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How will the EU's data protection reform strengthen the internal market?

European data protection authorities discovered that a mapping service, which offers photos of street scenes had collected personal data from unsecured Wi-Fi networks while taking pictures in several European cities. The discovery prompted different responses from data protection authorities: some demanded the immediate destruction of the data while others asked that it be retained as evidence. In addition, authorities' remedies differed across the EU, with several fining the company and others taking no action. This divergent approach to the same situation shows the need to have a more coherent approach to protecting personal data and handling offences. This will benefit both companies and citizens.

How did the old data protection rules hold back the single market?

Currently applicable data protection rules are divergent and inconsistent across the EU's 28 member countries. Companies may have to deal with **28 different sets of data protection rules** within the EU. The result is a fragmented legal environment with legal uncertainty and **unequal protection for individuals**.

This has also caused **unnecessary costs** and a **significant administrative burden for businesses**. This complex situation is a **disincentive** for businesses – particularly small and medium-sized companies (SMEs) – to expand their operations across the EU and represents an obstacle to economic growth.

Attitudes towards data protection

- **Public authorities** (66%) are trusted more than commercial companies.
- **69%** of Europeans are concerned that their personal data held by **companies** may be used for a **purpose other** than that for which it was collected.
- More than **4 out of 10** Europeans would prefer data protection rules to be enforced at **European level** (45%), while a somewhat smaller number would prefer enforcement at national level (42%).

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What is the EU Data Protection Reform about?

The General Data Protection Regulation introduces new rules to **remove barriers** to the internal market which exist because of the divergent legal approaches of the 28 EU countries. This creates a **'level playing field'** on data processing within the EU. The Regulation achieves **substantial harmonisation** of data protection rules at EU level, creating **one single law** applicable across the EU. The **savings** from having one single law in terms of removed administrative burden will be **€2.3 billion per year**.

Finally, the Regulation establishes a **'one-stop-shop' for enforcement**: businesses organisations will only have to deal with one single data protection authority – the authority in the country where they have their main base.

National data protection authorities will cooperate on issues with a **wider European impact**, thus ensuring that all Europeans can **trust** that their **rights are protected throughout the EU**, no matter where they live in the EU.

How will this help?

A **stronger, simpler and clearer** data protection framework will encourage companies to get the most out of the **digital single market**, fostering **economic growth, innovation and job creation**. This will especially help SMEs. The new regime also provides an advantage for EU companies in **global competition**, as they will be able to offer their customers assurances, backed by a **strong regulation**, that valuable personal data will be treated with care and diligence. For companies offering cloud services – remote storing and processing of data on computer servers – the trust in the EU's **coherent regulatory regime** will be a key asset and attractive point for investors.

Having the same rights across the EU will also **boost individuals' confidence** that the protection they get for their data will be equally strong, wherever their data is processed.

What are the key changes?

- **One single law** applicable across the EU.
- A **'one-stop-shop'** – each business answerable to just **one single data protection authority**.
- **Better cooperation between data protection authorities** on cases with a **wider European impact**.
- Simplification of the regulatory environment by **drastically cutting red tape** and doing away with **unnecessary formalities** such as general notification requirements, currently costing **about €130 million per year**.