

DFFT (DATA FREE FLOW WITH TRUST) INITIATIVE

Contribution to G7 Digital and Technology Ministers'
Meeting



Round Table Meeting for Data Society.

Introduction

This report results from discussions and recommendations by private sector participants in the data collaboration business from Japan, the U.S.A., India, and Europe to the G7 Digital Technology Ministerial Meeting to realize the "DFFT."

Fair and free flow and utilization of data by multi-stakeholders across countries, regions, and fields benefit the realization of a healthy society, the data society, that transcends these boundaries. In this data society, the guideline principle for data-free flow should be the adherence to the sovereignty of independent individuals, technologies, and organizations. Unilateral collection and control of data by specific institutions or authorities threaten the realization of the data society. Based on these premises, we support the Data Free Flow with Trust (DFFT) policy, which allows those who share common values to share data with high trust.

1. Proposal

Here's a summary of policy proposals for achieving DFFT (Data Free Flow with Trust) among G7 countries while respecting each country's sovereignty and regulatory framework.

① Develop a common framework for data protection and privacy:

Each country should work towards developing a common framework that respects individual privacy and data protection. This framework should be based on international standards and best practices.

② Promote data literacy:

Promoting data literacy and education among citizens and organizations is essential to help them understand the value of their data and how it is used. This will help to build trust between stakeholders.

③ Foster international cooperation:

International cooperation is essential for achieving DFFT. G7 countries should cooperate to promote international data flow rules and standards and establish a common understanding of data protection and privacy.

④ Enhance cybersecurity measures:

G7 countries should prioritize enhancing cybersecurity measures to prevent cyberattacks and data breaches. This will help to build trust and ensure the security of cross-border data flow.

⑤ Encourage data portability:

Encouraging data portability will give individuals more control over their data and promote business competition. This will also facilitate cross-border data flow and foster innovation.

⑥ Promote the interoperability of data and data exchange mechanisms:

Interoperability of data and data exchange mechanisms are essential for facilitating the flow of information between stakeholders, requiring them to clearly describe the data products to be shared, including but not limited to data structures, data formats, taxonomies, usage restrictions, and license terms.

⑦ **Adopt transparent data handling practices:**

Each country should adopt transparent data-handling practices to build trust and ensure accountability. This will also help to prevent the unethical or illegal use of data.

⑧ **Respect each country's sovereignty and regulatory framework:**

Each country has its unique regulatory framework, and it is essential to respect this framework while promoting cross-border data flow. This will require collaboration and negotiation between stakeholders.

⑨ **Data usage right**

Each country should consider establishing a standard system to prove and protect the legitimacy of data usage right. Standardization of data use rights shall accelerate the sharing and distributing of data that is non-tangible and cannot be exclusively owned.

⑩ **Role of data intermediation services**

Data intermediation services providers are essential in facilitating data exchange amongst various stakeholders. They must be recognized and regulated to ensure neutrality and transparency while individuals and organizations control their data entirely.

⑪ **Discussion body for DFFT**

The Discussion Body should include experts from technology, business, government, and law to establish an international policy to promote a practical DFFT framework, reflecting on ongoing international discussions on policy, practice, and technical standards by private organizations.

Overall, each country should take ownership and work towards achieving DFFT while emphasizing the importance of privacy, security, trust, and interoperability. By working together and adopting common standards, G7 countries can promote cross-border data flow while respecting each country's sovereignty and regulatory framework.

2. *Contribution of the private sector:*

The private sector has much to do to make DFFT a reality. Cooperating internationally to expand business opportunities and create innovation through data utilization is essential. Some attempts to do so have already begun. (https://data-society-alliance.org/wp-content/uploads/2023/02/PressRelease_Roundtable_rev3.pdf)

The private sector should cooperate in the following areas:

① **Development of technology and infrastructure:**

Private companies can invest in developing new technologies and infrastructure to support DFFT. This can include secure and trusted data-sharing technologies, identity verification, privacy protection, interoperability, and data portability.

② **Promotion of international standards:**

Private companies can work with international standard development organizations to develop and promote standards for DFFT. This can help ensure that different systems and technologies are compatible and facilitate data exchange across borders.

③ **Collaboration with governments:**

Private companies can collaborate to develop policies and regulations supporting DFFT. This can involve providing input and feedback on proposed rules and working with governments to address any concerns or challenges during implementation.

④ **Education and awareness:**

Private companies can play a role in educating the public and other stakeholders about the benefits of DFFT and the steps that are being taken to ensure its security and privacy. This can help build trust and support for DFFT and encourage greater technology adoption.

3. Future action plan

To ensure the implementation of these proposals, the G7 chair country should establish and operate a discussion body consisting of industry, government, and academia. This body would be responsible for developing a concrete action plan and negotiating necessary agreements to realize DFFT. The involvement of various stakeholders would help promote transparency and inclusivity in the decision-making process, ultimately leading to the successful implementation of DFFT.

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