

WHITE PAPER

**EFFICIENT USE OF THE
EU GENERAL DATA
PROTECTION REGULATION.**



.CPC



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Efficient Use of the EU General Data Protection Regulation.

INTRODUCTION

Data protection is gaining an increasingly important role in the contemporary world. For many people, especially for customers and employees of companies, it has become an influential topic. Well-positioned data protection management can contribute to the creation of corporate values in a sustainable way. At the same time, if data protection regulations are violated, it can lead to significant business risks.

At present, there is a fundamental innovation that will lead to a stronger anchoring of data protection in business practice. On April 14, 2016, the European Parliament adopted the new EU General Data Protection Regulation (GDPR).



From May 25, 2018, the GDPR will be adhered to by everyone who either has its seat or its place of business in the EU or offers products or services in the EU and, with that, processes data of people in the EU

Due to the GDPR, the scope of application of the European data protection expands to all companies and organizations offering goods or services to residents of the EU regardless of their own location.

Among other provisions, the GDPR seeks to harmonize data protection in Europe and to ensure transparency by giving citizens more control over their personal data. Due to increased documentation, verification and accountability duties, the GDPR places high demands on the data protection organization and data protection management in companies. Of course, this brings along significant change needs for companies.

WHAT ARE THE CHALLENGES?

Until the official launch of the GDPR on May 25, 2018, companies typically face the following key challenges:

1 DATA PROTECTION - ORGANIZATION

The adaptations required by the GDPR must be implemented into the company in a timely manner. These include:

Establishing functioning data protection management

The GDPR incorporates the principle of “risk-based data protection”. That means that the permissibility of the data processing and the data protection measures depend on the risks that arise for the personal rights and freedoms of the data subjects. Companies must therefore establish data protection management that meets the requirements of risk-based data protection. Depending on the size of the company, the establishment of data protection management based on the Model of Compliance Management Systems is recommended.

Provision of required resources for the company data protection officer

The GDPR assigns the company data protection officer a broader area of responsibility (informing and advising the company and its employees, advising those affected, monitoring compliance with the GDPR and other data protection regulations, etc.). The company is obliged to provide the company’s data protection officer with the necessary resources to carry out these tasks.

Set up processes and procedures such as

- . Privacy Impact Assessments
- . Archiving and erasure concepts
- . Dealing with data breaches
- . Handle inquiries and investigations by the data protection supervisory authorities



Review of contracts and working agreements

Contracts and working agreements that involve the processing and, in particular, the transfer of personal data must be reviewed and adjusted or renegotiated if necessary.

Proof of lawful data processing

Compliance with data protection requirements must be demonstrated at all times. Documentations (data protection information, consent forms, internal guidelines/ specifications, etc.) must be revised or created so that legitimate data processing can be proven. In the future, companies will have to prove, among other things, that a continuous monitoring of the measures is carried out and adjustments are made where it is needed.



2 IT SYSTEMS & APPLICATIONS

IT applications may require technical changes.

Here are the keywords:

Privacy by Design: higher demands on the data protection-compatible design of IT systems. For example, access authorizations/ authorization concepts

Privacy by Default: Minimization of processed data by default settings in IT systems

Affected rights: Information, disclosure, correction, data portability, erasure, blocking, archiving, revocation, etc. (implementation of appropriate processes)

3 EUROPE-WIDE APPLICATION AREA – GOVERNANCE

International companies often maintain complex governance structures of subsidiaries and affiliates. Since the GDPR applies regardless of the operating location as long as goods and services are offered to a person located in the EU, many are faced with high demands for data protection compliance structuring of their governance.

4 CREATING NECESSARY AWARENESS FOR DATA PROTECTION

In the case of infringements of data protection regulations, the GDPR provides, among other penalties, for fines of up to 4% of the total annual turnover of a company or up to 20 million euros for other data processors. In addition, the responsible persons can be taken into personal liability (further fines at a lower level).

WHAT ARE THE RISKS?

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**FINES UP TO
4%
OF THE YEAR'S
REVENUE**

HOW CAN WE HELP YOU?

