

European Data Strategies – A walk through new laws and bills: Data Act, Al Act, GDPR 2.0, NIS 2, Cyber Resilience Act, Digital Services Act, European Health Data Space - Live Webinar



# Speakers



Cynthia O'Donoghue
Partner, London
codonoghue@reedsmith.com



Elle Todd
Partner, London
etodd@reedsmith.com



Andreas Splittgerber
Partner, Munich
asplittgerber@reedsmith.com



Christian Leuthner
Partner, Frankfurt
cleuthner@reedsmith.com



Aselle Ibraimova Counsel, London aibraimova@reedsmith.com



Joana Becker
Associate, Frankfurt
joana.becker@reedsmith.com

Reed Smith European Data Strategies 1/30/2024

# Digital Services Act

## When:

Already for VLOP/

VLOSEs. 17 Feb

2024 for key

obligations for others

Platforms which allow the dissemination of information to the public.

Further subset includes marketplaces which allow traders and consumers to conclude contracts.

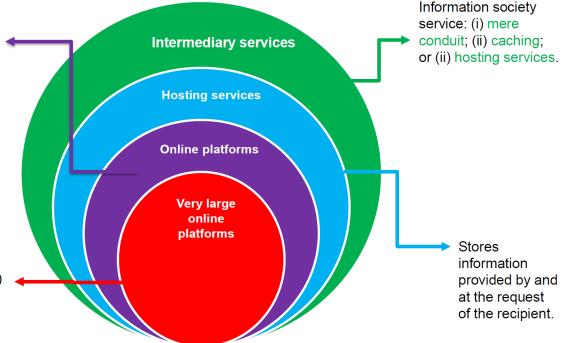
### Who:

Intermediary

Service providers

Platforms reaching more than 10% of 450 million consumers in Europe.

Reed Smith



**Reed Smith** 

Elle Todd

# Digital Services Act (2)

## What:



Reed Smith Elle Todd 1/30/2024



## **Data Governance Act**

When: Entered into force 23 June 2022; Effective Date 24 September 2023

Who: Public and private sectors where data deemed to be a benefit to public benefit

## What:

- Seeks to increase trust in data sharing and strengthen mechanisms to increase data availability and data reuse
- Supports the setting up of common European data spaces in health, environment, energy, agriculture, mobility/transport, finance, manufacturing, public administration and skills
- Creation of European Data Innovation Board and national Member State oversight
- New data intermediation services and voluntarily framework to make data available for altruistic purposes
- No international data transfers where there are conflicts with EU/MS law

\*GDPR (and national law) must be complied with and prevails\*

## **Data Act**

## When: Entry into Force: 11 January 2024

Applicability: **12. September 2025** (longer transition periods for some specific provisions, **2026 to 2027**)

## Who:

- 1. **Manufacturers** of **connected products**, **suppliers** of **related services** placed on the market in the EU (= **extraterritorial scope**) and their users
- 2. **Data holders** that make data available to data recipients in the EU, and such data recipients
- 3. **Providers of data processing services**, including cloud services, offering such services to customers in the EU
- 4. Participants in data spaces, vendors of applications using smart contracts and persons commercially deploying smart contracts for executing data sharing agreements
- 5. Member states' public sector bodies and EU institutions, agencies or bodies

Reed Smith Joana Becker/Florian Schwind 1/30/2024

# Data Act (2)

### What:

- Focuses primarily on industrial, nonpersonal data but applies also to personal data
- Data Holders must provide data access (B2B, B2C and to public sector/EU bodies)
- Multiple requirements for Data Processing Services (e.g. Cloud Switching)
- Fairness test for contractual terms in data sharing agreements unilaterally imposed on SMEs

## **Key Challenges:**

- Consistency with GDPR (especially where organizations process mixed datasets)
- Protection of trade secrets and intellectual property

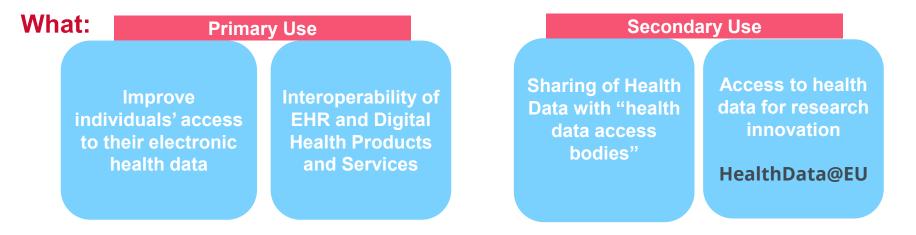
Reed Smith Joana Becker/Florian Schwind 1/30/2024



# European Health Data Space

When: In Trilogue – 2026??

