



EU Data Protection Reform:

better rules for European businesses

Fact sheet | January 2018

The EU's General Data Protection Regulation (GDPR) – which applies as of 25 May 2018 – will make it easier for companies to do business across the EU. The reform will help businesses fully benefit from the digital economy throughout the EU's Digital Single Market.

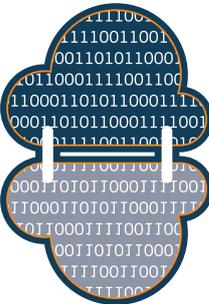
One set of rules, one interlocutor and one interpretation across the EU

Up to now, businesses in the EU had to deal with 28 different data protection laws. For many companies looking to access new markets, this fragmentation created costly administrative burdens.

The new regulation will cut red tape. It will do away with, for example, the obligation for businesses to notify different national data protection authorities about the personal data they are processing.



The same rules will apply both to companies established in the EU or outside the EU. All companies processing the personal data of individuals based in the EU offering services or products will have to comply with the EU data protection rules.



EXAMPLE 1:

*One EU, one data protection law:
Easier expansion abroad for businesses*

Before the General Data Protection Regulation

A small advertising company wants to expand its activities from France to Germany. Today, the company's data processing activities are subject to a separate set of rules in Germany, meaning they have to deal with an additional regulator. This also means a range of additional costs: from obtaining legal advice, to adjusting business models and paying notification fees for data processing. These costs can quickly outweigh the benefits of expanding into a new market.

With the General Data Protection Regulation

Companies expanding to another EU country will deal with the same set of rules. They will not have to bear additional costs for legal advice or, as the notification obligations are scrapped, pay notification fees. Expanding across the EU becomes cheaper.

The benefits for smaller companies

These benefits aren't exclusive to big businesses – small and medium-sized enterprises (SMEs) also benefit from the regulatory simplification that the new rules provide.

The GDPR aims to remove any undue administrative requirements that could be too burdensome for smaller companies.

For instance, companies with fewer than 250 employees don't need to keep records of their processing activities unless processing of personal data is a regular activity, poses a threat to individuals' rights and freedoms, or concerns sensitive data or criminal records.

Similarly, many SMEs will benefit from the fact that companies are not required to appoint a Data Protection Officer, unless their business are activities that present specific data protection risks, such as handling sensitive data at a large scale. But even those who are required to do so don't have to hire a full-time employee. Instead, they can save money by appointing an ad-hoc qualified consultant as their Data Protection Officer.

Encouraging innovation

The GDPR gives businesses the flexibility they need to make innovative use of big data while protecting individuals' fundamental rights.

Building data protection safeguards into products and services from the earliest stages of development – data protection by design – is now an essential principle of doing business. It incentivises businesses to innovate and develop new ideas, methods and technologies for securing and protecting personal data.

EXAMPLE 2:

The connected car

Data protection rules go hand-in-hand with innovative and progressive solutions like the connected car. The technology behind these vehicles is based on the exchange of data – including personal data. For example, when a crash happens, cars equipped with Europe's eCall emergency call system will automatically call the nearest emergency centre and provide the centre with data on the vehicle's location. With one set of data protection rules in the GDPR, this will allow to easily and quickly transfer pertinent data to emergency services and help save lives.

It's all about consumer trust, also online

Consumers highly value their privacy online. Businesses who fail to adequately protect an individual's personal data risk losing their trust. This trust is essential for the development of many new business models and for getting consumers to use new products and services online.

