GLOBAL DATA ALLIANCE
TRUST ACROSS BORDERS

# HOW INTERNATIONAL DATA TRANSFERS ENHANCE CYBERSECURITY

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- BSA | The Software Alliance (www.bsa.org) is the leading advocate for the global enterprise software industry.
- Our members are among the world's most innovative companies, creating software solutions that help businesses of all sizes in every part of the economy to modernize and grow.
- With headquarters in Washington, DC, and operations in markets in North and South America, Europe and the Indo-Pacific, BSA advocates for public policies that foster technology innovation and drive growth in the digital economy.

# BSA GLOBAL AND REGIONAL MEMBERS

Adobe
Akamai
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aws
Ansys
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Bentley
Advancing Infrastructure
BlackBerry
box
chaos
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CLOUDFLARE
COREL
DASSAULT SYSTEMES

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Dropbox
elastic
exocad
GERBER
TECHNOLOGY
GRAPHISOFT
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Trellix
TREND MICRO
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TriNet

twilio
Unity
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workday
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- The Global Data Alliance is a cross-industry coalition of companies that are committed to high standards of data responsibility and that rely on the transfer of data around the world to innovate and create jobs.
- Amid rising digital protectionism, a multi-sector voice is needed to support sensible and responsible cross-border data policies around the world.
- The Global Data Alliance provides that voice.

# GDA MEMBERS

Global Data Alliance members include BSA members and the following:

Abbott AIG AMERICAN EXPRESS AMGEN APPLIED MATERIALS AT&T BD

FedEx citi cognizant cortex ExxonMobil EY gm

IKEA LEGO LUMEN Medtronic MetLife NETFLIX

NTT ORGANON Panasonic Pfizer RELX Roche S&P Global

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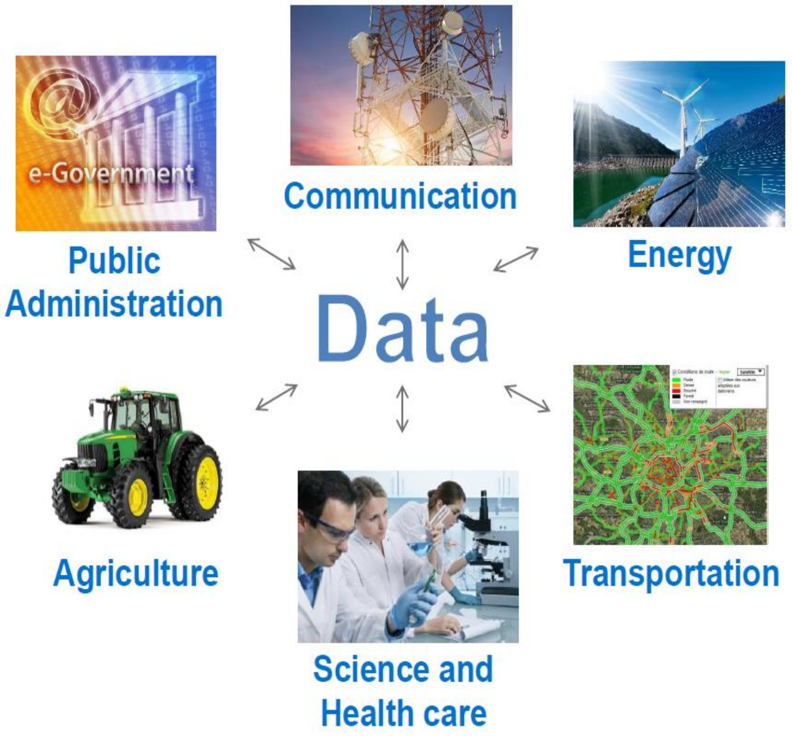
** GDA trial members: Aurora, Cigna, ENI, Expeditors, HanesBrands, Honeywell, HSBC, Iris Automation, JP Morgan, Johnson & Johnson, Liberty Mutual, Nasdaq, Nielsen, Resmed, Revolut, S&P Global, Samsung, SwissRe, Temasek, Warner Bros. Discovery

