

II. CREDIT UNION CODE FOR THE PROTECTION OF PERSONAL INFORMATION

Introduction

Canada is part of a global economy based on the creation, processing, and exchange of information. The technology underlying the information economy provides a number of benefits that improve the quality of our lives. This technology also gives rise to concerns about the protection of privacy rights and the individual's right to control the use and exchange of personal information.

Credit unions are member-owned and controlled financial institutions and, as such, have an inherent responsibility to be open and accessible while, at the same time, demonstrating the greatest respect for protection of personal information.

Credit unions
now codify
what has been
accepted
practice

In adopting this Credit Union Code for the Protection of Personal Information (The Privacy Code), what has long been accepted practice among credit unions, now becomes a documented commitment to member privacy.

List of Principles

Ten interrelated principles form the basis of the Credit Union Code for the Protection of Personal Information ("the Code"). Each principle must be read in conjunction with the accompanying commentary.

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| Accountability for information under credit union control | 1 | Accountability
The credit union is responsible for personal information under its control and shall designate a Privacy Officer who is accountable for the credit union's compliance with the principles of the Code. |
| Purpose of information to be identified | 2 | Identifying Purposes
The purposes for which personal information is collected shall be identified by the credit union at or before the time such information is collected. |
| Consent to be obtained | 3 | Consent
The knowledge and consent of the member are required for the collection, use, or disclosure of personal information, except in specific circumstances as described within this Code. |
| Information limited to what is necessary | 4 | Limiting Collection
The collection of personal information shall be limited to that which is necessary for the purposes identified by the credit union. Information shall be collected by fair and lawful means. |
| No use or disclosure other than for the original purpose | 5 | Limiting Use, Disclosure, and Retention
Personal information shall not be used or disclosed for purposes other than those for which it was collected, except with the consent of the member or as required or permitted by law. Personal information shall be retained only as long as necessary for the fulfillment of those purposes. |
| Information kept up-to-date | 6 | Accuracy
Personal information shall be as accurate, complete, and up-to-date as is necessary for the purposes for which it is to be used. |
| Appropriate security safeguards | 7 | Safeguards
Personal information shall be protected by security safeguards appropriate to the sensitivity of the information. |

List of Principles (cont.)

Policies available
to members

- 8 Openness**
The credit union shall make readily available to members specific, understandable information about its policies and practices relating to the management of personal information.

Members are
entitled to access
their information

- 9 Individual Access**
Upon request, members shall be informed of the existence, use, and disclosure of their personal information, and shall be given access to that information. Members are entitled to question the accuracy and completeness of the information and have it amended as appropriate.

Members can
question
compliance

- 10 Compliance**
A member shall be able to direct questions concerning the credit union's compliance with the above principles to the Privacy Officer. The credit union shall have policies and procedures to respond to the member's questions and concerns.

Definitions

The following definitions apply in this Code:

Agent

An organization contracted by the credit union to provide services such as the processing of member personal information on its behalf. Where member personal information is transferred to agents for processing, the credit union will employ adequate safeguards to protect the information.

Collection

The act of gathering, acquiring, or obtaining personal information from any source, including Third Parties, by any means.

Consent

Voluntary agreement with what is being done or proposed. Consent can be either express or implied. Express consent is given explicitly, either orally or in writing. Express consent is unequivocal and does not require any inference on the part of the credit union. Implied consent arises where consent may reasonably be inferred from the action or inaction of the member.

Privacy Officer

The person within the credit union who is responsible for overseeing the collection, use, disclosure and protection of personal information, and the credit union's day-to-day compliance with the Code.

Disclosure

Making personal information available to third parties outside the credit union, including related organizations.

Member

The person who is a member and owner of the credit union. This Code applies equally to the collection, use or disclosures of personal information about members and non-members. Where the term “member” is used, its intent is also to include non- members

Organization

A term used in the Code that includes business corporations, partnerships, professional practices, persons, government bodies, institutions, associations, charitable organizations, clubs, unions, or any other form of organization.

Personal information

Any information that is about or can be linked to an identifiable individual, but does not include the name, title or business address or telephone number of an employee of an organization.

Subsidiary

A company or organization wholly-owned or controlled by the credit union.