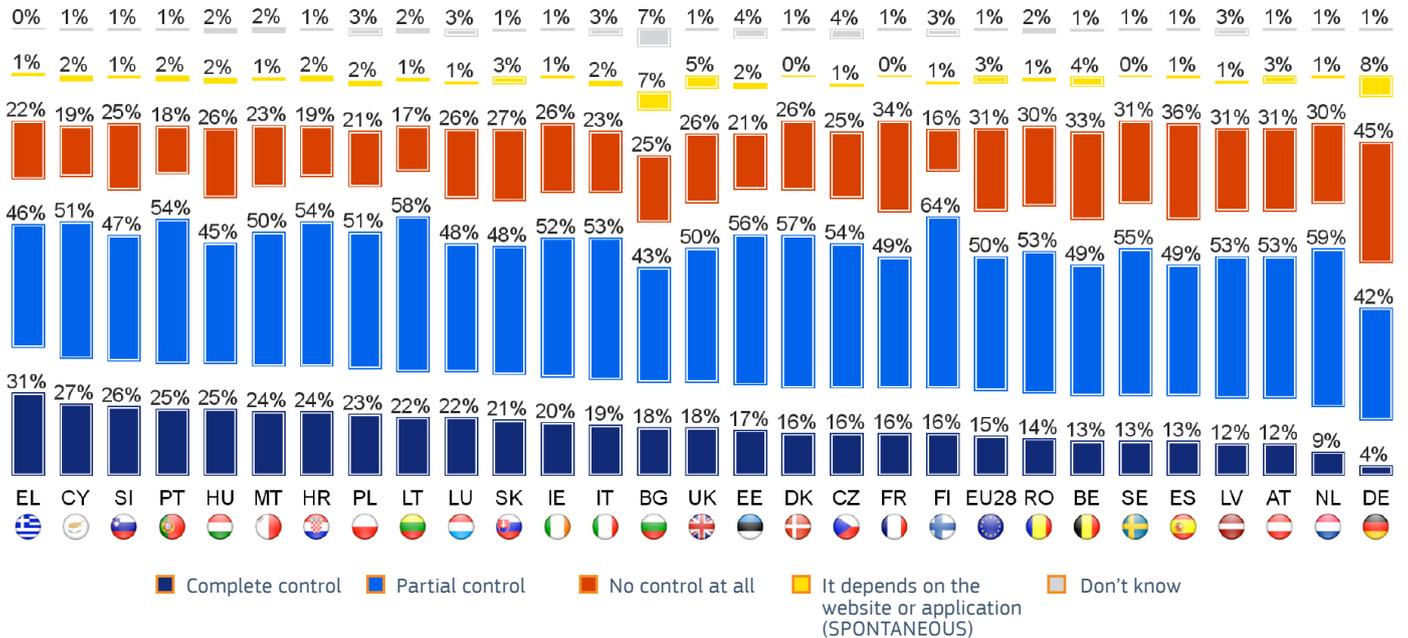
The GDPR addresses citizens' concerns *and* helps businesses regain consumer trust.

Under the GDPR, citizens have a number of rights that give them more control over their personal data. These include the right to be informed, the right to access their data, and the right to move their personal data from one service provider to another. The ability to move personal data from one provider to another means start-ups and smaller companies can now access data markets once dominated by digital giants.

“ More than 90% of Europeans say they want the same data protection rights across all EU countries and 8 out of 10 people feel they do not have complete control of their personal data ”

(2015 Eurobarometer)

QB4. How much control do you feel you have over the information you provide online, e.g. the ability to correct, change or delete this information?



Base: respondents who provide personal information online (n=19,430 in EU28)

Facilitating international data flows

The General Data Protection Regulation clarifies the conditions under which a company can transfer Europeans' personal data to countries outside the EU, while guaranteeing a high level of protection for the data travelling abroad.

The new rules expand the possibilities for companies to use existing instruments like standard contractual clauses and binding corporate rules, and reduce red tape by abolishing the requirement of prior notification to Data Protection Authorities. They also introduce new instruments for international transfers, such as approved codes of conduct or certification mechanisms (privacy seals or marks).



EXAMPLE 3:

Benefits for citizens, benefits for businesses

Before the General Data Protection Regulation

A new online social media sharing company is struggling to take off as it simply cannot compete with the big players dominating the market. Every time a customer wants to change to a new service provider, they have to provide all the personal data they have already shared with their current service provider. Faced with the prospect of having to start all over again, many potential customers think it would just be easier to stay with one of the established big players.

With the General Data Protection Regulation

The right to data portability established under the GDPR will make it easier for potential customers to transfer their personal data between service providers. This promotes competition and encourages new businesses to join the marketplace.



FIND OUT MORE ABOUT WHAT THE RULES MEAN FOR BUSINESS

europa.eu/dataprotection

CONTACT YOUR NATIONAL DATA PROTECTION AUTHORITY

ec.europa.eu/justice/data-protection/bodies/authorities/index_en.htm