

Article on GDPR and Impact on Multinational Companies and Corporate Houses

What is General Data Protection Regulation

The General Data Protection Regulation is a regulation on data protection and privacy (EEA) GDPR regulates personal data transfers of European Citizens outside of the European Union and European Economic Zone. The GDPR's objective is to give people more control and rights over their personal data all the while simplifying the regulatory environment for international enterprises to conduct transfer of Data.

GDPR guarantees certain rights to the European citizen, these rights include¹

- The right to access
- The right to be forgotten
- The right to data portability
- The right to be informed
- The right to have information corrected
- The right to restrict
- The right to object
- The right to be notified

GDPR also states lawful proposes under which personal data may be processed without legal consent, Article 6² states the lawful purposes are-

¹ Article 5, Principles relating to processing of personal data, Regulation (Eu) 2016/679 Of The European Parliament And Of The Council, (April 27, 2016), <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016R0679&from=EN#d1e3043-1-1>.

² Article 6, Lawfulness Of Processing, Regulation (Eu) 2016/679 Of The European Parliament And Of The Council, (April 27, 2016), <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016R0679&from=EN#d1e3043-1-1>.

- (a) If the data subject has given consent to the processing of his or her personal data;*
- (b) To fulfil contractual obligations with a data subject, or for tasks at the request of a data subject who is in the process of entering into a contract;*
- (c) To comply with a data controller's legal obligations;*
- (d) To protect the vital interests of a data subject or another individual;*
- (e) To perform a task in the public interest or in official authority;*
- (f) For the legitimate interests of a data controller or a third party, unless these interests are overridden by interests of the data subject or her or his rights according to the Charter of Fundamental Rights (especially in the case of children)*

Need for General Data Protection Regulation

The process of safeguarding sensitive digital information is known as data protection. As the amount of data collected and used grows at exponential levels, data protection becomes increasingly important. As a result, ensuring that data can be recovered promptly after any corruption or loss is an important aspect of a data protection policies. Important aspects of data protection include preventing data compromise and guaranteeing data privacy. Employee data , customer details, loyalty programmes, transactions, etc which are regularly stored by organisations, must be protected to prevent data from being misused by third parties for fraud, such as identity theft.

importance of GDPR is coupled with the growing public concern regarding privacy. Collection and use of user data has driven the private sector and it was felt pertinent to , ensure that strict restrictions on how firms utilise individuals' personal data are always followed.

Processing data is useful for advertisement research and development among many other thing. Institutions can indeed collect datasets for other sensitive objectives which include but are not limited to detecting fraud or other criminal activity. GDPR is significant because it strengthens the protection of European citizens' rights and explains what organisations that handle personal information needs to do in order secure the rights.

Scope of General Data Protection Regulation

This General data protection regulation puts European citizens in control, and businesses and organisations are responsible for complying with the regulation. GDPR applies to all EU-based enterprises and organisations, International organisations using data of Europeans regardless of whether the data is processed within the EU or not. Even firms that are not based in the EU will be subject to GDPR. GDPR applies to any organization if it sells goods or provides services to EU citizens.

Data controller is the primary person who is responsible for consent and access of data management under GDPR. The data controller is central to ensuring that the privacy of and rights to the data under GDPR and other privacy regulations are enforced.

The controller is accountable for the lawfulness, fairness, and transparency of information, as per Article 5 of the GDPR. Data controllers must also ensure that personal data is correct, restricted, and kept confidential. Data controllers must make all data collection transparent, explain the legitimate basis and purpose for data processing, and specify the period the data will be kept and if it will be shared with other parties or beyond the European Economic Area. Employee and user data must be protected to the extent that only the essential data is collected with the minimum amount being divulged by employees to consumers or third parties. Internal accounting mechanisms and regulations for many departments, such as audit, internal controls, and operations, should be in place to monitor the compliance to the GDPR.

Impact of General Data Protection Regulation on Multinational Companies and Corporate houses

Since GDPR applies to any organisation operating within the EU, as well as any organisations outside of the EU which offer goods or services to customers or businesses in the EU. This ultimately means that almost every major corporation in the world needs a GDPR compliance strategy.

The following are some of the many of GDPR compliance requirements:

Companies are prohibited from retaining or using a person's personally identifiable information without their express consent.

Companies must notify all impacted individuals as well as the supervisory body within 72 hours of a data breach.

The GDPR establishes multiple positions for monitoring conformity to the GDPR, these include the offices of data controller, data processor, and data protection officer (DPO). The officers are in charge of determining why and how personal data is collected and used for. Companies must have a data protection officer who will be primarily responsible for data governance and ensuring the organisation complies with GDPR . Data Controller is crucial for companies that handle or collect information on a massive scale³.

GDPR violations can result in fines up from 2% to 4% of annual global turnover, or €20 million , whichever is greater. Fines are divided into three categories. For example, 2% for failing to keep accurate records (article 28)

³ CHAPTER IV, Section 1, Article 24, Regulation (Eu) 2016/679 Of The European Parliament And Of The Council, (April 27, 2016), <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016R0679&from=EN#d1e3043-1-1>.

or failing to notify the supervisory authority and data subject about a breach⁴. If the company fails to complete an impact assessment, it may be fined 2% of its annual revenue. However, a firm can be penalised up to €20 million or 4% of its annual global turnover, whichever is greater, for the most severe violations.

Multinational corporation must have a data protection strategy that conforms with the most stringent standards set by GDPR, as well as data security and compliance structure that covers other international data privacy frameworks .

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⁴ Article 33 & 34 , Notification of a personal data breach to the supervisory authority, Regulation (Eu) 2016/679 Of The European Parliament And Of The Council, (April 27, 2016), <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016R0679&from=EN#d1e3043-1-1>.