCard Approach



2012	2015	2016	2017	2018
<ul style="list-style-type: none"> • Understand provisions in draft GDPR language • Actively discuss issues of interest with members of EU Parliament, EU Council and EU Commission • Proactively identify issues of greatest impact • Prepare senior leaders for change 		<ul style="list-style-type: none"> • Understand provisions in final regulation • Identify issues of greatest impact • Create project teams – Engage organization • Identify technology impact • Identify budget requirements 	<ul style="list-style-type: none"> • Begin Implementation of required changes • Implement changes to technology platforms, websites, apps, etc. • Provide training • Prepare operations changes 	<ul style="list-style-type: none"> • Test processes & procedures • Implement by May 2018 deadline

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GDPR APPROACH

Managing Change – EU GDPR

Step One: **Take time to digest what the GDPR means for your organization.**

- Understand the provisions of the GDPR
- What are the implications for your various lines of business
- There are legal implications, but more importantly – operational changes and technical changes that will be required

Step Two: **Create project teams of experts from across your organization.**

- The implementation of the GDPR is NOT a legal exercise alone
- Make sure your senior management understands its implications – create the story of what this will mean – the fines alone should get their attention
- Assemble the team of experts from technology, operations, product design, marketing, sales, information security as well as compliance and privacy

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GDPR APPROACH


Managing Change – EU GDPR

Step Three: **Organize your advice and prioritize what needs to be done. Select who will lead the topic for your organization – as decisions will need to be made.**

We have 20 topics

#	Key Topic	Lead	Priority
1	Explicit Consent (detailed & suggested solutions)	Julia Bonder-LeBerre	High
2	Profiling (including right to object)	Caroline Louveau	High
3	Anonymization (development of new solution)	Andrew Reiskind	High
4	Legal Bases for Processing Personal Data (including purpose limitation)	Loretta Marshall	Medium
5	Privacy Notices (including what new information must be included – and technical implementations)	Miguel Denegri	Medium
6	Individual Rights (including data access requests and complaints, right to be forgotten, data portability, right to the restriction of processing)	Loretta Marshall	Medium


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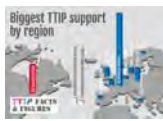
Everything Else

EVERYTHING ELSE


Managing Change – Other Issues




Data Transfers




Data as a Trade Issue



Cyber Crime



Data Localization



Data Philanthropy

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EVERYTHING ELSE

How to Manage All of the Rest...

- 1 **TAKE A DEEP BREATH**
- 2 **GAIN SENIOR LEADER SPONSORSHIP**
- 3 **REACH OUT AND GET BUSINESS PARTNER ENGAGEMENT**
- 4 **DON'T DO IT ALONE – THERE ARE RESOURCES TO HELP!**
- 5 **TAKE ANOTHER DEEP BREATH**
- 6 **PARTNER WITH YOUR TECHNOLOGY COLLEAGUES**
- 7 **REMEMBER WE ARE LIVING IN AMAZING TIMES – NO ONE HAS DONE THIS BEFORE**
- 8 **SOMETIMES THERE WILL NOT BE “THE RIGHT” ANSWER, JUST “THE BEST” ANSWER**
- 9 **ENJOY THE RIDE ... REMEMBER YOU ARE INNOVATING TOO!**

AND ...

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The people who are crazy enough to think they can change the world are the ones who do.

Steve Jobs

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