# ABOUT DATA & DATA TRANSFERS

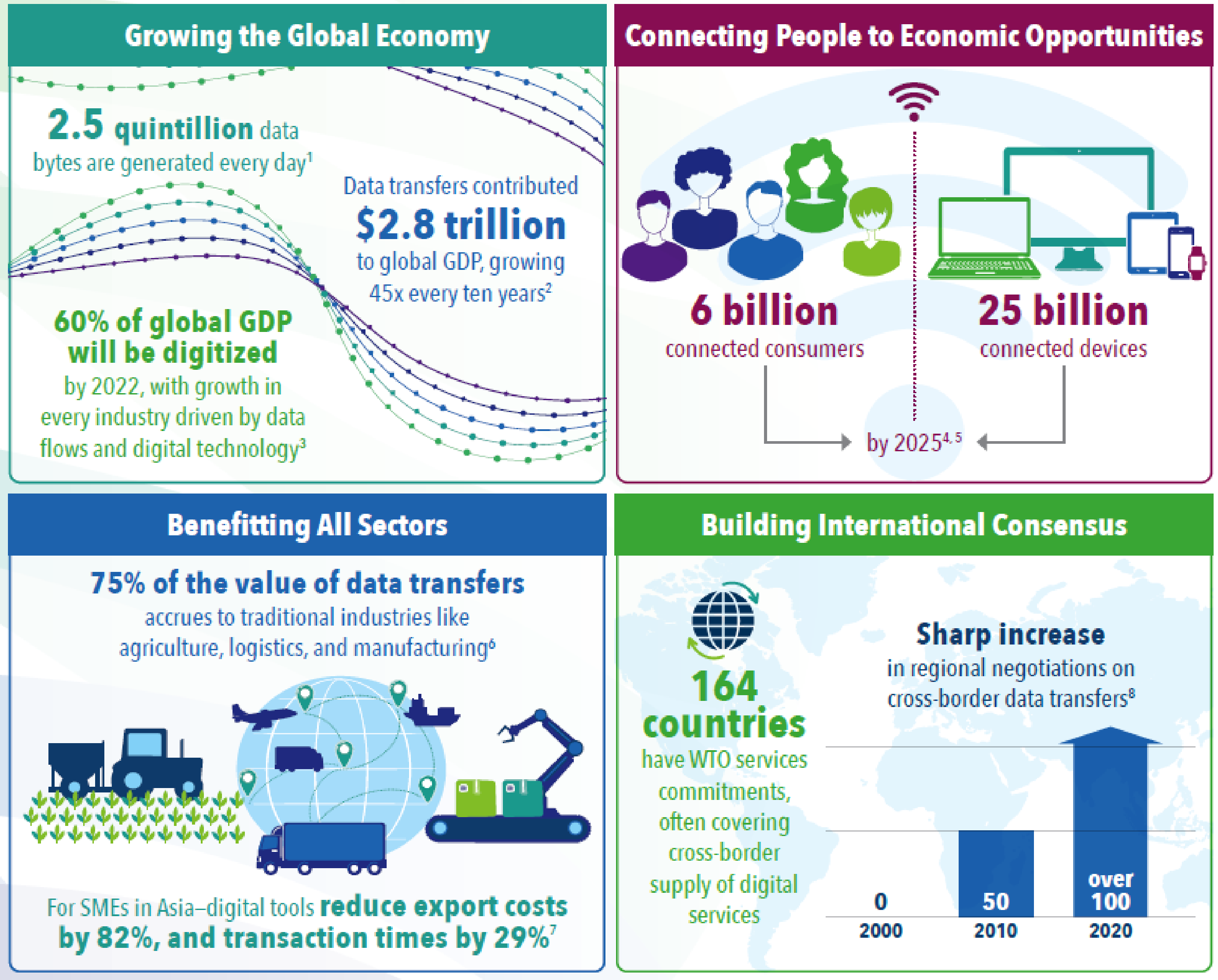
- What is a Data Transfer?
  - "Cross-border data transfers" refer to the movement or transfer of information across IT networks.
  - Consumers and companies of all sizes rely on data transfers across countries, regions, continents.
    - Any communication to a person / device in another country
    - Financial transactions
    - Data for product safety approvals
    - Data and tools to protect consumers from fraud, ID theft, malicious cyberattacks
    - Data to identify dangerous counterfeit products (e.g., distribution patterns / sources / markers of such products)
    - Data to optimize supply chain (reducing carbon intensity of int'l trade)



Source: OECD

# ABOUT DATA & DATA TRANSFERS

## Cross-border Data Transfers – Facts & Figures



### Growing the Global Economy

**2.5 quintillion** data bytes are generated every day[1]

Data transfers contributed **$2.8 trillion** to global GDP, growing 45x every ten years[2]

