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# European Commission adopts new tools for safe exchanges of personal data

Today, the European Commission adopted two sets of standard contractual clauses, one for use between controllers and processors and one for the transfer of personal data to third countries. They reflect new requirements under the General Data Protection Regulation (GDPR) and take into account the Schrems II judgement of the Court of Justice, ensuring a high level of data protection for citizens. These new tools will offer more legal predictability to European businesses and help, in particular, SMEs to ensure compliance with requirements for safe data transfers, while allowing data to move freely across borders, without legal barriers.

The new standard contractual clauses take into account the joint opinion of the European Data Protection Board and the European Data Protection Supervisor, feedback from stakeholders during a broad public consultation and the opinion of Member States' representatives.

Vice-President for Values and Transparency,

Vera **Jourová** said: "In Europe, we want to remain open and allow data to flow, provided that the protection flows with it. The modernised Standard Contractual Clauses will help to achieve this objective: they offer businesses a useful tool to ensure they comply with data protection laws, both for their

activities within the EU and for international transfers. This is

a needed solution in the interconnected digital world where transferring data takes a click or two."

Commissioner for Justice, Didier **Reynders**, said: "In our modern digital world, it is important that data can be shared with the necessary protection - inside and outside the EU. With these reinforced clauses, we are giving more safety and legal certainty to companies for data transfers. After the Schrems II ruling, it was our duty and priority to come up with user-friendly tools, which companies can fully rely on. This package will significantly help companies to comply with the GDPR."

#### **Main Innovations**

The standard contractual clauses published today reflect new requirements under the General Data Protection Regulation and address the realities faced by modern business. Thanks to their standardisation and pre-approval, the SCCs provide companies with an easy-to-implement template. Companies know that when they use this template they meet data protection requirements.

Main innovations of the new standard contractual clauses:

- Update in line with the <u>General Data Protection</u> <u>Regulation (GDPR)</u>;
- One single entry-point covering a broad range of transfer scenarios, instead of separate sets of clauses;
- More flexibility for complex processing chains, through a 'modular approach' and by offering the possibility for more than two parties to join and use the clauses;
- Practical toolbox to comply with the Schrems II
  judgment; i.e. an overview of the different steps
  companies have to take to comply with the Schrems II
  judgment as well as examples of possible
  'supplementary measures', such as encryption, that
  companies may take if necessary

For controllers and processors that are currently using previous sets of standard contractual clauses, a transition period of 18 months is provided.

These standard contractual clauses are adopted at a moment

where a number of regional organisations and third countries are developing or have issued their own standard contractual clauses on the basis of converging principles. The Commission will intensify its cooperation with these international partners to further facilitate data transfers between different regions of the world.

# **Background**

The General Data Protection Regulation (GDPR) entered into force on 24 May 2016 and became applicable on 25 May 2018. The standard contractual clauses are standardised and pre-approved model data protection clauses that can be incorporated into contractual arrangements on a voluntary basis, providing an easy-to-implement tool to comply with data protection requirements.

The Commission can adopt standard contractual clauses for the relationship between controllers and processors, as a tool to help to demonstrate compliance with the GDPR. In addition, the Commission can adopt standard contractual clauses providing data protection safeguards for data to be transferred internationally.

On July 16, 2020, the Court of Justice confirmed the validity of the EU Standard Contractual Clauses for the transfer of personal data to processors outside the EU/EEA ("SCCs"), while invalidating the EU–U.S. Privacy Shield. Thus, the Court has ruled that international data flows under the European Union's comprehensive data protection regime, the General Data Protection Regulation (GDPR), can continue to be based on EU Standard Contractual Clauses, while also further clarifying the conditions under which they can be used.

#### For More Information

Standard contractual clauses for controllers and processors

Srtandard contractual clauses for international transfers

The 2020 GDPR evaluation report

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