

/./ JL NATIONAL DATA PROTECTION COMMISSION

OPINION/2019/34

I. Order

The Office of the Assistant Secretary of State and Finance sent the National Data Protection Commission (CNPd), for consideration, the draft law proposal transposing Directive (EU) 2017/828 of the European Parliament and of the Council, of 17 May 2017 amending Directive 2007/36/EC of the European Parliament and of the Council of 11 June 2007 as regards incentives for shareholder involvement in the long term.

The request made and the opinion issued now derive from the attributions and powers of the CNPD, as an independent administrative entity with powers of authority to control the processing of personal data, conferred by subparagraph c) of paragraph 1 of article 57 and by no. 4 of article 36 of Regulation (EU) 2016/679 of the European Parliament and of the Council, of 27 April 2016 (General Regulation on Data Protection - RGPD), in conjunction with the provisions of no. 1 of article 21 and no. 1 of article 22, both of Law No. 67/98, of 26 October, amended by Law No. 103/2015, of 24 August (Law of Personal Data Protection).

The assessment of the CNPD is limited to the rules that provide for or regulate the processing of personal data.

II. appreciation

This draft draft law transposes, into the domestic legal order, Directive (EU) 2017/828 of the European Parliament and of the Council, of 17 May 2017, which amends Directive 2007/36/EC of the European Parliament and of the Board of June 11, 2007, concerning the exercise of certain rights of shareholders of listed companies, with regard to incentives for shareholder involvement in the long term.

AV. D. CARLOS I, 134 - 1o I 1200-651 LIS BOA I WWW.CNPd.PT I TEL: +351 213 928400 I FAX: +351 213 976 832

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The draft Law Proposal amends the Securities Code, approved by Decree-Law no. 486/99, of 13 November, amending the

General Regime for Collective Investment Undertakings approved by Law no. 16/ 2015, of 24 February, to the amendment of the General Regime for Credit Institutions and Financial Companies, approved by Decree-Law No. 298/92, of 31 December, to the repeal of Law No. 28/2009, of 19 of June, and the determination of the regime of measures and sanctions applicable to non-compliance with the rules of this Draft Law.

It is now important to analyze the specific issues that arise with regard to the protection of personal data:

1-Article 3 of the draft Bill under analysis adds articles 22-A, 26-A, to 26-F, 93-A, to 93-D, 240-A to 249-D, 251-A to 251-E to the Securities Code.

However, Article 93-A on the heading “Identification of Shareholders” establishes that companies issuing shares admitted to trading on a regulated market have the right to request from the managing body of the centralized system information regarding the identity of their shareholders, including, in particular, the name and contact details of the shareholder (cf. no. 1, point a)), and this entity “requests the financial intermediaries participating in that centralized system to provide the services provided for in point a) of article 291. , information concerning the identity of the shareholders, who must respond immediately to the request’ (paragraph 2). It should be noted that personal data must be deleted within 12 months after the issuing companies, the management entity of the centralized system and the financial intermediaries that provide the services provided for in paragraph a) of article 291 have become aware of the

Av. D. CARLOS I, 134 - 1o | 1200-651 LISBON | WWW.CNPD.PT | TEL: +351 213 928 400 | FAX: +351 213 976 832

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that the person concerned is no longer a shareholder, without prejudice to any longer retention period provided for by law (cfr no. 4).1

These precepts aim at the processing of personal data under the terms of article 4, points a) and b), of the RGPD, so it is recommended that an express reference be made to the legal regime of data protection enshrined in the RGPD, safeguarding the rights of information, access and rectification of data subjects under the terms provided for in articles 14 to 16 of this legal

instrument.

Attention is also drawn to the fact that paragraph a) of article 93-A, when providing for information on the identity of shareholders, mentions that this includes, in particular, the name and contact details of the shareholder. However, the collection and conservation of personal data comply with the principles of purpose and data minimization, so only identification elements of shareholders that are strictly necessary for the purpose in question should be collected - cf. Article 5(1)(b) and c) of the GDPR. It is therefore recommended to delete the word "namely" and replace it with a specific list of personal data to be processed.

Finally, it should be noted that the consecration of the duty of the aforementioned entities to delete personal data within 12 months after becoming aware that the person concerned is no longer a shareholder demonstrates that one of the basic principles of data processing - the limitation of conservation, provided for in paragraph c) of article 5 of the LPDP and the RGPD - is fulfilled.

2 - In turn, article 235-C introduced by the draft bill requires the management body of companies issuing shares admitted to trading on a regulated market to prepare a report that provides a comprehensive view of the remuneration awarded or due during the last fiscal year to each

' Those provisions correspond to Article 3a(3) and(4) of the aforementioned Directive.

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1200-651 LISBON | WWW.CNPD.PT | TEL:+351 213 928 400 | FAX: +351 213 976 832

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member of the management and supervisory bodies. The draft Law Proposal stipulates that this report must be published on

the issuer's website and remain available for 10 years.

This rule, which essentially reproduces the provisions of Article 9-B introduced by Directive 2017/828, provides for the disclosure on the Internet of personal data relating to the remuneration situation of the directors of the companies covered, in terms that restrict substantially the right to protection of personal data. In fact, the online publication of this personal information allows the use of the data for the most diverse purposes, without it being strictly feasible to control this use. The long period in which such personal information is available (10 years) also contributes to this.

In any case, the CNPD recognizes that the national legislator, on this point, cannot contradict the option of the European legislator, given that the Directive expressly bases this legislative option (cf. recitals 33 et seq), giving precedence over that right to the transparency objective in order to reinforce the level of accountability of the management and supervisory bodies and the supervisory capacity of shareholders in relation to their remuneration.

The only caveat that, in this regard, the Directive makes, in the sense of safeguarding a minimum dimension of that fundamental right, is also enshrined in the draft Law Proposal. Indeed, pursuant to Article 245c(9), that report cannot include special categories of directors' personal data, or personal data relating to their family situation².

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This article corresponds to paragraph 2 of article 9.Q-B of the Directive, which refers therein to the definition of special categories of personal data within the meaning of article 9 of the GDPR.

Av. D. CARLOS I, 134 - 1o | 1200-651 LISBON | WWW.CNPD.PT | TEL:+351 213 928 400 | FAX: +351 213 976 832

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For greater legal clarity, the CNPD suggests that, in this issue, an express reference be made to the list of special categories of personal data provided for in article 9 of the GDPR.

III. conclusions

On the grounds set out above, the CNPD recommends that, in article 93-A, now added to the Securities Code, express reference be made to the legal regime for data protection enshrined in the RGPD, safeguarding the rights of information, access and rectification of data subjects under the terms provided for in articles 14 to 16 of this legal instrument.

The CNPD also recommends the densification of paragraph 9 of article 245-C, referring to the definition of special categories of personal data under the terms of article 9 of the RGPD.

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Maria Cândida Guedes de Oliveira (Rapporteur)

AV. D. CARLOS I, 134 - 1o | 1200-651 LISBON | WWW.CNPD.pt | TEU+351 213 928 400 | FAX: +351 213 976 832