Third Party

Any person or organization other than the member, the credit union or agent of the credit union.

Use

Refers to the treatment and handling of personal information within the credit union.

1 *Principle 1 -- Accountability*

The credit union is responsible for personal information under its control and shall designate a Privacy Officer who is accountable for the credit union's compliance with the principles of the Code.

Board has the ultimate accountability

1.1 Ultimate accountability for the credit union's compliance with the principles rests with the credit union's Board of Directors, which delegate day-to-day accountability to a Privacy Officer. Other individuals within the credit union may be accountable for the collection and processing of personal information, or to act on behalf of the Privacy Officer.

Privacy officer to be identified

1.2 The credit union shall inform its employees and other individuals, upon request, of the name or title of the Privacy Officer who is responsible for the day-to-day compliance with the principles of the Code.

Credit union is responsible for protecting information

1.3 The credit union is responsible for personal information under its control. The credit union shall use contractual or other means to provide a comparable level of protection while the information is being processed by an agent.

Credit union must have policies and procedures for privacy protection

1.4 The credit union shall implement policies and procedures to give effect to the principles, including:

- (a) procedures to protect personal information;
- (b) procedures to receive and respond to concerns and inquiries;
- (c) training for staff to understand and follow the credit union's policies and procedures; and
- (d) annual review of the effectiveness of the policies and procedures to ensure compliance with the Code and consideration of any revisions as deemed appropriate.

2 *Principle 2: -- Identifying Purposes*

The purposes for which personal information is collected shall be identified by the credit union when or before the information is collected.

Purposes to be documented

2.1 The credit union shall document the purposes for which personal information is collected prior to the information being collected.

Member to be informed of purposes

2.2 The credit union shall make reasonable efforts to ensure that the member is aware of the purposes for which personal information is collected, including any disclosures to Third Parties.

2.3 Identifying the purposes for which personal information is being collected at or before the time of collection also helps define the information needed. The credit union shall collect personal information for the following purposes:

Eligible purposes

- understanding the member's needs;
- determining the suitability of the products or services for the member or the eligibility of the member for products and services;
- developing, offering and managing products and services that meet the member's needs;
- providing ongoing service;
- detecting and preventing fraud, money laundering or other criminal activity, and to help safeguard the financial interests of the credit union and its members;
- meeting legal and regulatory requirements; and
- meeting personnel requirements.

Means of informing member

2.4 The identified purposes should be specified to the member from whom the personal information is being collected. This can be done orally, electronically or in writing. An application form with the purposes highlighted, for example, may give notice of the purposes.

Using previous information for a new purpose

2.5 When personal information that has been collected is to be used for a purpose not previously identified, the new purpose shall be identified prior to use. Unless the new purpose is required by law, or is subject to a legal exception to consent, the consent of the member is required before information can be used for that purpose.

3 *Principle 3: -- Consent*

The knowledge and consent of the member are required for the collection, use, or disclosure of personal information, except in specific circumstances as described within this Code.

Note:

In certain circumstances personal information may be collected, used, or disclosed without the knowledge or consent of the member. These circumstances include:

- Where clearly in the interests of the individual and consent cannot be obtained in a timely way;
 - To act in respect of an emergency that threatens the life, health or security of an individual;
 - To avoid compromising information availability or accuracy and if reasonable to investigate a breach of an agreement, a contravention of the laws of Canada or a province; or a threat to Canada's security;
 - To comply with a subpoena, warrant or court order, or rules of court relating to the production of records, or otherwise as required by law;
 - For the purposes of administering any law of Canada or a province;
 - To collect an overdue account or debt owed by an individual to the credit union;
 - Where the information is considered by law to be publicly available;
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3.1 Subject to the note above, consent is required for the collection of personal information and the subsequent use or disclosure of this information. In certain circumstances, consent may be sought after the information has been collected but before use (for example, when existing information is to be used for a purpose not previously identified).

Obtaining
consent after-the-
fact

3.2 The principle requires "knowledge and consent." The credit union shall make a reasonable effort to ensure the member is aware of the purposes for which the information will be used. To make the consent meaningful, the purposes must be stated in such a manner that the member can reasonably understand how the information will be used or disclosed.

