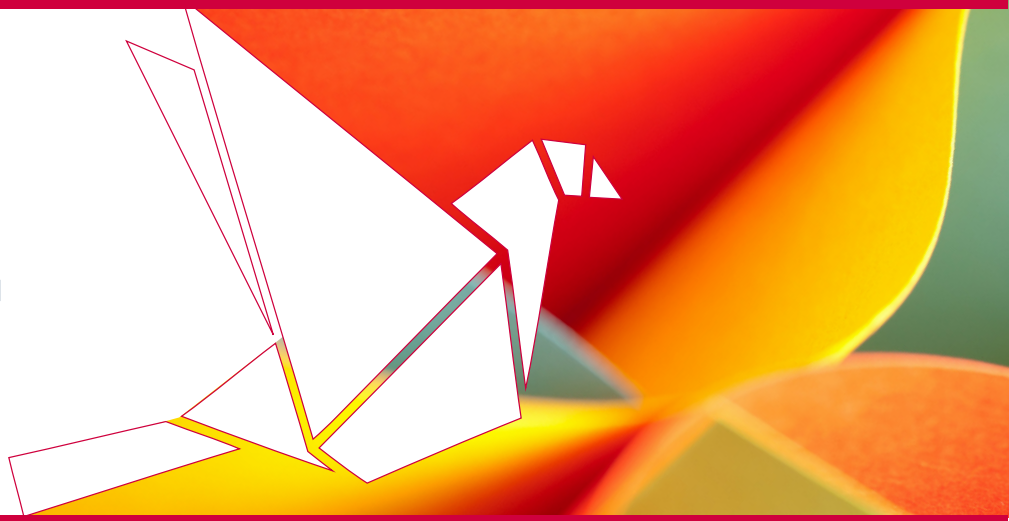




HERZOG FOX & NEEMAN
LAW OFFICE



How to prepare to the new EU General Data Protection Regulation

Dear friends,

The new European General Data Protection Regulation (“**the Regulation**”) has been formally enacted and will take effect in May 2018 (see more details in our special Client Update on this subject).

The Regulation dramatically changes the existing data protection and privacy regulatory regime in the EU, introducing significant changes and entirely new requirements such as:

- » **Appointment of a formal representation in the EU;**
- » **Appointment of a Data Protection Officer (“DPO”)** who will oversee and monitor compliance with the obligations, and act as a contact point for data subjects and Data Protection Authorities;
- » **Conducting Data Protection Impact Assessment (“DPIA”)** where data processing activities present high risks to data subjects’ rights;
- » **Maintaining internal records** which consist of detailed information with regard to data processing activities;
- » **Reporting of data breach events** to the authorities and to the affected data subjects; and
- » **Demonstrating compliance** with data protection principles by implementing appropriate technical and organizational safeguards.

In addition, the territorial reach of EU data privacy law will be extended significantly once the Regulation will be in force.

WHAT IS THE RISK OF NON-COMPLIANCE WITH THE NEW REGULATION?

Companies should begin preparing themselves to comply with the new requirements under the Regulation, as the consequences arising from **non-compliance with the Regulation are draconian and may result in fines of up to €20 million or 4% of the company's annual global turnover.**

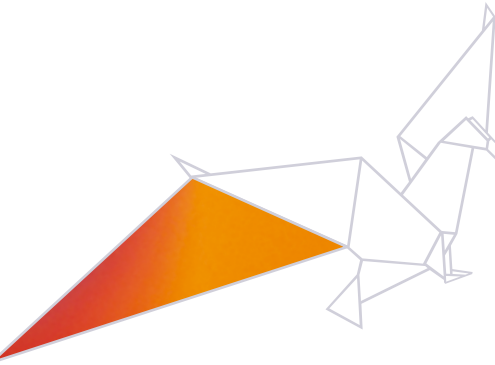
WHEN DOES THE NEW REGULATION APPLY TO YOUR BUSINESS?

