



Agreement on Commission's EU data protection reform will boost Digital Single Market

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The European Commission put forward its EU Data Protection Reform in January 2012 to make Europe fit for the digital age ([IP/12/46](#)). Today, an agreement was found with the European Parliament and the Council, following final negotiations between the three institutions (so-called 'trilogue' meetings).

More than 90% of Europeans say they want the same data protection rights across the EU – and regardless of where their data is processed: this will soon be a reality. The Reform package will put an end to the patchwork of data protection rules that currently exists in the EU.

Andrus **Ansip**, Vice-President for the Digital Single Market, said: *"Today's agreement is a major step towards a Digital Single Market. It will remove barriers and unlock opportunities. The digital future of Europe can only be built on trust. With solid common standards for data protection, people can be sure they are in control of their personal information. And they can enjoy all the services and opportunities of a Digital Single Market. We should not see privacy and data protection as holding back economic activities. They are, in fact, an essential competitive advantage. Today's agreement builds a strong basis to help Europe develop innovative digital services. Our next step is now to remove unjustified barriers which limit cross-border data flow: local practice and sometimes national law, limiting storage and processing of certain data outside national territory. So let us move ahead and build an open and thriving data economy in the EU – based on the highest data protection standards and without unjustified barriers."*

Věra **Jourová**, Commissioner for Justice, Consumers and Gender Equality said, *"Today we deliver on the promise of the Juncker Commission to finalize data protection reform in 2015. These new pan-European rules are good for citizens and good for businesses. Citizens and businesses will profit from clear rules that are fit for the digital age, that give strong protection and at the same time create opportunities and encourage innovation in a European Digital Single Market. And harmonised data protection rules for police and criminal justice authorities will ease law enforcement cooperation between Member States based on mutual trust, contributing to the European Agenda for Security."*

The Reform consists of two instruments:

- The **General Data Protection Regulation** will enable people to better control their personal data. At the same time modernised and unified rules will allow businesses to make the most of the opportunities of the Digital Single Market by cutting red tape and benefiting from reinforced consumer trust.
- The **Data Protection Directive** for the police and criminal justice sector will ensure that the data of victims, witnesses, and suspects of crimes, are duly protected in the context of a criminal investigation or a law enforcement action. At the same time more harmonised laws will also facilitate cross-border cooperation of police or prosecutors to combat crime and terrorism more effectively across Europe.

A fundamental right for citizens

The reform will allow people to regain control of their personal data. Two-thirds of Europeans (67%), according to a recent Eurobarometer survey, stated they are concerned about not having complete control over the information they provide online. Seven Europeans out of ten worry about the potential use that companies may make of the information disclosed. The data protection reform will strengthen the right to data protection, which is a fundamental right in the EU, and allow them to have trust when they give their personal data.

The new rules address these concerns by strengthening the existing rights and empowering individuals with more control over their personal data. Most notably, these include:

- **easier access to your own data**: individuals will have more information on how their data is processed and this information should be available in a clear and understandable way;

- **a right to data portability:** it will be easier to transfer your personal data between service providers;
- **clarified "right to be forgotten":** when you no longer want your data to be processed, and provided that there are no legitimate grounds for retaining it, the data will be deleted;
- **the right to know when your data has been hacked:** For example, companies and organisations must notify the national supervisory authority of serious data breaches as soon as possible so that users can take appropriate measures.

Clear modern rules for businesses

In today's digital economy, personal data has acquired enormous economic significance, in particular in the area of big data. By unifying Europe's rules on data protection, lawmakers are creating a business opportunity and encouraging innovation.

- **One continent, one law:** The regulation will establish one single set of rules which will make it simpler and cheaper for companies to do business in the EU.
- **One-stop-shop:** businesses will only have to deal with one single supervisory authority. This is estimated to save €2.3 billion per year.
- **European rules on European soil**– companies based outside of Europe will have to apply the same rules when offering services in the EU.
- **Risk-based approach:** the rules will avoid a burdensome one-size-fits-all obligation and rather tailor them to the respective risks.
- **Rules fit for innovation:** the regulation will guarantee that data protection safeguards are built into products and services from the earliest stage of development (Data protection by design). Privacy-friendly techniques such as pseudonymisation will be encouraged, to reap the benefits of big data innovation while protecting privacy.

Benefits for big and small alike

The data protection reform will stimulate economic growth by cutting costs and red tape for European business, especially for small and medium enterprises (SMEs). The EU's data protection reform will help SMEs break into new markets. Under the new rules, SMEs will benefit from four reductions in red tape:

- **No more notifications:** Notifications to supervisory authorities are a formality that represents a cost for business of €130 million every year. The reform will scrap these entirely.
- **Every penny counts:** Where requests to access data are manifestly unfounded or excessive, SMEs will be able to charge a fee for providing access.
- **Data Protection Officers:** SMEs are exempt from the obligation to appoint a data protection officer insofar as data processing is not their core business activity.
- **Impact Assessments:** SMEs will have no obligation to carry out an impact assessment unless there is a high risk.

Protecting personal data in the area of law enforcement

- Better cooperation between law enforcement authorities

With the new Data Protection Directive for Police and Criminal Justice Authorities, law enforcement authorities in EU Member States will be able to exchange information necessary for investigations more efficiently and effectively, improving cooperation in the fight against terrorism and other serious crime in Europe.

The Data Protection Directive for Police and Criminal Justice Authorities takes account of the specific needs of law enforcement, respects the different legal traditions in Member States and is fully in line with the Charter of Fundamental Rights.

- Better protection of citizens 'data

Individuals' personal data will be better protected, when processed for any law enforcement purpose including prevention of crime. It will protect everyone – regardless of whether they are a victim, criminal or witness. All law enforcement processing in the Union must comply with the principles of necessity, proportionality and legality, with appropriate safeguards for the individuals. Supervision is ensured by independent national data protection authorities, and effective judicial remedies must be provided.

The Data Protection Directive for Police and Criminal Justice Authorities provides clear rules for the transfer of personal data by law enforcement authorities outside the EU, to ensure that the level of protection of individuals guaranteed in the EU is not undermined.

Next steps

Following political agreement reached in trilogue, the final texts will be formally adopted by the European Parliament and Council at the beginning 2016. The new rules will become applicable two years thereafter.

The Commission will work closely with Member State Data protection authorities to ensure a uniform application of the new rules. During the two-year transition phase, the Commission will inform citizens about their rights and companies about their obligations.

Data Protection Authorities will work more closely together in the future, especially through the one-stop shop mechanism to solve cross-border data protection cases.

Background

The Data protection package is a key enabler of the [Digital Single Market](#) and the [EU Agenda on Security](#).

Proposed by then EU Justice Commissioner, Vice-President Viviane Reding in January 2012 (see [IP/12/46](#)), the data protection reform package includes the General Data Protection Regulation and the data Protection Directive for Police and Criminal Justice Authorities. It updates and replaces the current Data protection rules that are based on the 1995 Data Protection Directive and the 2008 Framework Decision for the police and criminal justice sector.

For more information

[EU Data Protection Reform](#)

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