Informed consent

3 *Principle 3: -- Consent (cont.)*

Consent to be limited to specific uses

- 3.3** The credit union shall not, as a condition of the supply of a legitimate product or service, require a member to consent to the collection, use, or disclosure of personal information beyond what is necessary to provide the product or service.

Form of consent determined by sensitivity

- 3.4** In determining the form of consent to use, the credit union shall take into account the sensitivity of the information. Although some information (for example, medical and financial records) is almost always considered to be sensitive, any information can be sensitive, depending on the context.

- 3.5** In obtaining consent, the reasonable expectations of the member are also relevant.

For example, a credit union member entering into a relationship with the credit union should reasonably expect the credit union to periodically supply information on credit union developments, products and services, and to provide ongoing services without a requirement for further consent. In this case, the credit union can assume that the existence of a relationship constitutes consent for reasonably associated purposes.

On the other hand, a member would not reasonably expect that personal information given to a credit union would be given to a Third Party company selling insurance products, unless specific consent was obtained.

Consent will not be obtained through deception.

- 3.6** The way in which the credit union seeks consent may vary, depending on the circumstances and the type of information collected. The credit union will seek express consent when the information is likely to be considered sensitive. Implied consent would generally be appropriate when the information is less sensitive.

Means and timing for obtaining consent

Members can give consent:

- (a) in writing, such as when completing and signing an application;
- (b) through inaction, such as failing to check a box indicating that they do not wish their names and addresses to be used for optional purposes;
- (c) orally, such as when information is collected over the telephone or in person;

3 *Principle 3: -- Consent (cont.)*

- (d) at the time they use a product or service; and
- (e) through an authorized representative (such as a legal guardian or a person having power of attorney).

3.7 A member may withdraw consent at any time, subject to legal or contractual restrictions, provided that:

- (a) reasonable notice of withdrawal of consent is given to the credit union;
- (b) consent does not relate to a credit product requiring the collection and reporting of information after credit has been granted; and
- (c) the withdrawal of consent is in writing and includes understanding by the member that the credit union may subsequently not be able to provide the member with a related product, service or information of value.

Withdrawing
consent

The credit union shall inform the member of the implications of consent withdrawal.

4 Principle 4: -- Limiting Collection

The collection of personal information shall be limited to that which is necessary for the purposes identified by the credit union. Information shall be collected by fair and lawful means.

Limiting
information to
what is necessary

4.1 The credit union shall not collect personal information indiscriminately. It shall specify both the amount and the type of information collected, limited to that which is necessary to fulfill the purposes identified, in accordance with the credit union's policies and procedures.

No deception in
collection

4.2 The credit union shall collect personal information by fair and lawful means, and not by misleading or deceiving members about the purpose for which information is being collected.

5 Principle 5: -- Limiting Use, Disclosure and Retention

Personal information shall not be used or disclosed for purposes other than those for which it was collected, except with the consent of the member or as required by law. Personal information shall be retained only as long as necessary for the fulfillment of those purposes.

New purpose to be documented

5.1 When the credit union uses personal information for a new purpose, the purpose shall be documented.

Credit union must protect member information

5.2 The credit union shall protect the interests of its members by taking reasonable steps to ensure that:

- (a) Demands or requests for personal information by government agencies under a statutory authority comply with the laws under which they were issued;
- (b) only the personal information that is legally required to respond to a legitimate demand or request by a government agency is disclosed and nothing more; and
- (c) personal information disclosed to unrelated Third Party suppliers is strictly limited to programs endorsed by the credit union or the Canadian Credit Union System.

The credit union will make reasonable efforts to notify the member that an order has been received, if not contrary to the security of the credit union and if the law allows it. Notification may be by telephone, or by letter to the member's usual address.

Health information for credit and insurance only

5.3 A member's health records at the credit union may be used for credit application and related insurance purposes. An individual's health records shall not be collected from, or disclosed to, any other organization. The collection and use of health information shall be limited to what is required for specific identified purposes.

Retention guidelines

5.4 The credit union shall maintain guidelines and procedures with respect to the retention of personal information. These guidelines include minimum and maximum retention periods. Personal information that has been used to make a decision about a member shall be retained long enough to allow the member access to the information after the decision has been made. The credit union may be subject to legislative requirements with respect to retention of records.

