



## EUROPEAN COMMISSION - PRESS RELEASE

### **Commission proposes a comprehensive reform of data protection rules to increase users' control of their data and to cut costs for businesses**



**Brussels, 25 January 2012** – The European Commission has today proposed a comprehensive reform of the EU's 1995 data protection rules to strengthen online privacy rights and boost Europe's digital economy. Technological progress and globalisation have profoundly changed the way our data is collected, accessed and used. In addition, the 27 EU Member States have implemented the 1995 rules differently, resulting in divergences in enforcement. A single law will do away with the current fragmentation and costly administrative burdens, leading to savings for businesses of around €2.3 billion a year. The initiative will help reinforce consumer confidence in online services, providing a much needed boost to growth, jobs and innovation in Europe.

*"17 years ago less than 1% of Europeans used the internet. Today, vast amounts of personal data are transferred and exchanged, across continents and around the globe in fractions of seconds,"* said EU Justice Commissioner Viviane Reding, the Commission's Vice-President. *"The protection of personal data is a fundamental right for all Europeans, but citizens do not always feel in full control of their personal data. My proposals will help build trust in online services because people will be better informed about their rights and in more control of their information. The reform will accomplish this while making life easier and less costly for businesses. A strong, clear and uniform legal framework at EU level will help to unleash the potential of the Digital Single Market and foster economic growth, innovation and job creation."*

The Commission's proposals update and modernise the principles enshrined in the 1995 Data Protection Directive to guarantee privacy rights in the future. They include a policy Communication setting out the Commission's objectives and two legislative proposals: a **Regulation** setting out a general EU framework for data protection and a **Directive** on protecting personal data processed for the purposes of prevention, detection, investigation or prosecution of criminal offences and related judicial activities.

Key changes in the reform include:

- A **single set of rules** on data protection, valid across the EU. Unnecessary **administrative requirements**, such as notification requirements for companies, will be removed. This will save businesses around €2.3 billion a year.
- Instead of the current obligation of all companies to notify all data protection activities to data protection supervisors – a requirement that has led to unnecessary paperwork and costs businesses €130 million per year, the Regulation provides for increased **responsibility and accountability** for those processing personal data.
- For example, companies and organisations must notify the national supervisory authority of serious **data breaches** as soon as possible (if feasible within 24 hours).
- Organisations will only have to deal with a **single national data protection authority** in the EU country where they have their main establishment. Likewise, people can refer to the **data protection authority** in their country, even when their data is processed by a company based outside the EU. Wherever **consent** is required for data to be processed, it is clarified that it has to be given explicitly, rather than assumed.
- People will have easier **access to their own data** and be able to **transfer personal data** from one service provider to another more easily (right to data portability). This will improve competition among services.
- A '**right to be forgotten**' will help people better manage data protection risks online: people will be able to delete their data if there are no legitimate grounds for retaining it.
- EU rules must apply if personal data is **handled abroad** by companies that are active in the EU market and offer their services to EU citizens.
- **Independent national data protection authorities** will be strengthened so they can better enforce the EU rules at home. They 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.
- A new **Directive** will apply general data protection principles and rules for **police and judicial cooperation** in criminal matters. The rules will apply to both domestic and cross-border transfers of data.

The Commission's proposals will now be passed on to the European Parliament and EU Member States (meeting in the Council of Ministers) for discussion. They will take effect two years after they have been adopted.

## Background

Personal data is any information relating to an individual, whether it relates to his or her private, professional or public life. It can be anything from a name, a photo, an email address, bank details, your posts on social networking websites, your medical information, or your computer's IP address. The EU Charter of Fundamental Rights says that everyone has the right to personal data protection in all aspects of life: at home, at work, whilst shopping, when receiving medical treatment, at a police station or on the Internet.

In the digital age, the collection and storage of personal information are essential. Data is used by all businesses – from insurance firms and banks to social media sites and search engines. In a globalised world, the transfer of data to third countries has become an important factor in daily life. There are no borders online and cloud computing means data may be sent from Berlin to be processed in Boston and stored in Bangalore.

On 4 November 2010, the Commission set out a strategy to strengthen EU data protection rules ([IP/10/1462](#) and [MEMO/10/542](#)). The goals were to protect individuals' data in all policy areas, including law enforcement, while reducing red tape for business and guaranteeing the free circulation of data within the EU. The Commission invited reactions to its ideas and also carried out a separate public consultation to revise the EU's 1995 [Data Protection Directive \(95/46/EC\)](#).

EU data protection rules aim to protect the fundamental rights and freedoms of natural persons, and in particular the right to data protection, as well as the free flow of data. This general Data Protection Directive has been complemented by other legal instruments, such as the e-Privacy Directive for the communications sector. There are also specific rules for the protection of personal data in police and judicial cooperation in criminal matters ([Framework Decision 2008/977/JHA](#)).

The right to the protection of personal data is explicitly recognised by Article 8 of the EU's [Charter of Fundamental Rights](#) and by the Lisbon Treaty. The Treaty provides a legal basis for rules on data protection for all activities within the scope of EU law under Article 16 of the [Treaty on the Functioning of the European Union](#).

## For more information

[MEMO/12/41](#)

Press pack: data protection reform:

[http://ec.europa.eu/justice/newsroom/data-protection/news/120125\\_en.htm](http://ec.europa.eu/justice/newsroom/data-protection/news/120125_en.htm)

Homepage of Vice-President Viviane Reding, EU Justice Commissioner:

<http://ec.europa.eu/reding>

European Commission – data protection:

<http://ec.europa.eu/justice/data-protection>

Justice Directorate General Newsroom:

[http://ec.europa.eu/justice/news/intro/news\\_intro\\_en.htm](http://ec.europa.eu/justice/news/intro/news_intro_en.htm)

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