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Canada Ranks 12th among 24 Countries on Laws and Regulations Affecting the Growth of Cloud Computing

International patchwork of conflicting laws and regulations threatens fast-growing cloud computing market, BSA study finds

Washington, DC — February 22 — Canada ranks 12th out of 24 countries in a new ranking of government policies that influence the growth of cloud computing, the Business Software Alliance (BSA) reported today. But despite Canada’s strong ranking, the current country-by-country patchwork of conflicting laws and regulations nevertheless threatens to undercut the full promise of the global cloud computing market, a new BSA study finds. To capture the full economic potential of the cloud, BSA urges governments to better harmonize their policies to smooth the flow of data across borders.

The BSA Global Cloud Scorecard establishes a first-of-its-kind ranking of countries’ readiness to drive the growth of a globally integrated cloud marketplace. The ranking evaluates laws and regulations in countries that together account for 80 percent of the world’s information and communications technology, and it assesses those countries’ policies in seven areas: data privacy, cybersecurity, cybercrime, intellectual property, technology interoperability and legal harmonization, free trade, and IT infrastructure.

The top five rankings for markets with the most robust cloud policies went to Japan, Australia, Germany, the United States, and France.

“The true benefits of cloud computing come with scale,” said BSA President and CEO Robert Holleyman. “In a global economy, you should be able to get the technology you need for personal or business use from servers located anywhere in the world. But that requires laws and regulations that let data flow easily across borders. Right now, too many countries have too many different rules standing in the way of the kind of trade in digital services we really need.”

Among the study’s key findings:

- Canada’s cybercrime laws are not up-to-date, but it does have strong intellectual property protections. Canada is a member of the TRIPS agreement and IP laws have been enacted to implement TRIPS.
Canada has two major gaps in its suite of ICT laws and regulations. It does not have modern cybercrime laws in place, and it has not updated its copyright laws to provide appropriate protection for online material.

There is a sharp divide in cloud readiness between advanced economies and the developing world. Japan, the United States, and EU all have established solid legal and regulatory bases to support the growth of cloud computing, while developing countries, such as China, India, and Brazil, have the most work to do to integrate themselves into the global cloud market.

The study's most surprising finding is that some of the countries that are doing well are also walling themselves in with laws and regulations that conflict with other countries. For example, the European Union's proposed Data Protection Regulation could undermine the potential scale and economic impact of the cloud.

"In recent years, Canada has made great progress in developing a solid policy environment to promote the full potential of cloud computing said Rodger Correa, Compliance Marketing Director, BSA. “However, a healthy national market for cloud computing does not necessarily translate into a market that is atuned to the laws of other countries in a way that lets data flow smoothly across borders. We must do more to ensure the development of a healthy global cloud computing system.

BSA proposes a seven-point policy blueprint for governments around the world to expand economic opportunity in the cloud:

1. Protect users’ privacy while enabling the free flow of data and commerce.
2. Promote cutting-edge cybersecurity practices without requiring the use of specific technologies.
3. Battle cybercrime with meaningful deterrence and clear causes of action against criminals.
4. Provide robust protection and vigorous enforcement against misappropriation and infringement of cloud technologies.
5. Encourage openness and interoperability between cloud providers and solutions.
6. Promote free trade by lowering barriers and eliminating preferences for particular products or companies.
7. Provide incentives for the private sector to invest in broadband infrastructure, and promote universal access to it among citizens.

The full, 24-country rankings, including detailed findings for Canada and BSA’s policy blueprint are available at www.bsa.org/cloudscorecard.
About BSA

The Business Software Alliance (www.bsa.org) is the leading global advocate for the software industry. It is an association of nearly 100 world-class companies that invest billions of dollars annually to create software solutions that spark the economy and improve modern life. Through international government relations, intellectual property enforcement and educational activities, BSA expands the horizons of the digital world and builds trust and confidence in the new technologies driving it forward.