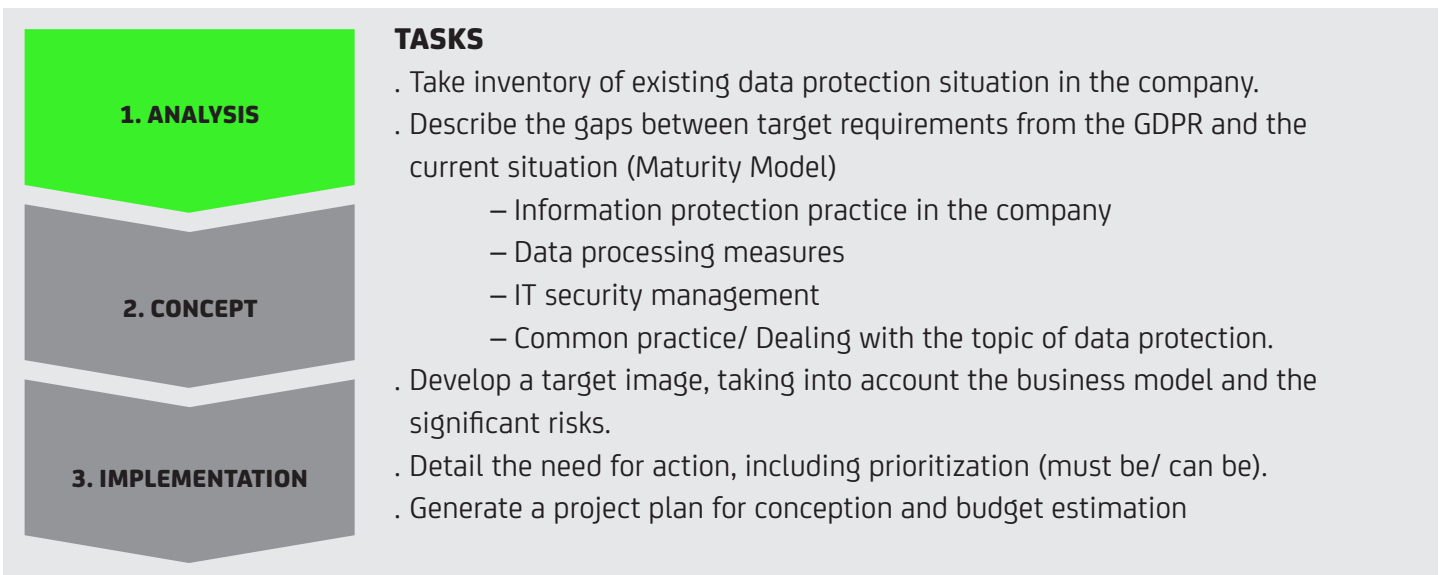
CPC Unternehmensmanagement AG in collaboration with avocado rechtsanwälte offers a holistic and practice-oriented approach to the implementation of the requirements of the GDPR in your company.

Analysis and legal evaluation

In order to understand the effects of the GDPR on your company, we first carry out an analysis in the form of a data protection audit. The requirements of the GDPR are mirrored in the existing situation of your company.

The existing relevant structure, process organization, governance design, guidelines and contracts as well as existing IT are captured in the analysis. In addition, cultural aspects are considered. In this case, it is determined across all levels how privacy practices are “lived” in your company.

As a result, you will receive an account of your challenges, the motivation for action and recommendations for implementation with the timeline. This will tell you how to minimize business risks while implementing the GDPR.

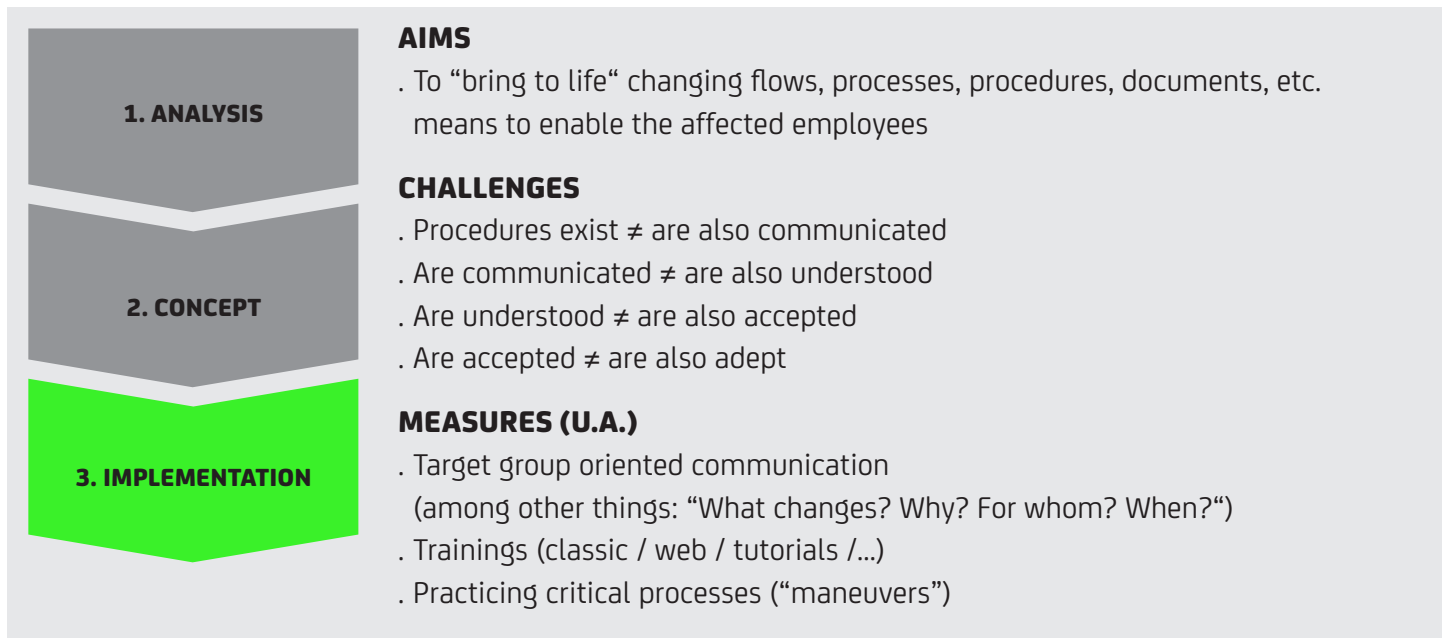
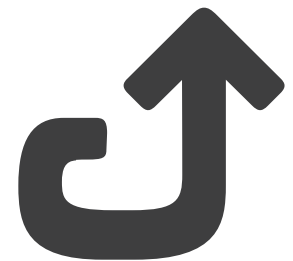