**Who:** "data holders" - various stakeholders including manufacturers and suppliers of Electronic Health Records (EHR) systems and wellness applications and their users and controllers and processors processing electronic health data of individuals residing in the EU



Reed Smith Cynthia O'Donoghue 1/30/2024



## Al Act

## When:

- Adopted 9 December 2023 but not yet officially published
- Entry into Force: 20 days after publication in the Official Journal
- Applicability: 24 months after entry into force. Exceptions apply (check: Art. 87):
  - General Rules and Prohibited AI: 6 months after entry into force
  - General Purpose Al Models / Governance / Penalties: 12 months after entry into force

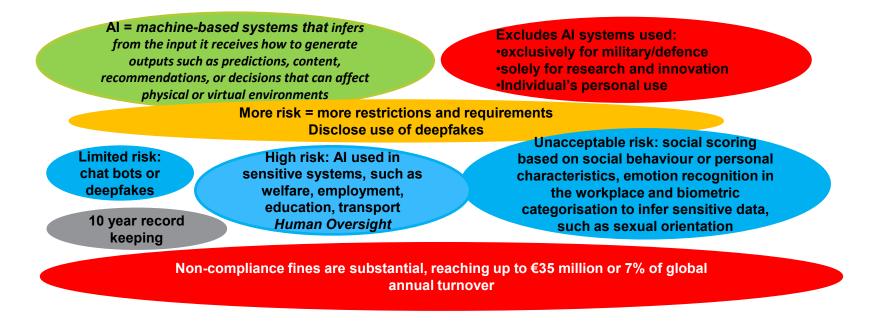
### Who:

- Providers and "deployers" of AI with an effect in the EU (extraterritorial jurisdiction)
- Manufacturers and Importers
- Users of Al



# Al Act (2) - based on leaked consolidated draft

## What:



## NIS<sub>2</sub>

When: published on 16 January 2023 and replaces NIS1 from 18 October 2024

## Who:

- Essential entities (energy, transport, banking, financial market infrastructure, health sector, drinking water supply and distribution, digital infrastructure, and ICT service management)
- Important entities (digital providers (online marketplaces, search engines, social networking services platforms), research, food production, manufacturing of medical devices, computer, electronic and optical products, electrical equipment, machinery and equipment, transport equipment, postal and courier services, waste management, manufacture, production and distribution of chemicals)

### What:

- Requirements on the minimum cybersecurity measures (more onerous for essential entities)
- Obligation to notify incidents that have a significant impact on the provision of the services

Reed Smith Aselle Ibraimova 1/30/2024

# Legal Obligations to Notify Security Incidents

#### **GENERAL**

#### **GDPR**



- Any security incident involving personal data that may cause risk to individuals within 72 hrs of becoming aware
- Existing obligation

#### **ESSENTIAL ENTITIES**



NIS<sub>2</sub>

- Security incidents that have a <u>significant</u> <u>impact</u> on the provision of services within 72 hours
- Legislation will be enforceable from 18 October 2024

#### **CER**



- Security incidents that significantly disrupt (or have a potential to disrupt) the provision of an essential service no later than 24 hours after becoming aware
   Enforceable from
- Enforceable from 18 October 2024

## DORA



- Major ICT-related incidents to the relevant competent authority (timelines to be determined, likely to be between 24-72 hrs)
- Enforceable from 17 January 2025

#### **INDUSTRY-SPECIFIC**

### PRA/FCA



- Incidents that cause <u>intolerable</u> <u>harm</u> to customers or the soundness, stability and resilience of the UK financial system without undue delay
- Enforceable from 31 March 2025

#### US



- Rules vary from state to state
- Check Reed Smith tool to find out if a legal obligations to notify applies per state per incident here:

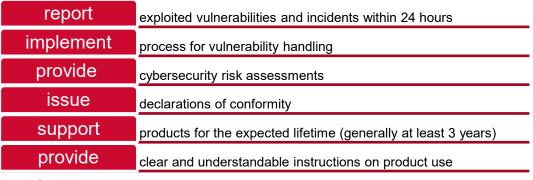
www.breachrespo nders.com

# Cyber Resilience Act

When: Political agreement between Council and Parliament end of 2023 (end of trilogue); final version to be published in the next few weeks; likely in force in 2024; new rules will apply 24 months after the law enters into force (incident reporting already after 12 months)