**60% of global GDP will be digitized** by 2022, with growth in every industry driven by data flows and digital technology[3]

### Connecting People to Economic Opportunities

**6 billion** connected consumers

**25 billion** connected devices

by 2025[4, 5]

### Benefitting All Sectors

**75% of the value of data transfers** accrues to traditional industries like agriculture, logistics, and manufacturing[6]

For SMEs in Asia–digital tools **reduce export costs by 82%, and transaction times by 29%**[7]

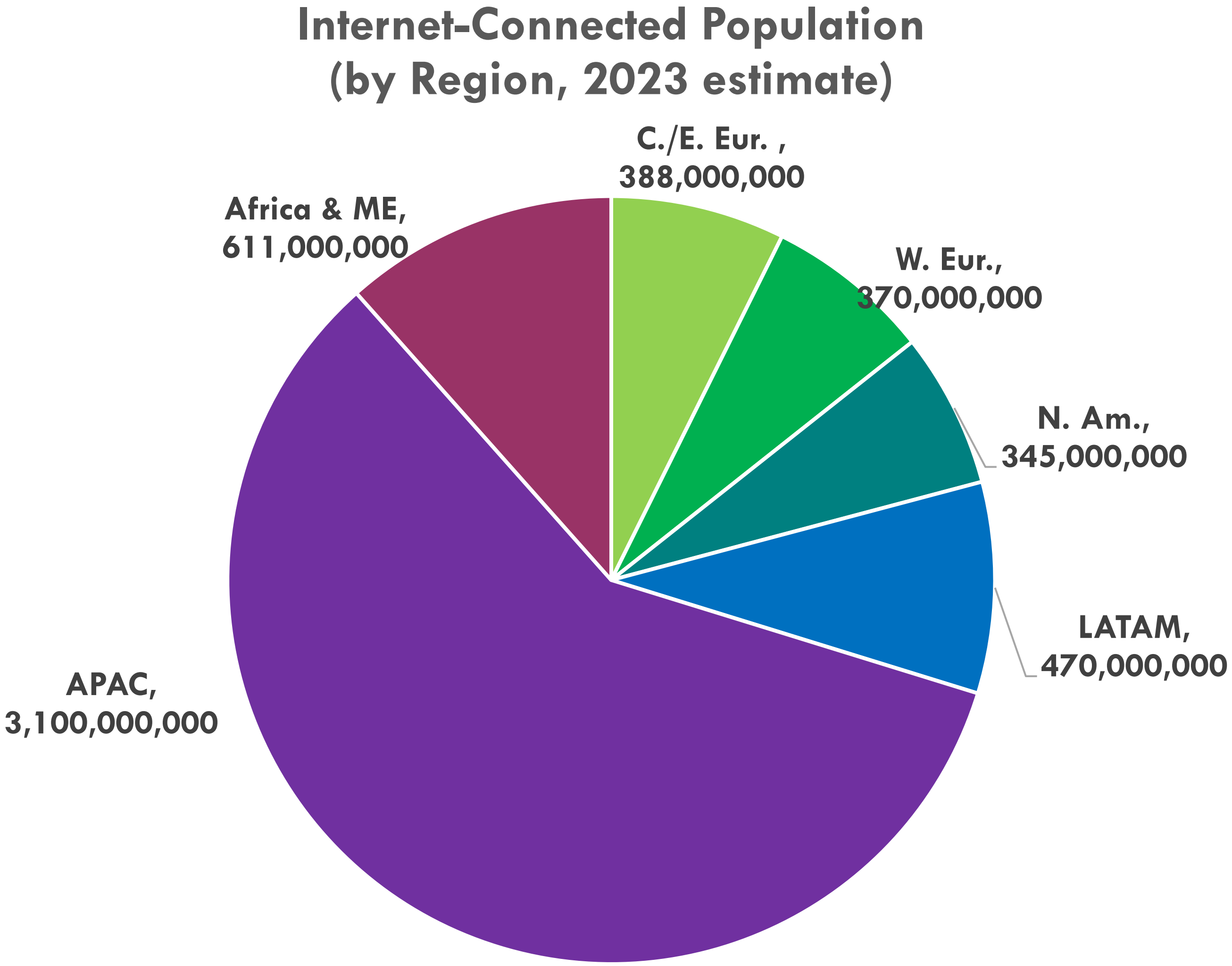
