

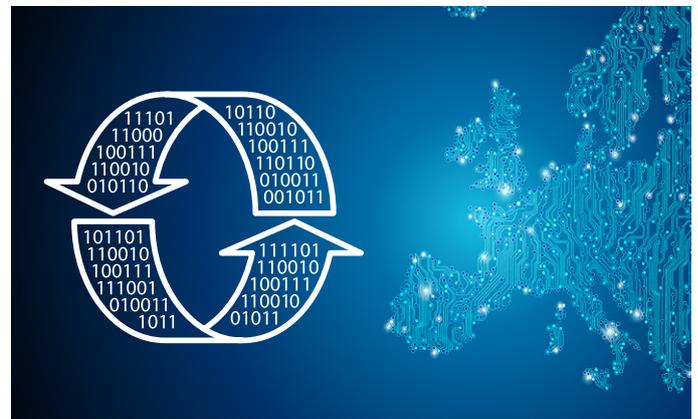
Digital Single Market

FREE FLOW OF NON-PERSONAL DATA

#DSM

What is the free flow of non-personal data?

Free flow of non-personal data means unrestricted movement of data across borders and IT systems in the EU. It is a key building block of the Digital Single Market and considered the most important factor for the data economy to unleash its full potential and to double its value to 4% of GDP in 2020. The new measures are in line with already existing rules for the free movement and portability of personal data in the EU.



What was the situation previously?

The European Commission has identified 4 types of obstacles to data mobility within the EU:

<p>Data localisation restrictions by Member States' public authorities¹</p> <p>62% of surveyed respondents stated that data localisation restrictions should be removed</p>	<p>Obstacles to movement of data across IT systems (so-called vendor lock-in)¹</p> <p>72% of surveyed SMEs that use cloud services intended to switch providers</p> <p>57% of these experienced difficulties in doing so</p>	<p>Legal uncertainty leading to caution on the market regarding cross-border data storage and processing¹</p> <p>Complex EU legal patchwork applicable in different sectors/situations, but lack of overarching principle of free flow of non-personal data</p> <p>55% of surveyed respondents believe that legislative action was necessary</p>	<p>Lack of trust due to security risks and concerns about the cross-border availability of data for regulatory purposes</p> <p>57% of large businesses and 38% of SMEs</p> <p>lack trust due to risks of security breaches²</p>
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¹ Synopsis Report of the Public Consultation "Building a European Data Economy" Annex to the Synopsis Report of the Public Consultation "Building a European Data Economy". ec.europa.eu/digital-single-market/en/news/summary-report-public-consultation-building-european-data-economy

² From Eurostat, "Factors limiting enterprises from using cloud computing services, by size class, EU-28", 2014 (% enterprises using the cloud); ec.europa.eu/eurostat/statistics-explained/index.php/Cloud_computing_-_statistics_on_the_use_by_enterprises

Timeline of this initiative



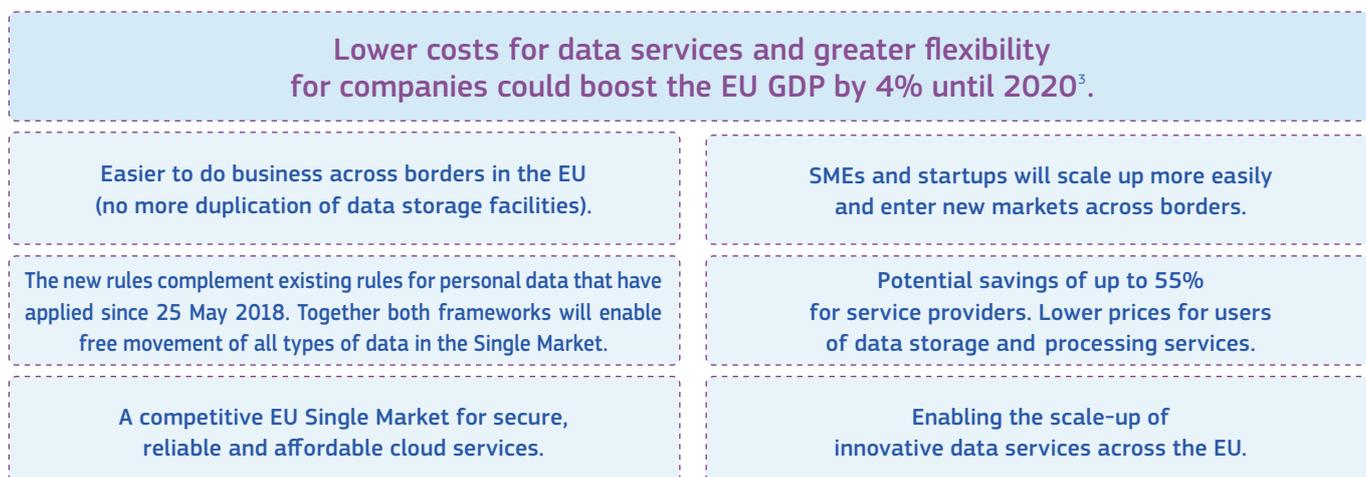
What has been agreed?

One single principle across the EU, guaranteeing free flow of non-personal data:

- The **free flow of non-personal data principle** removes unjustified data localisation restrictions imposed by public authorities, enhancing legal certainty and raising trust.
- The principle of **data availability for competent authorities** makes sure that the data remains accessible for regulatory and supervisory control also when stored or processed across borders in the EU.
- Actions to encourage cloud service providers to develop self-regulatory **codes of conduct** for easier switching of provider and porting data back to in-house servers, which must be implemented by mid-2020.
- **Security requirements on data storage and processing remain applicable**, also when businesses store or process data in another Member State. The same applies when they outsource data processing to cloud service providers.
- **Single points of contact** in each Member State, to liaise with other Member States' contact points and the Commission to ensure the effective application of the new rules on the free flow of non-personal data.

What are the benefits for the EU?

A basis to maximise the full potential of the Digital Single Market³:



Examples of predicted additional revenue by sectors (2015-2020) assuming that data localisation restrictions are removed⁴:



³ This legislative proposal is the most important factor in leading to the 'high-growth scenario' of 4% additional EU GDP, from study SMART 2013/0063, IDC, "European Data Market".

'Savings of up to 120% ...': from study SMART 2015/0016, London Economics "Facilitating cross border data flow in the Digital Single Market", ec.europa.eu/digital-single-market/en/news/facilitating-cross-border-data-flow-digital-single-market.

⁴ From study SMART 2014/0031, Deloitte, "Measuring the economic impact of cloud computing in Europe".