



PRINCIPLES FOR FAIR PROCESSING ACCOUNTABILITY

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Risk-Centered

A risk-centered approach to fair data processing, necessary to achieve shared goals for beneficial innovation, trust and fairness, bases decisions on the likelihood and the severity of harm and the degree of benefit to people, groups of people, society and organizations if data are processed or not processed.

Accountable and Measured

Such a risk-based approach requires organizations be accountable, with accountability defined as organizations being responsible for how data are used and being answerable to others for the means taken to be responsible. While organizations have primary responsibility for fair processing, individuals still have control where uses are impactful and individual controls are effective. A decision is not risk-based unless there is a measurement of the risks and benefits at issue and the integrity of the assessment is demonstrable to others. Risk/benefit decisions are not always intuitive. They require assessments that identify the parties that might be impacted by the use of data, how they might be impacted, and whether the risks and benefits are mapped to the people, groups of people and society. The matching of risks to benefits might not be one-to-one, but discrepancies must be understood and reasonable. Decisions must be explainable to others based on objective measures. While loss of individual autonomy is a risk factor, risks and enhancements to other fundamental human interests like health, employment, education and the ability to conduct a business must also be part of an assessment.

Informing and Empowering

Organizations have a proactive obligation to inform stakeholders about the data processed and the processes used to assess and mitigate risk. While fair data processing is less dependent on individuals' decisions, where individuals do have rights, they should be transparent and easily exercisable. This relationship between individual rights and fair data processing facilitates organizations being held to account.

Competency, Integrity and Enforcement

Organizations are evaluated by the competency they demonstrate in reaching decisions to process, their honesty in making decisions that serve stakeholders that are impacted and the alignment of their disclosures and actions. All organizations will make mistakes, and some of those mistakes will impact people, groups of people or society. Organizations are responsible for those outcomes, but there is a difference between systematically bad decisions and anomalies. A

well-resourced and capable regulatory enforcement mechanism, necessary for a risk-centered, accountability-based governance system to be trusted, should recognize the difference between systematically bad decisions and anomalies.

IAF model legislation reflects these principles, and for clarity purposes, many provisions in the model legislation are color-coded similarly to demonstrate the linkage.