Conception and implementation of the implementation project

The analysis results must be implemented. This may include redesigning the process organization or the implementation of requirements for the IT systems within a timely framework and in the defined quality. The implementation is accompanied by a continuous quality-oriented monitoring.

Implementation and Change Management

Changed procedures and behaviors must also be effective. This includes having the right people in your organization to handle data and being empowered in the new processes and procedures. This is the only way that the new measures have a lasting effect. The change management starts at the analysis phase and accompanies your organization until the successful implementation.



ABOUT AVOCADO RECHTSANWÄLTE

avocado rechtsanwälte has more than 50 lawyers and 75 employees in Berlin, Frankfurt am Main, Hamburg, Cologne, Munich and Brussels. Our activity covers the entire range of commercial law advice with a focus on labour law, banking law, corporate law, real estate law, information technology law including data protection law, public law and litigation. In the fields of information technology and data protection, we advise and represent a large number of companies from all sectors, from SMEs to international group companies.

The numerous mandates we handle include, in particular:

- classic IT projects (introduction of new IT systems or products, SAP projects, ERP systems, e-commerce projects, SaaS, hosting / data centers, support agreements, cooperation agreements, license agreements etc.),
- IT outsourcing and business process outsourcing projects (framework agreements, service level agreements, etc.), cloud computing,
- Data protection and data security issues (implementation of the General Data Protection Regulation “GDPR” in companies, order processing, international data transfers, data protection audits, product-related data protection consulting e.g. in the areas of payment services, mobile devices, social media, smart metering / smart grid, etc.),
- extrajudicial and judicial conflict resolution as well as
- support in dealing with data protection supervisory authorities.
For example, requests for information, controls or fine proceedings.



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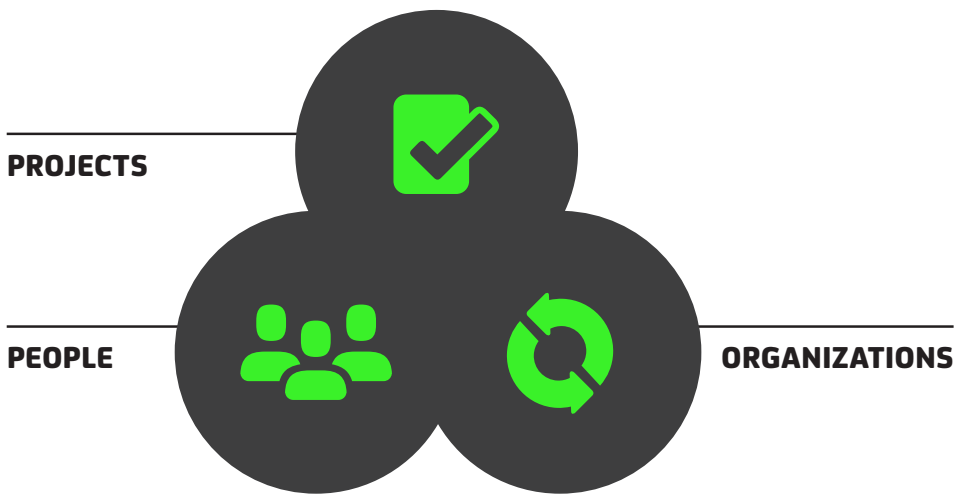
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ABOUT CPC

CPC is a leading German based change management consultancy. We are a reliable partner helping corporations and medium-sized companies create lasting change. To effect such change, we follow a holistic, customer-focused approach built around the three core competencies: **People, Projects, and Organizations.**



Over twenty-three years ago, CPC began its consulting business with a focus on reorganizing medium-sized companies. Today, we are a leading change partner for large corporations. The experience of our 100 consultants proves that stock solutions are not enough because every change initiative is unique. In more than 600 national and international projects, we have developed a method and format toolkit and have learned to skillfully apply it towards organizational change and to create precise, customized solutions.

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