



## ANNEX II

### **BRICS Data Economy Governance Understanding**

While digital technologies increasingly permeate every aspect of daily life in terms of communication, social interaction, online purchases and production, there is a need to protect the individual and ensure that the data economy functions for the benefit of all. On the one hand, the global digital economy has experienced rapid development, with new spaces emerging for promoting wealth creation models, on the other, there is a need to improve the distribution of the benefits of the digital transformation with developing countries, ensuring the progress of human civilization. At the core of the digital economy is data.

Data is progressively recognized as a strategic asset, integral to policy-making, private and public sector innovation, production efficiency, job creation and performance management, creating new entrepreneurial opportunities for businesses and individuals. It plays an increasingly important role in innovative development and public governance, including digital public infrastructure (DPI). Notwithstanding, there is a lack of basic international consensus on key aspects of its economic impact, as well as statistical information on data flows. This, together with existing regulatory fragmentation, leads to a scenario of uncertainty that aggravates asymmetries and limits investment opportunities in universal connectivity and data products, thus hindering the capacity of people in developing countries to better integrate into the global digital economy.

To enable developing countries to harness the benefits of the digital economy, an open, inclusive, secure, cooperative, non-discriminatory, fair, and equitable approach is critical to governance of data. While respecting applicable legal frameworks related to privacy, personal data protection, national security, public interest, and intellectual property rights, the BRICS nations acknowledge that



participation in the global digital economy can be improved through the design of a global framework on data governance, including cross-border data flows, to address the principles of collection, recording, storage, organization, processing and transfer of data; promote the interoperability of national data policy regulations; and seek to distribute the monetary and non-monetary benefits of data among developing countries, including Least Developed Countries(LDCs) and their citizens.

Recognizing the growing significance of data as a driver of economic growth, job creation, innovation, sovereignty and sustainable development, this Understanding aims to establish a roadmap of future work areas to explore commonalities and leverage the data economy across BRICS to promote safe access to technology, safeguard individual and national interests, promote the digitalization of industry and services, and the expansion of intra-BRICS trade for an open, inclusive, sustainable, fair, equitable, safe and secure digital future.

## **Objectives**

1. To promote a fair, secure, open, inclusive, cooperative and non-discriminatory data economy among BRICS nations.
2. To ensure data sovereignty while facilitating efficient, effective, safe, and trusted cross-border data flows, in accordance with national frameworks.
3. To leverage capacities of national statistical offices and relevant stakeholders on methodologies for capturing the value of data in the national account estimations.
4. To engage national statistical offices in efforts to improve the measurement of data flows, including through exploring a common taxonomy for data, and to develop indicators for the data economy.
5. To explore common regulatory practices in relation to trade and competition policies for the data-driven economy and study the impact of



different regulatory practices on digital sovereignty as well as economic development.

6. To strengthen the central role of governments in managing high quality data through digital public infrastructures for public policy purposes and explore sharing mechanisms with the private sector, in accordance with national legal frameworks.
7. To safeguard individual privacy, personal data protection, and ethical usage of personal and non-personal data.
8. To enhance cooperation on digital infrastructure, respecting national laws and regulations on personal data protection, to support innovative business models, such as trusted data spaces, local digital platforms, data markets, data exchanges, among others.
9. To support digital transformation of the industry, trade, services, and sustainable economic development through technological data-driven resources.
10. To acknowledge the importance of safe electronic cross-border data transmission, in accordance with national regulations, to foster e-commerce and digital trade as drivers of economic growth and sustainable development.

## Guiding Principles

1. **Sovereign Data Governance** – Each BRICS nation retains the sovereign right to own and regulate data while enabling safe, secure, efficient, effective and trusted cross-border data flows under mutually agreed frameworks.
2. **Fair and Equitable Access** – Encourage fair and equitable access to data and data-driven resources, ensuring inclusivity and sharing of benefits for businesses, entrepreneurs, national companies, MSMEs as well as remote and rural areas, in accordance with national legal frameworks.



3. **Interoperability, Portability and Standardization** – Foster mutual recognition of standards in data and metadata, promoting interoperability of governance frameworks and portability of data wherever possible, subject to national regulatory frameworks.
4. **Transparency and Accountability** – Encourage transparent governance mechanisms and accountability for all stakeholders in data collection, processing, transfer, treatment and usage in accordance with national laws and regulations.
5. **People-Centered Digital Transformation** – Advance people-centered digital transformation, including through digital public infrastructures, taking into account ethical aspects and sustainability, as part of a mutually supportive digital and green transformations.
6. **Shared benefits, Inclusiveness and Development** – Ensure that different regions, industries and social groups in each BRICS country can participate in and benefit from the development of the digital economy equally, thus contributing to bridge the digital divides.

### **Mechanism for Digital Transformation and Cross-Border Data Flows**

1. **Mutually Recognized Data Governance Mechanisms** – Subject to national laws and regulations, facilitate establishing a mutually recognized and trusted framework for cross-border data transfers that balances national security concerns with mutual economic and social benefits.
2. **Data Localization and Accessibility** – Recognize the importance of data localization for legitimate public policy objectives while promoting interoperability with trust for seamless digital trade, as per governed by national laws.



3. **Data Portability** – Explore the role of data portability, wherever possible including non-personal data, as a tool to promote competition subject to national laws and regulations.
4. **Consumer Protection:** Develop mechanisms to improve the protection of consumers in the data-driven economy, in particular for digital trade and users of cloud services.
5. **Competition** – Endeavor to adopt sound practices on fair competition, in accordance with national legal frameworks, to level the playing field in the global digital economy.
6. **Digital Public Infrastructure** – Encourage the development of digital public infrastructure as a tool for improving the enabling conditions for the data economy and digital transformation of the economy.
7. **Effective, Efficient, Safe, Secure and Trusted Data Transfers** – Develop technological and legal solutions, as well as evidence-based mechanisms to mitigate risks and prevent unauthorized access and transfers of data, cyber threats, and data misuse.
8. **Facilitation of Data-Driven Trade and Innovation** – Subject to national laws and regulations, encourage responsible data sharing to boost technological collaboration, digital skills development and economic growth among BRICS nations.

### **Data Protection, Privacy Standards and Intellectual Property Rights**

1. **Personal Data Protection** – Adopt policies that ensure data subjects' rights.
2. **Intellectual property rights** – Exchange experiences on issues related to copyrights, accountability, and property rights in order to safeguard public interest and international transfer of technology mechanisms without jeopardizing the expansion of the national data economy.



3. **Cybersecurity Measures** – Subject to national laws and regulations, enhance cooperation in preventing cybersecurity threats through sharing information regarding cyber incidents and incident response collaboration.
4. **Public and Private Sector Cooperation** – Encourage partnerships between governments, businesses, and civil society to develop robust data protection frameworks.

### **Implementation and Next Steps**

1. The CGETI will engage in consultations with the other BRICS' cooperation tracks to refine this Understanding and establish common agendas on specific matters related to the data economy.
2. An annual BRICS Data Economy Session will be convened under the Digital Economy Working Group (DEWG) calendar to assess progress, address challenges, and explore emerging opportunities in the data economy. The rotating Presidency of BRICS may invite other relevant BRICS' cooperation tracks, to attend this special session.
3. In order to advance the cooperation under the different policy areas outlined in this document, and taking into account the cross-agency nature of the topics, each rotating Presidency of BRICS may organize time-limited task forces to further develop specific action plans for the implementation of the commitments.

This Understanding serves as a foundational framework for ongoing dialogue and cooperation in the data economy. It shall remain open to future enhancements based on mutual consensus and the evolving global digital governance scenario.