### Building International Consensus

**164 countries** have WTO services commitments, often covering cross-border supply of digital services

**Sharp increase** in regional negotiations on cross-border data transfers[8]

www.globaldataalliance.org/downloads/gdafactsandfigures.pdf

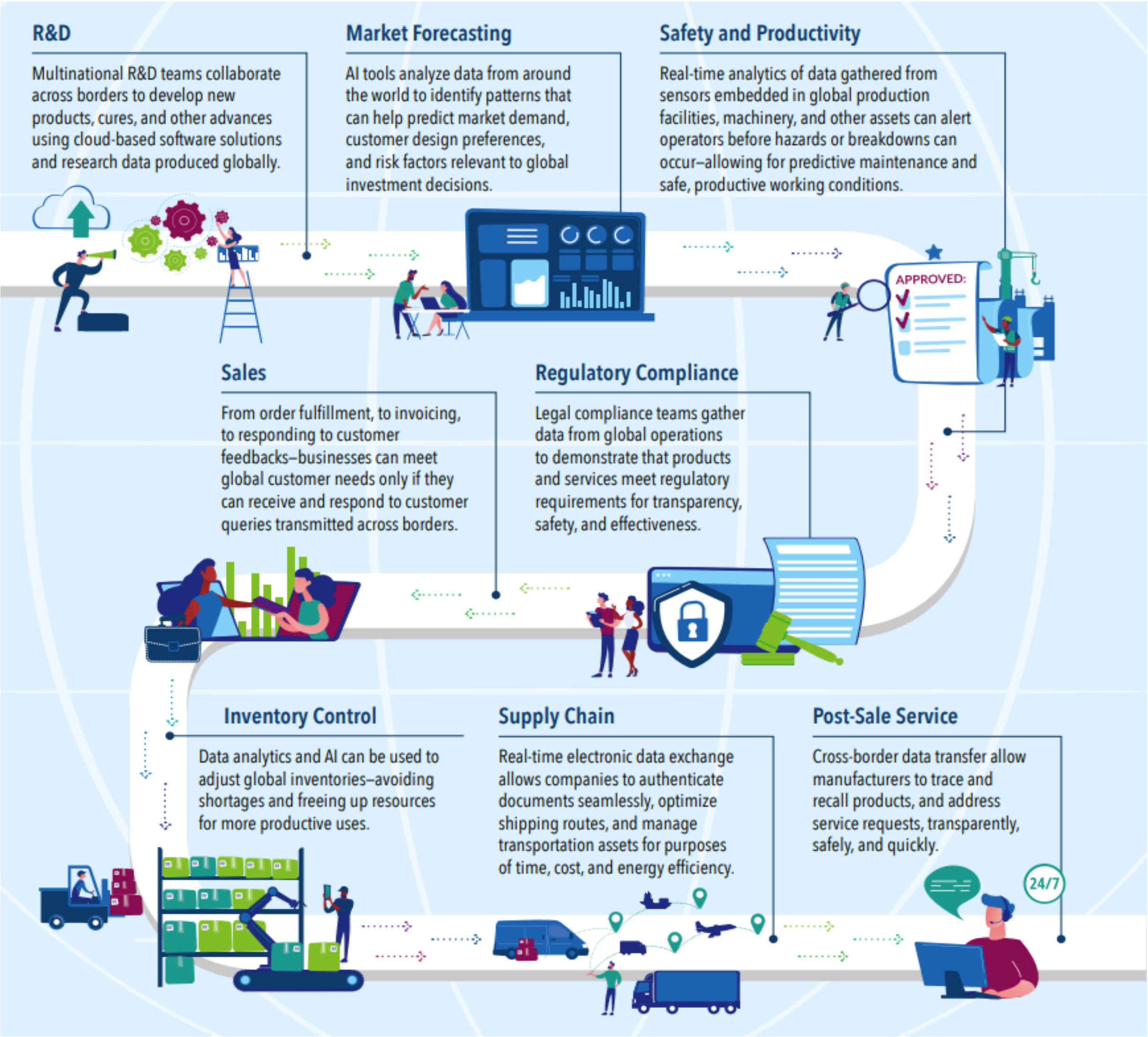
# DATA TRANSFERS ACROSS REGIONS



Cisco, *Annual Internet Report 2018–2023* (2020), https://www.cisco.com/c/en/us/solutions/collateral/executive-perspectives/annual-internet-report/white-paper-c11-741490.pdf.