- » If your business is **located in the EU** or if the personal data you process is being processed or **stored in the EU**.
- » If you process personal data **within the context of offering goods or services to EU citizens, even if your business or data is not physically located in the EU.**
- » **If your business activities include monitoring the behavior of EU citizens, including targeting or profiling EU citizens** (such as by analyzing or inferring interests or preferences based on online behavior, for various purposes, such as advertising, analytics or marketing purposes), **even if your business or data is not physically located in the EU.**
- » The new Regulation applies to you even if you process personal data (in any of the above scenarios) for or on **behalf of another entity.**

WHAT TYPES OF BUSINESSES OR ACTIVITIES WILL BE MOST AFFECTED BY THE NEW REGULATION?

While the regulation will affect worldwide businesses in all industry sectors, **some activities or sectors that are involved in data-intensive activities, or that typically handle data of sensitive nature, face a higher risk of being prioritized by EU regulators under the new regime.** This includes –

- » **Businesses in the digital advertising, direct marketing and e-commerce sectors;**
- » **Any business that employs (either independently or through a third party vendor) “big data” analytics, particularly in the IT sector;**
- » **Businesses in the financial and insurance sector and any business that handles financial records and personal data transactions;**
- » **Businesses in the health sector, and any business that handles health-related data (such as in the clinical and research sides of the health sector);**
- » **Businesses activities that involve handling of employees' personal data, particularly businesses in the employment, recruitment and HR sectors;**
- » **Businesses activities that involve the collection of data from children under the age of 16, particularly mobile apps and websites that appeal to children;**



SO... WHAT ARE THE NEXT STEPS?

Our goal is to help you understand the new Regulation and prepare yourself for the new requirements by implementing the required adjustments to your privacy and data security practices.

» We will start with an **in-depth gap analysis and review** of your privacy and data security practices, after which we will map together with you **an action plan for addressing all applicable issues**.

» We will work with you in accordance with the **action plan** in order to address all relevant issues, such as:

- **Updating all privacy practices** to make sure they are aligned with the updated requirements concerning the legitimacy of your personal data collection;
- **Revising all privacy notices and agreements with data subjects;**
- **Advising on the way to orchestrate and maintain internal records,** which consist of detailed information regarding the Company's processing activities;
- **Conducting a Data Protection Impact Assessment** in cases where it is required under the Regulation;
- **Amending your agreements and preparing new data processing agreements** with your service providers, business partners, data processors, etc., in order to reflect the required new provisions, responsibilities and practices;
- **Building a comprehensive data breach response plan;**
- **Reviewing and advising on the required data security safeguards;**
- **Formulating internal compliance programs and procedures** to reflect the new administrative, data privacy governance, accountability and material limitations and requirements; and
- **Reviewing and advising on the way to practically implement various requirements that are specifically relevant to your business,** such as with respect to profiling activities, pseudo-anonymization, sensitive data, Big Data, children's personal data, and others.

» Based on the previous steps, we will build with you a **comprehensive data protection compliance book** for your company. This compliance book will include all records, documents, procedures and policies that will allow you to ensure the **monitoring and compliance** of your company with the various requirements, and to **“demonstrate compliance”** - in accordance with the new specific regulatory requirement. We will also help you company in the ongoing training of your different teams (such as IT, marketing, legal and compliance) of the regulation and compliance risks.

We encourage you to take the appropriate steps to address the legal requirements stemming from the new Regulation.

HFN TECHNOLOGY & REGULATION TEAM

HFN's Technology & Regulation team is a recognized market leader in its field. The team is led by domain experts who possess vital regulatory skills and advise startups, multi-national companies, mobile apps and software developers, internet vendors and disruptive technologies on various compliance, regulatory and commercial matters concerning technology regulations and compliance, content, app-compliance, e-Commerce, monetization, adtech and online data protection.

