



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 effectively 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 new General Data Protection Regulation 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

- Half of all European internet users are worried about becoming a victim of fraud through the misuse of their personal data (**50%**).
- Less than a third trust of Europeans trust **phone companies** and **internet service providers (33%)**; and less than a quarter trust **online businesses** such as search engines, social networking sites and e-mail services (**24%**).
- Almost all Europeans are in favour of **equal protection rights** across the EU regardless of the country in which the company offering the service is established (89%).

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What is the EU Data Protection Reform about?

To respond to these challenges, the new General Data Protection Regulation introduces a system which will ensure that the EU level of protection of personal data is not undermined after such data gets transferred out of the EU. This includes **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 new 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, when transfers are covered by approved binding corporate rules or standard contractual clauses, **prior authorisation** will no longer be needed. The Regulation promotes **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 Regulation 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 Regulation 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 rules will help to ensure that Europeans' personal information is **safe** wherever it is in the world.

What are 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**.