

Privacy in the age of data economy

Opportunities for CEE companies under the new data protection framework

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Outline

Today's discussion

- 1. Regulatory context**
- 2. Major changes introduced by the new data protection framework (GDPR)**
- 3. Opportunities for businesses**
- 4. Conclusions and way forward**

Regulatory context

- **May 2016** - Adoption of the General Data Protection Regulation (GDPR)
- GDPR has replaced the Data Protection Directive 95/46/EC, in force since 1995
- GDPR will become fully enforceable throughout the European Union in **May 2018**
- Companies will have a **2-year grace period** to implement required changes and become compliant
- GDPR is seen as a tool for the creation of the **Digital Single Market**, an old EU objective

Regulatory context

- The result of a **broad debate on privacy**, involving US and EU companies, privacy advocates and regulators, that started in 2012
- Since then, the Court of Justice of the EU (CJEU) rendered several landmark decisions:

2014 - in a case against Google Spain, it proclaimed the right to be forgotten on search engines

2015 - it invalidated the Safe Harbor provisions authorizing data transfers across the Atlantic , which affected US companies

What does it change?

Current Data Protection Directive 95/46/EC	Changes created by GDPR
European reach only	Global reach
Local law divergence across 28 EU states	Regulation: uniform across EU
Multiple Data Protection Authority (“DPA”) exposure	“One stop shop”
Limited accountability	Accountability key!
Controllers only	Controllers and Processors
Small fines, differ between countries	Huge fines
No obligation to report breaches	Obligated to report breaches without delay
No obligation to have DPO	DPO required for larger organisations

How can companies take advantage of it?

Access to potential new customers

- **Data portability** - The right to data portability is a huge opportunity for SMEs and start-ups, offering a chance to break into new market segments

Data portability = the ability to move data among different application programs, computing environments or cloud services

- **Switching providers** - Under GDPR, customers can now ask data collectors to transfer their data to another collector whenever technology allows it => it is much easier to switch the service provider

How can companies take advantage of it?

Opening a new line of revenue

- **DP management services** - GDPR creates the need for the development of data protection management services, adapted to particularities of each market
- **DP assessments** - All companies will have to conduct data protection assessments to check their level of compliance
- **New business lines.** This means space for a new revenue stream on the market

How can companies take advantage of it?

Less risks and a re-focusing on customers

- **GDPR forces businesses to stay safe.** They have to conduct periodical self-assessments to identify and data-related risks, thus decreasing future losses
- **GDPR forces companies to earn the loyalty of consumers.** While this means a lot of hard work, it also means a lot of space to build towards that loyalty (new services, products, offers)

How can companies take advantage of it?

Standing out in a B2B and B2C context

- **Competitive differentiators.** GDPR introduces the possibility to obtain approval for Codes of conduct, Certifications, Seals and Marks representing strong competitive differentiators in B2B and B2C contexts
- It also allows for a easier, more risk-free selection of business partners

Conclusions and way further

- **Opens a new era** - The GDPR opens the era of the “**Internet of Me**”, with consumers placed at the center
- **Complex opportunities** - Data protection management and compliance should be supported with business development and customer relations
- **Business gains** - Complying with the GDPR will **save costs** and prevent risks
- **Competitive advantage** - A good strategic planning and exploitation of the opportunities of the GDPR may even offer a competitive advantage on the market



Thank you!

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