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**The EU Data Protection Reform 2012:  
Safeguarding Privacy in a Connected  
World**

Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort

Press Conference on the Presentation of the new Proposals

**Brussels, 25 January 2012**

Ladies and gentlemen, we have done it. Today, the European Commission adopted a comprehensive reform on the EU's data protection rules.

With this reform, the Commission will create a real digital Single Market, accessible to both companies and consumers.

It will make Europe more competitive in this field and it will make Europe an international standard-setter in terms of modern data protection rules.

Now let me first come to the context of this reform.

Personal data is, in today's world, the currency of the digital Single Market. And like any currency it has to be stable and it has to be trustworthy.

Only if consumers 'trust' that their data is well protected, will they continue to entrust businesses and authorities with it, buy online and accept new services.

So, why do Europe's data protection rules need to be reformed?

Well simply because the rules which do we have – and by the way, we are one of the few continents in the world that have already rules – date from 1995, pre-Internet times. Today the Internet, cloud computing and mobile devices allow us to access our data everywhere at any time.

The new technologies have changed our lives. They make it easier to keep in contact with our family and with our friends, to upload photos, contacts, to search for the latest news, to share our "likes" and "dislikes" on social networks.

This is a world with breathtaking possibilities. And it should stay like this. It should be a world of innovation.

But of course, there are also dangers surrounding these new technologies, especially the risk of losing control over one's personal data.

Citizens are very worried. 72% of European citizens are concerned that their personal data may be misused. They are worried that companies may be passing on their data to other companies without their permission.

And this discourages them from giving out their data. This discourages them very often from buying goods and services online.

But we also know that many users, especially the younger ones, are not aware of privacy policies when they create a profile on a social network site. Many users are also not aware that their search data could be used by third parties.

So are the worries of individuals. But there are also worries for our companies too.

Businesses are worried because they are faced with many varied, sometimes contradictory data protection requirements, due to different national laws, due to different ways the national data protection authorities apply these laws, and they are also confronted with a load of notification requirements.

So, a patchwork of laws and many reporting requirements. This leads to legal uncertainty, to legal fragmentation and it makes it difficult for companies, most of all those innovative start-ups, most of all our SMEs, to do business in the European Single Market.

This is a real extra cost, a real extra burden on our companies.

So what are we doing in order to solve this problem?

Our reform will eliminate this unnecessary administrative burden, as well as the many costs linked to the different reporting requirements that currently exist throughout the EU. It will do so with one main text, a Regulation which enhances the opportunities for companies which want to do business on the whole internal market and it will ensure a high protection to the individuals.

And the second piece of legislation, a Directive, will ensure a smoother exchange of information between Member States' police and judicial authorities in the fight against serious crime while protecting at the same time, people's fundamental rights to data protection.

Now let me first say what this reform will specifically mean to the business world. A single set of rules on data protection, valid everywhere across the European Union. So one rule for the 27 Member States and for the 500 million people. One data protection authority for one company, a one-stop-shop, and one authorisation for the whole of the European Union.

This will reduce administrative burdens and will save businesses around €2.3 billion a year.

We also took special care of our SMEs, or our micro-enterprises, or start-ups, which we want to grow and become big companies. It is like a red thread which goes through the whole Regulation. Think small first when you regulate. Help the young companies to become big, help them to do their job and not to be drowned by administrative burdens. Companies will have to deal with one single data protection authority, as I said. They will be exempt from a lot of rules they have to obey today. They will be less burdened.

May I give you some examples of this light touch. First, many, if not a large majority of SMEs – our definition of SMEs has not changed but is the usual one by the way: 250 employees – will be made exempt from the obligation to appoint a data protection officer.

Regarding the obligation to carry out data protection impact assessments, the criteria are narrowly targeted to cover only very risky data processing activities, for instance children's genetic data or biometric data.

SMEs will be exempt from the duty to put together documentation on their data processing activities. This "think small first" thread goes through the entire proposal, which means it is not only a declaration, but it is in the legal text.

The reform will also ensure clear routes for international data transfers between the branches of a multinational company – even if some of the branches are outside of the EU. There will be a streamlined approval processes with a single point of contact for companies and once the binding corporate rules are approved by one data protection authority, they will be recognised by all the data protection authorities in the European Union. There should be no need for additional national authorisations in case of further transfers.

So it is for the business world. Now what about the 500 million citizens? They will also see immediate benefits because this reform will increase the trust that people have. They must feel their data is well protected. The new legislation will ensure that they are well informed about what is being done with their data.

And this will in turn greatly benefit the Single Market because people will have confidence in using online services – a confidence, as I told you, they don't have at the moment: 72% of people are worried about what is happening with their data.

First rule: personal data belongs to the person. Transparency: privacy policies must be clear and understandably written in plain language. Citizens will have to know how their data is processed.

Second, consent to use the data shall be given in the form of an explicit consent by the citizen. Citizens will also have the right to transfer their data to another provider – a right that they already have in the telecoms sector. I put this right of number portability in place when I was Telecoms Commissioner. Now it follows for the Internet world. The data belongs to individuals, so they can take the data from one

provider and transfer it to another provider. This data portability will certainly improve competition among services.

And then you all know about the scandals of data breaches where data is stolen, is misused and citizens hear about this weeks later. We will put an end to this. Companies and organisations must notify the national data protection authority of data breaches as soon as possible, which, for me, means within 24 hours.

And then the famous 'right to be forgotten', again linked to the principle that personal data belongs to the individual. If an individual wants to take its data off a service – the data the individual had put on the service – he should be capable of doing so. People will be able to erase the data they have given out if there are no legitimate grounds for retaining it.

Now, how will the whole thing work in terms of regulation?

I have already told you that there will be a one-stop-shop. The national data protection authority of the Member State where the company is seated will be the one-stop-shop for a company. It will also be the one-stop-shop for the citizen. This means that we need everywhere in Europe, for implementing those rules, strong independent data protection authorities. And when I say independent, I mean independent from politics and from the industry. And they should be well-equipped, so that they can carry out their task. Their task is to analyse the case which has been brought before them, their task is to provide solutions for the case which has been brought before them, and if this doesn't work, they have the possibility to impose sanctions on the one who has not abided by the rules.

This, ladies and gentlemen, is a strong, consistent and future-proof framework for the next decades. It will be applied consistently across all Member States.

It will be fit for the digital age to encourage innovation and the development of new technologies and services, and it will make Europe the worldwide standard-setter for a digital Single Market and for data protection.

So it is really a crucial piece of legislation for growth and innovation. Thank you.