**Who:** Manufacturers, importers and distributors of products with digital elements (software and hardware products and components)

### What:





Reed Smith Christian Leuthner 1/30/2024

## **GDPR 2.0**

When: N/A

Who: All organizations that fall under GDPR (Art. 3 GDPR)

## What:

- Harmonization of some aspects of the administrative procedure applied by national data protection authorities in enforcement of cross-border cases
- Official consultation by EU Commission regarding application of GDPR: Deadline for comments: Feedback period: 11 January 2024 - 08 February 2024
- Watch out for changes in local law: For example Germany: Draft of employee data protection act

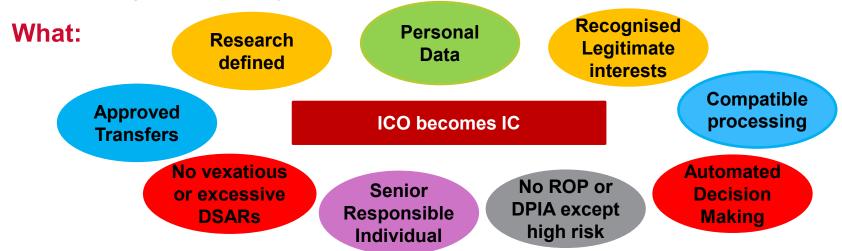
Reed Smith Andreas Splittgerber 1/30/2024

## IIII

# UK Data Protection and Digital Information Bill

When: Likely to be passed by Parliament in 2024; currently in House of Lords

Who: All organisations subject to the UK GDPR and Data Protection Act 2018



**Key Take Away:** One small step ... meant to bring more common sense to operation of the UK's version of the GDPR while not straying so much that EU adequacy is affected.

Reed Smith Cynthia O'Donoghue 1/30/2024

# Thank you! - Questions?



# European Data Strategies – The Acts/Drafts

Digital Services Act: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32022R2065">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32022R2065</a>

Data Governance Act: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022R0868

Data Act: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022R0868

European Health Data Space: https://health.ec.europa.eu/document/download/756d7c59-8641-42a5-94d0-2215f97ec7e5\_en

Al Act: Last official version (2012): <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52021PC0206">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52021PC0206</a>; Leaked final version: <a href="https://drive.google.com/file/d/1xfN5T8VChK8fSh3wUiYtRVOKli9olcAF/view">https://drive.google.com/file/d/1xfN5T8VChK8fSh3wUiYtRVOKli9olcAF/view</a> (Jan. 2024)

NIS2: https://eur-lex.europa.eu/eli/dir/2022/2555

Cyber Resilience Act: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52022PC0454">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52022PC0454</a>

UK Data Protection Bill: <a href="https://bills.parliament.uk/publications/53287/documents/4126">https://bills.parliament.uk/publications/53287/documents/4126</a>

## Further resources

### NIS2 / Cybersecurity

- NIS2 toughens up EU's cyber security obligations
- <u>Critical Entities Resilience Directive (CER) broader scope and more stringent obligations</u>
- ICO expects large organisations to make financial investments to maintain their security standards
- What should data protection specialists know about the UK operational resilience requirements?

## **Digital Services Act**

RS comparison table on online harms (including the DSA and OSA)

## **UK Online Safety Act**

The UK Online Harms Bill becomes the Online Safety Act

### Al Act

Leaked final version as compare: <a href="https://drive.google.com/file/d/1xfN5T8VChK8fSh3wUiYtRVOKIi9olcAF/view">https://drive.google.com/file/d/1xfN5T8VChK8fSh3wUiYtRVOKIi9olcAF/view</a>

## Further resources

### **GDPR 2.0**

- EDPB list with suggestions for improving the GDPR
- Information page on the GDPR initiative
- EU Commission Initiative on consultation regarding GDPR reform
- Proposal for a Regulation laying down additional procedural rules relating to the enforcement of GDPR

### **UK Data Protection Bill:**

https://bills.parliament.uk/publications/53287/documents/4126

## Further resources

### **Data Act**

- Data Act & Data Governance Act EU Data Act reaches finish line
- The Data Act enters into force
- What you need to know about the new Data Act
- Overview of the Data Act

## Where we are





1/30/2024