

# ***NEWSLETTER***

*June 2015*

## **The revolution in data protection laws**

Dear Sirs,

We would like to inform you about the upcoming thorough reconstruction of the system of personal data protection in the European Union. Currently, Community bodies are working on new regulations in the field of personal data. New regulations will have to meet the challenges of globalization and new technologies. The purpose of the proposed amendments is to strengthen the rights of citizens, especially such important as the right to privacy.

Every time when we open a bank account, we register in a social network or reserve a ticket via the Internet, we pass on sensitive personal data such as name, address and credit card number. Also, so called *cloud computing* is a major challenge for the protection of personal data. Technical progress has made the existing provisions of the European Directive 95/46 / EC of 1995 (hereinafter referred as: **'Directive'**) and entered on its basis national rules does not pass exam. Therefore, the Community has made efforts to 'upgrade' the existing legislation by introducing new, comprehensive legislation.

When the reform comes into effect fundamental change will be the replacement of the Directive and national legislation by a single act, common to all Member States - Regulation of the European Parliament and of the Council on the protection of natural person with regard to the processing of personal data. In the EU Law, regulation constitutes an act directly applicable in the Member States and does not require implementation. **It is very important that so far Member States have implemented the Directive in different ways, which led to many discrepancies. Regulation will supersede the current patchwork of inconsistent national regulations.**

The reform will strengthen the data protection rights of citizens and thus, will help to restore citizens' trust in online services. **The new provisions introduce the so-called 'right to be forgotten', involving the possibility of effective data removal requests,**

**unless there is reasonable grounds to maintain them.** Already, on the canvas of recent case law, the European Court of Justice recognizes the ‘right to be forgotten’ by the opportunity to request the removal of certain information, in breach of privacy, from the search results. However, the new EU standards will allow for easier enforcement of this law.

**In addition, individuals will receive easier access to their own data and will be able to easily transfer their personal data from one service provider to another (right to data portability).** This will improve competition between service providers.

**Business entities and organizations will be obliged to notify the national supervisory authority of serious data protection breaches as soon as possible** (if feasible, then within 24 hours).

**The proposed legislation also provides the mechanism for one-stop-shop, according to which the data controller should be overseen by a single national data protection authority, even when it operates in many countries of the European Union.** Therefore organizations will contact only with one national data protection supervisory authority in the Member State where they have their headquarters.

**Similarly, natural persons will be able to contact the data protection supervisory authority in their country, even if their data will be processed by the business entity established outside the European Union.** It's a great facility for citizens who will be able to act before protection authority in its Member State, in their own language.

The national data protection supervisory authorities will be strengthened so they can better enforce EU legislation on the territory of the country. **They will be empowered to impose penalties on companies that violate EU rules on data protection.** These penalties may reach 1 million EUR or 2% of the total annual turnover of the company. The assumptions described above are only some of the proposed, relevant amendments. Work on the final shape of the draft Regulation are persisting. It is difficult to predict when they end. However, having regard to the nature of the changes, it's worth devoting them special attention now.

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