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Dear Mark,

Firstly, I wanted to express our appreciation for having been given the opportunity to participate in the AI Code of Practice roundtable discussion this week. We understand there is a desire to lock this down ahead of the international summits that are centred on the subject and IAB Canada's members support Canada's strong voice at the global table. Bill C27 has been followed closely by IAB Canada and its members given its major impact on our constituents' operations and how the \$16B digital advertising eco-system must be architected for a sustainable future. We clearly have a vested interest in developing a successful framework for the responsible and ethical use of AI. Given the timing of the release of this voluntary code, we are carefully considering the framework in the context of its development ahead of legislation or any guidance against AIDA.

I would like to take this opportunity to follow-up our discussion with a summary of what we expressed on the call as well as some points that may not have been conveyed due to timing.

Generally, we feel that the elements outlined in the Code cover off important core issues. Our concern, however, is that this draft without having been run across real industry-specific use cases, may work itself wholesale into binding contracts which could lead to significant unintended consequences with an absence of legislation or guidance to serve as a template for compliance, corporate/citizen remedies, or enforcement. Our members question the contextual relevance against the various areas of focus and are concerned that the broad nature of the code misses a great deal of nuance across sectors and the realities of day-to-day operations. Some members further question which current use cases specifically this code of practice is addressing and which future ones it is anticipating.

Regarding the Roles - Developers, Deployers and Operators

The Code as written casts a wide net – so wide that it fails to address the nuances around obligations of each party which may lead to confusion in-practice with regards to accountability.

To assess the impact on specific stakeholder groups, we would require some further clarity on the definitions for deployers, developers and operators and assurances that those definitions will be consistent with those outlined in AIDA. At the same time, we may suggest consideration be given to roles that are directly impacted by this Code and will be among the most reliant on these proposed practices. For example, more explicit nomenclature that defines “content creators” given content originators will play an upstream role that will implicate areas of responsibility downstream (the categories to which this code might currently apply). We would also expect there to be some clarity with regards to nuances around the human oversight element and how this would apply across the roles defined.

Our members believe that responsibilities will depend on the people in the value chain and what role they play in the organization’s operation. Responsibilities should be assigned accordingly.

Is the proposed Code as written implementable by many different kinds of AI companies and AI technologies?

IAB Canada members are hesitant to comment on the “implement-ability” of the Code without addressing the issues mentioned earlier and without in-depth research across our sector on how this would impact operations (noting the voluntary nature). Theoretically, as written, IAB Canada believes that the Code reflects practices that are recognized as best practices in the digital advertising sector today and closely align to the work being done on the privacy front with respect to meaningful consent, transparency, and control.

At issue is the formation of a Code of Practice ahead of legislation or guidance. We are concerned that this code will serve as a draft of guidance for a bill not yet passed. While theoretically, the areas contemplated in the code are generally aligned with our members’ interpretation of best practices, we would require some flexibility, non-prescriptive language, and the ability to amend once greater clarity is provided from AIDA.

As expressed on the call, core priorities for IAB Canada and its members when considering codes of practice are as follow:

1. **Codes Developed by Industry sector for Industry sector** – the nuanced nature of digital advertising requires standards that are executable and interoperable within the supply chain
2. **Interoperability** – AI governance is a global issue. Internationally, there has been progress made on defining codes and best practices. It is critical that any framework developed in Canada be interoperable with international standards.
3. **Baseline Requirements to Reflect Existing Laws** – leaving room for innovation and some ability to protect intellectual property in the area of algorithmic intelligence.
4. **Standard Language of Disclosure** – like other areas of disclosure in advertising, the use of AI must use a standard taxonomy to describe uses that provides clear and basic communication of purposes or processes.

Should this Code be targeted only at generative AI systems? Are there other kinds of systems that you think it should apply to?

Currently, we do not feel that this Code as written should apply to other systems let alone Generative AI. We agree with our peers on the call that the code should align with the specific risks associated directly to generative AI like IP, fraud, and misinformation, among others. Otherwise, the Code seems duplicative to AIDA and other frameworks.

In summary we would like to reiterate the importance of involving industry in the early stages of developing Codes of Practice. On behalf of IAB Canada and all its members, we are grateful for the invitation to discuss this important matter and look forward to a higher frequency of communication as we move towards AI legislation that is designed in close collaboration with the very stakeholders that are driving the potential of AI forward. We look forward to supporting every effort to secure Canada's spot on the global stage for its thought leadership and flexible development of policy for the enormous opportunity AI presents.

Sincerely,



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