

# **ELECTRONIC COMMERCE STRATEGY**

## **PROGRESS REPORT**

On September 22, 1998, the Prime Minister announced Canada's Electronic Commerce Strategy, outlining initiatives designed to establish Canada as a world leader in the adoption and use of electronic commerce. Working in close collaboration with the private sector, the federal government has concentrated on creating the most favourable environment possible in areas which are critical to the rapid development of e-commerce.

### ***Building Trust in Electronic Markets : Privacy, Security and Consumer Confidence***

#### **Cryptography Policy**

In October 1998, the federal government issued its policy on the use of cryptography for the conduct of electronic commerce, balancing the requirement for means to ensure the security of electronic commerce transactions with the needs of law enforcement and national security. The policy also forms the basis for Canada's work internationally, within the Wassenaar process and other international fora, to establish guidelines for the export of cryptographic products and services

#### **Privacy**

In October 1998, the Minister of Industry introduced Bill C-54 which proposed a legal framework for the protection of personal information based on the voluntary code developed by the Canadian Standards Association (CSA). Parliament will resume work on the proposed legislation when the House of Commons reconvenes in the Fall.

#### **Consumer Protection**

Industry and consumer representatives have drafted a set of principles for the protection of consumers in online transactions. This voluntary arrangement, when formally released later this year, will represent a world-wide first for Canada, and will complement efforts being made internationally, within the OECD, to develop a similar regime for consumer protection operating across national jurisdictions.

### ***Clarifying Rules for the Digital Marketplace : Legal, Policy and Regulatory Frameworks***

#### **Digital Signatures**

Bill C-54 also provides for the formal recognition in law of digital signatures and electronic documents, through the amendment of more than 300 federal statutes relating to governmental transactions and information requirements.

**Regulatory Framework**

On May 17, 1999, the CRTC issued its report on new media services, following extensive public hearings. The Commission made clear its intention to exempt Internet-based services from licensing and regulation, permitting electronic commerce to develop on a market-driven basis.

**Taxation**

In September 1998, the Prime Minister made clear Canada's commitment to a "technology-neutral" approach to electronic commerce taxation which avoid Internet-specific taxes. Revenue Canada responded positively to the recommendations of its private sector advisory committee on electronic commerce and has work underway with the private sector to address specific issues related to tax administration, enforcement and compliance.

***Strengthening Information Infrastructure: Networks and Technologies for E-Business*****Internet Governance**

Arrangements are being finalized to establish a private sector body, the Canadian Internet Registration Authority (CIRA) to manage ".ca" as Canada's domain name registry. Internationally, Canada plays a prominent role in ICANN, the newly established private sector organization responsible for registration and governance of top level domain names.

**Standards**

In March 1999, the Telecommunications Standards Advisory Council of Canada (TSACC) approved a Standards Framework for Electronic Commerce, which establishes the reference point for future standards work by government and the private sector at the domestic and international levels. Covering the infrastructure, applications and business process components of e-commerce standards, the Framework underlines the importance of strengthening Canada's presence in the global standards' process.

***Realizing the Benefits : Effective Adoption and Use*****Government Use**

On May 27, Treasury Board completed work on the Government of Canada's policy for the development of a government-wide public key infrastructure (GOC-PKI), enabling departments and agencies to proceed with secure electronic commerce within government, with external clients and the general public.

**Electronic Commerce Task Force  
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