The team's thorough knowledge and diverse experience with the increasing volume of regulations, enforcement actions and legislative trends in a myriad of jurisdictions, as well as with the respective industries' best practices and leading self-regulatory guidelines, enables us to offer unique and practical solutions for often complex situations and to assist in the development, implementation and management of adequate procedures, thereby mitigating legal and business risks.

OUR TEAM LEADERS

Dr. Nimrod Kozlovski | kozlovskin@hfn.co.il

Nimrod co-heads HFN's Technology & Regulation department and leads the firm's Cyber and Internet Law practice. Nimrod is an expert investor in Cyber Security and a teaching professor on Internet and Cyber Law, Information technology and innovation. Nimrod received his doctor degree in law (J.S.D) from Yale Law School and conducted his Post-Doctorial research in computer science on proactive security at the Yale School of Computer Sciences. Nimrod is also a Partner at JVP, a leading Israeli VC, focusing on Cyber Security and Big Data, and has formerly founded innovative start-ups.

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Ariel co-heads HFN's Technology & Regulation department and leads the firm's Adtech and Technology Compliance practice. Ariel is highly regarded for his global experience in advising multinational companies, developers, software vendors, startups and others, on regulatory and compliance matters surrounding app-compliance, e-Commerce, monetization, adtech and online data protection. Ariel also specializes in worldwide regulatory frameworks surrounding online gaming and advises leading companies on regulatory and compliance matters.

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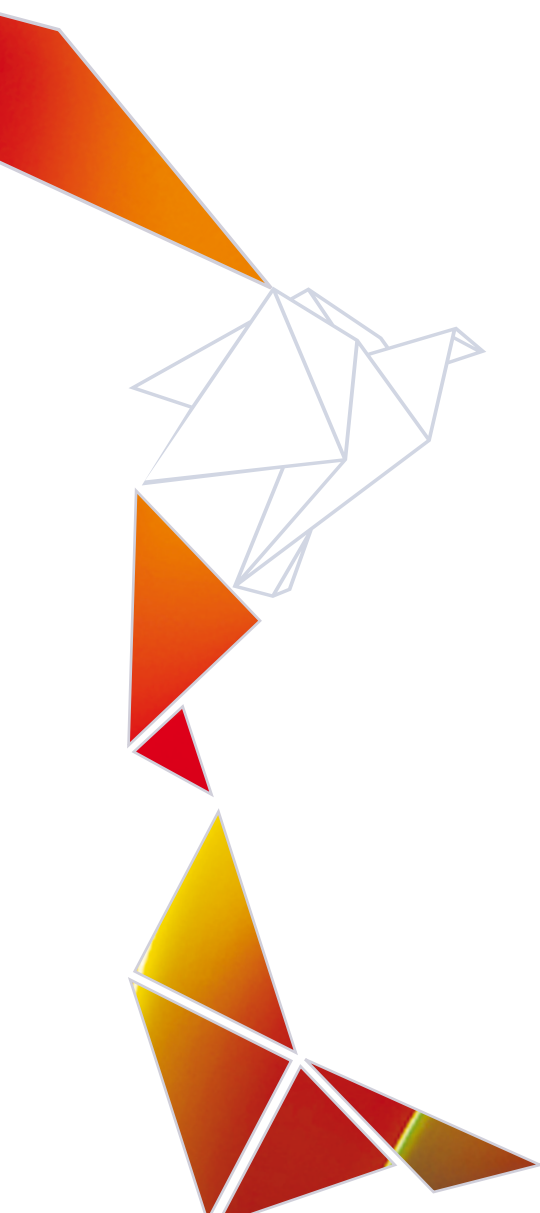
Ido is a member of the HFN's Technology & Regulation department, and specializes in advising Israeli and international clients, startups and internet companies, on a wide range of regulatory and commercial matters involving data protection and privacy, online advertising, user generated content, social media and mobile marketplaces compliance, e-commerce and international trade.

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Avishay is a member of the HFN's Technology & