



## CANADIAN DATA SOVEREIGNTY

What Ontario Government Institutions need to know



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### **LEARN ABOUT:**

**The rules and guidelines published by the Canadian Government and the Government of Ontario regarding the storage of records in Ontario and Canada and guidelines for cloud storage of records.**

## OVERVIEW

**This whitepaper is essentially a summary of the rules and guidelines concerning the storage of Government data inside and outside of Ontario and Canada**

A summary of these rules and guidelines is that if you are an Ontario Government organization the data that you collect on the private citizens of Ontario and Canada must be stored in Canada by a Canadian owned company.

Image Advantage Solutions Inc. is owned and located in Mallorytown, Ontario and FileHold Systems Inc. is owned and located in Burnaby, BC. FileHold is the Electronic Document and Records Management System we have implemented into numerous government organizations.



## WHO IS IMAGE ADVANTAGE SOLUTIONS INC.?



Image Advantage Solutions Inc. is a document scanning and archiving service located near Mallorytown, **Ontario**. We offer the service of the scanning of any type of document including any size of paper, large format, bound books, photos, newspapers and microfilm/microfiche.

We also offer the FileHold Electronic Document and Records Management system and have been an authorized FileHold partner since 2011. Image Advantage was chosen as FileHold Partner of the year twice, in 2012 and again in 2014, and is the only FileHold Partner to have received this prestigious award twice. Image Advantage has successfully installed FileHold into 30 Ontario Municipalities along with other clients such as Health Units and Conservation Authorities. To find out more visit [imageadvantage.com](http://imageadvantage.com).

## WHO IS FILEHOLD INC.?



Full-featured document management software from FileHold is feature rich, enterprise grade and affordable. Its suite of features provide for document scanning, capture, indexing, storage, search, versioning, and document workflow review and approval. FileHold can be installed locally on your server for total security or in the cloud. Integrated with Microsoft office FileHold works on your desktop, browser, and mobile device. FileHold document management software makes it easy for organizations to improve security, increase compliance, streamline operations, and reduce the use of paper while saving time and money. "Go paperless, go green" with FileHold document management software. FileHold Inc. is located in Burnaby, **British Columbia**. To find out more about FileHold visit [filehold.com](http://filehold.com).

# HERE IS WHAT THE GOVERNMENTS OF ONTARIO AND CANADA SAY ABOUT CANADIAN DATA SOVEREIGNTY

**Title: Thinking About Clouds? Privacy, security and compliance considerations for Ontario public sector institutions  
February 2016**

**Author: Information and Privacy Commissioner of Ontario**

## “ Other Compliance Risks

### Jurisdiction

One of the primary concerns with outsourcing to cloud providers is the risk that the data and/or applications offered by the cloud provider may be physically located and housed outside of the institution's legal jurisdiction. In addition, information stored and processed with a cloud service provider may leave the jurisdiction when in transit from your institution to the cloud provider. Information transmitted or stored outside of the country or managed by a foreign owned provider could be subject to the laws of the country housing the data or that of the provider. These laws may be substantially different from Ontario laws. For example, in the event of a dispute with the cloud service provider, institutions may be forced to seek remedies under foreign regulatory regimes. These risks may be compounded if the cloud service provider subcontracts processing to agents and partners located in other jurisdictions.

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**Title: Direction for Electronic Data Residency  
IT Policy Implementation Notice (ITPIN)  
ITPIN No:  
2017-02  
Date: November 1, 2017  
Updated: March 13, 2018**

**Author: Government of Canada**

“ In the context of cloud computing, keeping data resident within Canada is intended to maintain, to the greatest extent possible, the GC’s continuous access to Protected B, Protected C and classified data that is vital to the GC’s business continuity, including the delivery of key services to Canadians, such as the payment of Employment Insurance and Canada Pension Plan benefits, the flow of goods across Canada’s border, and the security screening of passengers at airports, including the screening of individuals arriving in Canada. Specifically, when the data physically resides in Canada, it is subject to the protections afforded by Canadian privacy laws and Canada will be better situated to take prompt action, for example, in the event that access to data is compromised. Keeping data resident in Canada is also important for safeguarding sensitive information in the interest of national security.

All sensitive electronic data under government control, that has been categorized as Protected B, Protected C or is Classified, will be stored in a GC-approved computing facility located within the geographic boundaries of Canada or within the premises of a GC department located abroad, such as a diplomatic or consular mission. This does not mean that the country of origin of IT service providers must be Canada, as long as these service providers can ensure storage of data within boundaries or premises as described above.

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**Title: Government of Canada Information Technology Strategic Plan 2016-2020**

**Author: Government of Canada**

“ To ensure Canada’s sovereign control over its data, departments and agencies will adopt the policy that all sensitive or protected data under government control will be stored on servers that reside in Canada. Departments and agencies will evaluate risks based on an assessment of data sensitivity, and apply the appropriate security controls for cloud services. ”

**Title: National Standard of Canada  
Electronic records as documentary evidence  
CAN/CGSB-72.34-2017**

**Author: Government of Canada  
Canadian General Standards Board**

“ ♦ 0.1 About this standard

An organization may be required to produce electronic records as evidence in legal proceedings. To support the admissibility and weight of electronic records as documentary evidence, the organization needs to ensure that these records can be proven or presumed to be reliable, accurate, and authentic, that is, trustworthy. To ensure the trustworthiness of their electronic records, an organization should comply with this standard.

♦ 7.2.1 Jurisdictional location

Canada does not allow for the recorded information held by public organizations regarding its citizens, as well as and any data transmission and backup routes, to reside outside its boundaries, and it shall be the responsibility of the public organizations to comply with this rule.

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**Title: Electronic Record Keeping**

**No: IC05-1R1**

**Author: Canada Revenue Agency**

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◆ 9. Location of records

Records must be kept at the person's place of business or residence in Canada or another place designated by the Minister and must, upon request, be made available to officers of the CRA for audit purposes at all reasonable times. Records kept outside Canada and accessed electronically from Canada are not considered to be records in Canada. However, where records are maintained electronically in a location outside of Canada, the CRA may accept a copy of the records, provided these are made available in Canada in an electronically readable and useable format for CRA officials and they contain adequate details to support the tax returns filed with the CRA.

- ◆ 10. All retained records must be clearly labelled and stored in a secure environment in Canada. Authorization to maintain records elsewhere may be granted, subject to such terms and conditions as the Minister may specify in writing. These terms and conditions which are identical to records maintained in Canada and which apply to electronic records, specify that records stored outside of Canada are to be made available to officials of the CRA for audit purposes at all reasonable times in accordance with the provision of the Act and this Information Circular. The authorization may be obtained by writing to your nearest CRA tax services office.

- ◆ 11. Normally a back-up of the electronic records are stored at a site other than the business location for security and precautionary purposes (in case of fire, flood theft, or other causes). CRA encourages this business practice and recommends that these back-up copies be maintained at a location within Canada.

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## REFERENCE LINKS

- ◆ [Thinking About Clouds? Privacy, security and compliance considerations for Ontario public sector institutions](#)  
[February 2016](#)  
[Information and Privacy Commissioner of Ontario](#)
  
- ◆ [Government of Canada](#)  
[Direction for Electronic Data Residency](#)  
[IT Policy Implementation Notice \(ITPIN\)](#)  
[ITPIN No: 2017-02](#)  
[Date: November 1, 2017](#)  
[Updated: March 13, 2018](#)
  
- ◆ [Government of Canada Information Technology Strategic Plan](#)  
[2016-2020](#)
  
- ◆ [National Standard of Canada](#)  
[Electronic records as documentary evidence](#)  
[CAN/CGSB-72.34-2017](#)  
[Author: Government of Canada — Canadian General](#)  
[Standards Board](#)
  
- ◆ [Electronic Record Keeping](#)  
[No: IC05-1R1](#)  
[Author: Canada Revenue Agency](#)

## CONCLUSION

As you can see from these standards and guidelines the Canadian Federal Government and Ontario Provincial Governments would prefer if Ontario Public Sector Institutions stored their records in Canadian owned and Canadian located facilities.

Image Advantage Solutions Inc. is Canadian owned and Canadian located near Mallorytown, Ontario and FileHold Incorporated (our Electronic Document and Records Management System) is Canadian owned and Canadian located in Burnaby, British Columbia.

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