Destruction guidelines

5.5 Subject to any requirement to retain records, personal information that is no longer required to fulfill the identified purposes shall be destroyed, erased, or made anonymous. The credit union shall develop guidelines and implement procedures to govern the destruction of personal information.

6 *Principle 6: -- Accuracy*

Personal information shall be as accurate, complete and up-to-date as is necessary for the purposes for which it is to be used.

- 6.1** The extent to which personal information shall be accurate, complete, and up-to-date will depend upon the uses of the information, taking into account the interests of the member. The credit union relies on the member to keep certain personal information, such as address information accurate, complete and up-to-date. Information shall be sufficiently accurate, complete, and up-to-date to minimize the possibility that inappropriate information may be used to make a decision about the member.
- 6.2** The credit union shall not routinely update personal information, unless such a process is necessary to fulfill the purposes for which the information was collected.
- 6.3** Personal information that is used on an ongoing basis, including information that is disclosed to Third Parties, will generally be accurate and up-to-date unless limits to the requirement for accuracy are clearly set out.

Information accuracy is dependent on use

No routine updating

Frequently used information to be up-to-date

7 Principle 7: -- Safeguards

Personal information shall be protected by security safeguards appropriate to the sensitivity of the information. The credit union will apply the same standard of care as it applies to safeguard its own confidential information of a similar nature.

Safeguards to be in place for all formats

7.1 The security safeguards shall protect personal information against loss or theft, as well as unauthorized access, use, copying, modification, disclosure or disposal. The credit union shall protect personal information regardless of the format in which it is held.

Higher protection needed for more sensitive information

7.2 The nature of the safeguards will vary depending on the sensitivity, amount, distribution and format of the information, and the method of storage. More sensitive information will be safeguarded by a higher level of protection.

Types of safeguards

7.3 The methods of protection will include:

- (a) physical measures, for example, locked filing cabinets and restricted access to offices;
- (b) organizational measures, for example, controlling entry to data centers and limiting access to information to a "need-to-know" basis;
- (c) technological measures, for example, the use of passwords and encryption; and
- (d) investigative measures, in cases where the credit union has reasonable grounds to believe that personal information is being inappropriately collected, used or disclosed.

Staff to be informed of obligations

7.4 The credit union shall periodically remind employees, officers and directors of the importance of maintaining the confidentiality of personal information. Employees, officers and directors are individually required to act in accordance with the company's Business Ethics policy as a condition of employment, which includes a commitment to keep members' personal information in strict confidence.

Third Parties must maintain similar standards

7.5 **Agents** shall be required to safeguard personal information transferred to them in a manner consistent with the policies of the credit union. Examples include cheque printing, data processing, credit collection, and card production.

Care to be exercised in destruction

7.6 Care shall be used in the disposal or destruction of personal information, to prevent unauthorized parties from gaining access to the information.

8 Principle 8: - Openness

The credit union shall make readily available to members specific, understandable information about its policies and procedures relating to the management of personal information.

Publish clear
privacy policies

8.1 The credit union shall be open about privacy policies and procedures with respect to the management of personal information and shall make them readily available in a form that is generally understandable.

Policy content

8.2 The information made available shall include:

- (a) the name or title, and the address of the Privacy Officer who is accountable for compliance with the credit union's policies and procedures and to whom inquiries or complaints can be directed;
- (b) the means of gaining access to personal information held by the credit union;
- (c) a description of the type of personal information held by the credit union, including a general account of its uses;
- (d) a copy of any brochures or other information that explains the credit union's policies, procedures, standards or codes; and
- (e) the types of personal information made available to related organizations, such as subsidiaries or other suppliers of services.

Methods for
disclosing
privacy policy

8.3 The credit union may make information on its policies and practices available in a variety of ways. The method chosen depends on the nature of its business and other considerations. For example, the credit union may choose to make brochures available in its branches, mail information to its members, provide on-line access, or establish a toll-free telephone number.

9 Principle 9: - Individual Access

Upon request, a member shall be informed of the existence, use, and disclosure of their personal information, and shall be given access to that information. A member is entitled to challenge the accuracy and completeness of the information and have it amended as appropriate.

