

StreetAccount Sector Themes: EU General Data Protection Regulation Overview
Wednesday, April 18, 2018 07:41:53 PM (GMT)

- **Overview:**
 - The General Data Protection Regulation (GDPR) was enacted by the EU Parliament on 14-Apr-16 and is due to take effect 25-May-18. The regulation will replace the existing 1995 Data Protection Directive and standardize the data protection laws across Europe. GDPR will affect firms located within the EU and those that are located outside the EU if they offer goods or services, or monitor the behavior of EU data subjects. Some believe that possible future U.S. legislation for data privacy and protection may be based on the GDPR. We take a look at some of the regulations and the policy changes some companies are making to comply.
- **Changes from the 1995 Data Protection Directive:**
 - **Increased Territorial Scope:** The jurisdiction now includes all companies processing the personal data of data subjects that live in the Union, regardless of the company's location.
 - **Penalties:** Companies in violation can be fined a maximum of 4% of annual global sales or €20M, whichever is greater, for the most serious infractions. Clouds will not be exempt from enforcement.
 - **Consent:** Requests for customer consent must be clear and distinguishable from other matters and provided in an intelligible and easily accessible form using clear and plain language. It must be as easy to withdraw consent as it is to give it.
 - **User Rights:** Breach notification, right to access data, right to be forgotten, data portability, privacy by design, and the hiring of data protection officers for certain organizations.
- **What Types of Data are Covered and Which Companies Must Comply?**
 - Personal data, defined as being sensitive in nature and can be linked to a person such as credit card numbers, travel records, religious affiliations, web search results, biometric data (such as fitness band data), IP and PC addresses.
 - Any entity defined as "processing" personal data through collection, storage, or dissemination. This includes social networking sites, search engines, and online retailers.
- **How Some U.S. Firms are Complying:**
 - **Facebook:** On 17-Apr-18, Facebook announced that it was "introducing new privacy experiences on Facebook as part of the EU's GDPR." The changes to user and privacy agreements are being touted as similar to the GDPR regulations for those outside the EU. The new terms will be rolled out to the EU this week and the rest of the world "on a slightly later schedule."
 - **Google:** Depending on the business unit, Google acts as either or data processor (Google Analytics, Ads Data Hub, DoubleClick Bid Manager) or data controller (AdMob, AdSense, AdWords, DoubleClick Ad Exchange, and DoubleClick for Publishers). We note that Google will have to get consent from first-party users of Gmail, YouTube, and Google.com, but publishers and advertisers that use Google's ad services must also receive consent from their users.
 - **Twitter:** 17-May-17 Twitter introduced new tools to make user data more transparent, allowing users to access and modify their own data directly, opt out of different types of data usage and sharing.
 - **Amazon:** Amazon has stated that all Amazon Web Services are GDPR ready. Amazon has also stated that its advertising services business "will comply with the requirements of GDPR when it comes into effect on May 25, 2018."
 - **Microsoft:** Microsoft has "committed" to GDPR compliance across their cloud services when enforcement begins on 25-May.
 - **Criteo:** The company stated in December 2017 that it was "already in compliance with key elements of GDPR" and well-positioned to implement any additional requirements.

Reference Links:

- www.eugdpr.org
- newsroom.fb.com
- privacy.google.com
- adexchanger.com
- cloud.google.com
- blog.twitter.com

- www.microsoft.com
- aws.amazon.com
- advertising.amazon.com
- www.criteo.com

Industries: Retail (Internet & Catalog), Computer Hardware, Computer & Internet Services, Software & Programming

Primary Identifiers: AAPL-US, AMZN-US, CRTO-US, FB-US, GOOGL-US, MSFT-US, SNAP-US, TWTR-US

Related Identifiers: AAPL-US, AMZN-US, CRTO-US, FB-US, GOOGL-US, MSFT-US, SNAP-US, TWTR-US

Subjects: Other Regulatory, Regulatory, Sector Themes - US Technology