

DATA IN HARMONY

Another landmark appeared on 15th June when European Ministers in the Justice Council sealed a general approach on the Commission proposal on the Data Protection Regulation for Europe. On the assumption the UK Brexit vote is one to stay as part of the European community, this will then affect UK financial services. This work is part of the Commission proposal on new data protection rules to boost the work on EU Digital Single Market Strategy (DSM) supported by Justice Ministers.

Modern, harmonised data protection rules will contribute to making Europe fit for the digital age and are a step forward to the EU DSM. Trilogue negotiations with the Parliament and the Council started in June with the shared ambition to reach a final agreement by the end of 2015.

Andrus Ansip, Vice-President for the Digital Single Market, said: *"I feel very encouraged by this positive step towards improved and harmonised data protection rules. Data Protection is at the heart of the Digital Single Market, it builds a strong basis to help Europe make better use of innovative digital services like big data and cloud computing."*

Věra Jourová, Commissioner for Justice, Consumers and Gender Equality said: *"Today we take a big step forward in making Europe fit for the digital age. Citizens and businesses deserve modern data protection rules that keep pace with the latest technological changes. High data protection standards will strengthen consumers' trust in digital services, and businesses will benefit from a single set of rules across 28 countries. I am convinced that we can reach a final agreement with the European Parliament and the Council by the end of this year"*.

The aim of the data protection reform launched by the Commission in 2012 under IP 12/46 is to enable people to better control their personal data. Modernised rules will allow businesses to make the most of the opportunities of the DSM by cutting red tape and benefiting from reinforced consumer trust. A more rigorous and coherent data protection framework will provide for greater legal and practical certainty for citizens, businesses

and public authorities. In March 2014, the European Parliament supported the Commission's proposal to reform data protection under Memo 14/186. The European Council has called for adoption of the data protection reform in 2015.

Today's General Approach on the Data Protection Regulation includes agreement on:

One continent, one law – the regulation will establish a **single set of rules** on data protection, valid across the EU. Companies will deal with one law, not 28, saving businesses around €2.3 billion a year.

Strengthened and additional rights - the right to be forgotten will be reinforced. A right to data portability will make it easier for users to transfer personal data between service providers.

European rules on European soil – companies based outside of Europe will have to apply the same rules when offering services in the EU.

More powers for independent national data protection authorities – those authorities will be strengthened in order to effectively enforce the rules, and will be empowered to fine companies

that violate EU data protection rules. This can lead to penalties of up to €1 million or up to 2% of the global annual turnover of a company.

The 'one-stop shop' - the rules will establish a 'one-stop shop' for businesses and citizens: companies will only have to deal with one single supervisory authority, not 28, making it simpler and cheaper for companies to do business across the EU.

The first Trilogue meeting between the Commission, the European Parliament and the Council of the EU will take place on June 24 with the participation of Commissioner Jourová. The three institutions intend to agree on a roadmap towards the finalisation of the reform in 2015. UK Financial Service providers need to take serious note and ensure their data oversight and compliance regimes are amended accordingly.

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