# ABOUT DATA & DATA TRANSFERS

## Data Transfers at Every Stage of the Value Chain



### R&D

Multinational R&D teams collaborate across borders to develop new products, cures, and other advances using cloud-based software solutions and research data produced globally.

### Market Forecasting

AI tools analyze data from around the world to identify patterns that can help predict market demand, customer design preferences, and risk factors relevant to global investment decisions.

### Safety and Productivity

Real-time analytics of data gathered from sensors embedded in global production facilities, machinery, and other assets can alert operators before hazards or breakdowns can occur–allowing for predictive maintenance and safe, productive working conditions.

### Sales

From order fulfillment, to invoicing, to responding to customer feedbacks–businesses can meet global customer needs only if they can receive and respond to customer queries transmitted across borders.

### Regulatory Compliance

Legal compliance teams gather data from global operations to demonstrate that products and services meet regulatory requirements for transparency, safety, and effectiveness.

### Inventory Control

Data analytics and AI can be used to adjust global inventories–avoiding shortages and freeing up resources for more productive uses.

### Supply Chain

Real-time electronic data exchange allows companies to authenticate documents seamlessly, optimize shipping routes, and manage transportation assets for purposes of time, cost, and energy efficiency.

### Post-Sale Service

Cross-border data transfer allow manufacturers to trace and recall products, and address service requests, transparently, safely, and quickly.

www.globaldataalliance.org/downloads/infographicgda.pdf

# CROSS-BORDER DATA TRANSFERS & CYBERSECURITY

Cross Border Data Transfers Are Critical to Cybersecurity Because They Allow Companies to:

- Monitor Data Traffic Patterns, Identify Anomalies, and Divert Potential Threats Using Real-Time Data
- Store Data in Geographically Diverse Regions and to Obscure Data Location to:
  - Reduce Physical Threats
  - Improve Latency
  - Maintain Redundancy, Resilience, and Continuity of Operations in the Event of Physical Damage to a Data Storage Location

# RISKS FROM DATA TRANSFER RESTRICTIONS AND DATA LOCALIZATION REQUIREMENTS

- Impede Integrated Cybersecurity Planning
  - Restrictions force organizations to adopt a siloed approach to data, often restricting the locus of certain data, but not others.
  - This differentiation creates unnecessary technical complexity without any corresponding benefit to security.
  - Artificial requirements to store data within borders strain the people, processes, and technologies an organization needs to manage its cybersecurity risk.
- Impede Visibility of Cybersecurity Risks
  - If cyber defenders cannot access threat indicators or other cybersecurity data collected in one jurisdiction, it becomes harder to address malicious cyber activity in other jurisdictions.
- Impede Cross-Border Collaboration, Information Sharing, and Other Coordinated Network Defense Mechanisms
  - This provides malicious actors, that do NOT respect local legal requirements, a lasting structural advantage over entities and service providers that do.

# RISKS FROM DATA TRANSFER RESTRICTIONS AND DATA LOCALIZATION REQUIREMENTS

- Impede Use of Third-Party Cybersecurity Services
  - Many organizations amplify their own cybersecurity risk management through third-party cybersecurity service providers.
  - Best-in-class services depend on access to cyber data from around the globe and, without this access, these services and their users become more vulnerable to compromise.
- Impede Cybersecurity Resilience
  - The misconception that keeping data only within national boundaries will increase its security can create significantly more risk by preventing efficient geographical distribution and dispersion of data.
- Impede Availability of Competitive Globally Available Products and Services
  - Little to no cybersecurity benefit to localizing data within borders – security depends on the entity holding the data and the technical security controls applied to them. Decisions about these security controls should be risk-based and outcomes-based and not prescriptive.
  - Protectionist policies, or those designed to bolster simple concepts of “data sovereignty” dimmish the role of laws and policies that effectively improve cybersecurity.

# THE PATH FORWARD

- Promote International Data Transfers
- Encourage Risk-Based Protections That:
  - Create a conducive environment for innovation and competition
  - Improve cybersecurity by allowing organizations to select the technology providers that best meet their operational needs and provide state-of-the-art cybersecurity protections

# RESOURCES

- www.bsa.org
- https://www.bsa.org/policy-issues/cybersecurity
- https://www.bsa.org/policy-filings/global-principles-for-government-cloud-security-laws-and-policies
- https://globaldataalliance.org/
- https://globaldataalliance.org/issues/cybersecurity/
- https://bit.ly/47uOqnA

# GLOBAL DATA ALLIANCE

TRUST ACROSS BORDERS

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