Note:

In certain situations, a credit union may not be able to provide access to all the personal information it holds about a member. Exceptions to the access requirement will be limited and specific. The reasons for denying access include the following:

- providing access would likely reveal personal information about a Third Party unless such information can be severed from the record or the Third Party consents to the disclosure, or the information is needed due to a threat to life, health or security;
 - the personal information has been requested by a government institution for the purposes of enforcing any law of Canada, a province or a foreign jurisdiction, carrying out any investigation related to the enforcement of any law, the protection of national security, the defense of Canada or the conduct of international affairs;
 - the information is protected by solicitor-client privilege;
 - providing access would reveal confidential commercial information, provided this information cannot be severed from the file containing other information requested by the individual;
 - providing access could reasonably be expected to threaten the life or security of another individual, provided this information cannot be severed from the file containing other information requested by the individual;
 - the information was collected without the knowledge or consent of the individual for purposes related to investigating a breach of an agreement or a contravention of the laws of Canada or a province;
 - the information was generated in the course of a formal dispute resolution process.
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Conditions for
denial of access

9 *Principle 9: - Individual Access (cont.)*

Access to be granted upon member's request

9.1 Upon request, and subject to the note above, the credit union shall inform a member of the existence, use, disclosure, and source of personal information about the member held by the credit union, and shall allow the member access to this information. However, the credit union may choose to make sensitive medical information available through a medical practitioner.

Member may need to provide other information for search

9.2 For the credit union to provide an account of the existence, use, and disclosure of personal information held by the credit union, the member may be asked to provide sufficient information to aid in the search. The additional information provided shall only be used for this purpose.

Third Parties possessing information to be identified

9.3 In providing an account of Third Parties to which it has, or may have, disclosed personal information about a member, the credit union will be as specific as possible, including a list of Third Parties.

Response time, cost and format to be reasonable

9.4 The credit union shall respond to a member's request within a reasonable time and at no cost, or reasonable cost, to the member. The requested information shall be provided or made available in a form that is generally understandable. For example, if the credit union uses abbreviations or codes to record information, an explanation will be provided.

Amendment obligations when information is inaccurate

9.5 When a member successfully demonstrates the inaccuracy or incompleteness of personal information, the credit union shall amend the information as required. Depending upon the nature of the information challenged, amendment involves the correction, deletion, or addition of information. Where appropriate, the amended information shall be transmitted to Third Parties having access to the information in question.

Unresolved challenges

9.6 When a challenge is not resolved to the satisfaction of the member, the substance of the unresolved challenge shall be recorded by the credit union. When appropriate, the existence of the unresolved challenge shall be transmitted to Third Parties having access to the information in question.

10 *Principle 10: - Compliance*

A member shall be able to direct questions concerning the credit union's compliance with the above principles to the Privacy Officer. The credit union shall have policies and procedures to respond to the member's questions and concerns.

Privacy Officer
to be identified

10.1 The name or title of the Privacy Officer shall be known to staff. Information on how to contact the Privacy Officer shall be identified to other individuals periodically.

Complaint-
handling
procedures

10.2 The credit union shall maintain procedures to receive and respond to complaints or inquiries about their policies and practices relating to the handling of personal information. The complaint procedures will be easily accessible and simple to use.

Escalation of
complaints

10.3 Members who make inquiries or lodge complaints shall be informed by the credit union of the existence of relevant complaint procedures. If a complaint is not satisfactorily resolved with the Privacy Officer in the credit union, it may be taken to the credit union Board of Directors. If not resolved there, the issue will be referred to either a credit union system dispute resolution service or external mediator, as agreed to by the member and the credit union.

Responses to
justified
complaints

10.4 The credit union shall investigate all complaints. If a complaint is found to be justified, the credit union shall take appropriate measures, including revision of the personal information and, if necessary, amending the credit union's policies and practices.

How to contact the Privacy Officer

Access requests, inquiries or complaints should be addressed in writing to:

Privacy Officer,
Credit Union Name
Credit Union Address

Note:

Please also refer to the Canadian Central web site at ‘www.cucentral.com’ for documentation on the following three subjects pertaining to the Credit Union Code for Protection of Personal Information:

Other sources of
privacy
information

- Policies and Procedures Manual
- Communications Kit
- Implementation Kit