



European
Commission



How will the EU's data protection reform make international cooperation easier?

Cloud computing means that data can be processed in Beijing, stored in Boston and accessed in Budapest. In the digital age, data is routinely transferred between countries both inside and outside the EU. But not all countries provide the same level of protection for personal data.

Binding corporate rules are one tool that can be used to adequately protect personal data when it is transferred or processed outside the EU. Businesses can adopt these rules voluntarily and they can be used for transfers of data between companies that are part of the same corporate group. Currently, in order to be approved, binding corporate rules must be verified by at least three data protection authorities.

The European Commission's proposed reform of data protection will simplify binding corporate rules and streamline the approval process, having the rules approved by a single data protection authority instead of several.

Why is international cooperation important?

Personal data is increasingly being transferred across **borders – both virtual and geographical –** and stored on servers in **multiple countries** both within and outside the EU. That is the nature of **cloud computing**. The **globalised nature of data flows** calls for a strengthening of the individual's data-protection rights internationally. This requires strong principles for protecting individuals' data, aimed at **easing the flow of personal data** across borders while still ensuring a **high and consistent level of protection** without loopholes or unnecessary complexity.

Attitudes towards data protection

- To protect their identity in daily life, **62%** of Europeans give only the **minimum information required**.
- Less than a third trust **phone companies** and **internet service providers (32%)**; and just over **one-fifth** trust **internet companies** such as search engines, social networking sites and e-mail services (**22%**).
- Though a majority of European internet users feel they are themselves responsible for the safe handling of their personal data, almost all Europeans are in favour of **equal protection rights** across the EU (**90%**).

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Attitudes on Data Protection and Electronic Identity in the European Union, June 2011

Any questions?

http://ec.europa.eu/justice/data-protection/index_en.htm

Contact Europe Direct: 00 800 67 89 10 11 - <http://europa.eu/europedirect/>

What is the European Commission proposing?

To respond to these challenges, the Commission is proposing a system which will ensure a level of protection for data transferred out of the EU **similar to that within the EU**. This will include **clear rules** defining when EU law is applicable to companies or organisations established outside the EU, in particular by clarifying that whenever the organisation's activities are related to the offering of goods or services to EU individuals, or to the monitoring of their behaviour, **EU rules will apply**. The Commission is proposing a streamlined procedure for so-called "adequacy decisions" that will allow the **free flow of information** between the EU and non-EU countries. An adequacy decision is an acknowledgement that a given non-EU country ensures an adequate level of data protection through its domestic law or international commitments. Such adequacy decisions will be taken at European level on the basis of explicit criteria which will also apply to **police cooperation** and **criminal justice**.

Businesses operating globally will benefit from **clear and explicit rules for making use of binding corporate rules**, as well as from the fact that **prior authorisation** will no longer be needed for transfers covered by binding corporate rules or standard contractual clauses. The proposal will promote **effective international cooperation** for data protection enforcement between the Commission, European data protection

authorities and authorities outside the EU, through investigative assistance, information exchange and complaint referral.

Lastly, by **promoting global standards**, the Commission's proposals will ensure continued **European leadership** in **protecting data** flows around the world.

How will this help?

When the EU cooperates with non-member countries, the Commission's proposals will make sure that citizens' **data is protected throughout the world**, and not only within the EU. This will help to improve international trust in the protection of individuals' personal data, wherever the data is located. This will in turn promote growth opportunities for **EU businesses**. EU data protection standards **have to apply** independently of the location where the data relating to EU individuals is processed.

At the same time, data transferred outside the EU should be protected. Businesses committed to a **high level of data protection** should be provided with **simple tools** to ease legitimate transfers. **Third party cooperation** on these new proposals will help to ensure that Europeans' personal information is **safe** wherever it is in the world.

What will be the key changes?

- **Clear rules** on when EU law applies to data controllers **outside the EU**, in particular, by specifying that whenever controller's activities are related to the offering of goods or services to **EU individuals**, or to the monitoring of their behaviour, EU rules will apply.
- **Streamlined adequacy decisions** that allow free flow of information between the EU and non-member countries taken at European level on the basis of explicit criteria, and which will also apply to police cooperation and criminal justice.
- Making **legitimate transfers** easier and less burdensome by reinforcing and simplifying other rules on international transfers, in particular by:
- **Streamlining** and **extending** the use of tools such as '**binding corporate rules**', so that they can be used to also cover data processors and within 'groups of companies', thus better reflecting the multiplicity of actors involved in data processing activities especially in the framework of **cloud computing**.