



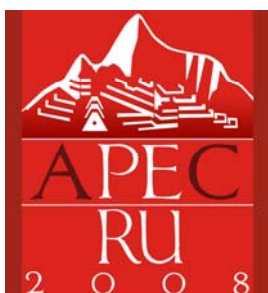
**Asia-Pacific  
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## **Outsourcing: The Perspective of a Data Processor**

Submitted by: Hewlett-Packard



**Technical Assistance Seminar on International  
Implementation of the APEC Privacy  
Framework  
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# Outsourcing: The perspective of a Data Processor

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## Presentation Outline

- HP Overview
- Outsourcing Trends
- Data Controller & Processor Responsibilities
- Managing Assurance & Compliance
- How APEC Will Help



# Hewlett-Packard Company

\$104 Billion	387,000	178	#1 or #2	\$4.5 Billion	World's Largest
Revenues	Professionals	Countries with operations	In markets served	Annual R&D	Technology Company

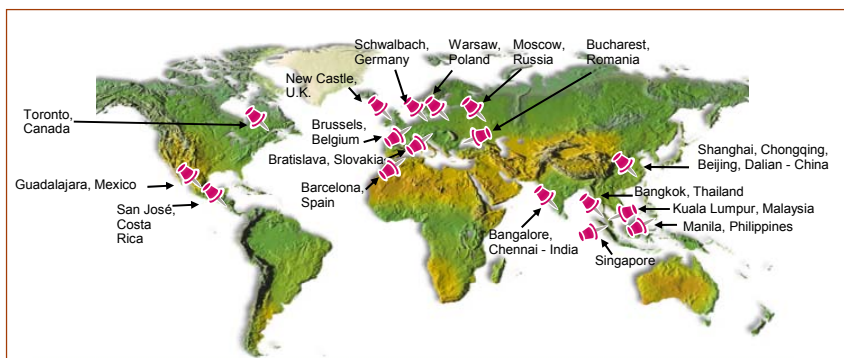
-  Personal Systems
-  Imaging & Printing
-  Enterprise Servers & Storage
-  Services
-  Software

- **Managing** the IT infrastructure for over 700 manufacturing, financial services, consumer product, telecommunications, and public sector clients around the world
- **Powering** 106 of the world's 120 stock exchanges
- **Enabling** 100 million cell phone users
- **Processing** 95% of the world's securities transactions
- **Handling** two out of three credit-card transactions
- **Delivering** solutions to 100% of the Fortune 100
- **Innovation** resulting in 11 patents per day



## HP Global Outsourcing Presence

### Key facilities



- Considerations:
- Geographic location
  - Workforce
  - Local Laws
  - Political stability
  - Labor laws
  - Infrastructure

## Outsourcing Trends

- Data Controllers increasingly raising privacy in outsourcing deals and desire to transfer responsibility to the Processor
- Increasing PII complexities and more highly regulated industries outsourcing
- Lack of understanding of the global/local landscape
- Data Controllers looking to Processors for guidance and solutions (e.g. processors)



## Outsourcing Responsibilities

### Data Controller

- Determines compliance requirements based on applicable laws and internal policies
- Informs the Data Processor (i.e. service provider) of the requirements that come with the information and documents these obligations in the contract
- Selects the service provider based on trustworthiness and competency to manage to the requirements that come with the data
- Retains accountability



## Outsourcing Responsibilities

### Data Processor

- Follows the contract and instructions, but does not determine compliance requirements
  - No legal advice – may raise issues but Controller makes decision
  - Can cite legal principles with source – but avoids interpretation
  - Does not guarantee use of their solution will produce compliance
- Effective management and oversight of the appropriate safeguards and obligations that came with the data
- Compliance with law should be limited to performing against the contract



## Managing Compliance & Assurance

- Data Controller responsible for setting compliance requirements with limited diligence by the Processor
- Data Processor ensures that the compliance requirements in its service scope are met along with assurance processes for other deliverables
- In cases where the Data Controller's requirements are questionable or illegal, the Data Processor should notify the Controller and/or be willing to walk away from the business (accountability)
- The Data Processor should have robust internal auditing of contracts and operations



## How APEC Will Help?

- Provides a more common framework between the Controller and Processor
- Allows companies to leverage global models due to common standards
- A practical solution for cross-boarder data flows
- Legal compliance will be easier to understand and achieve
- Enables improved accountability on the part of all parties

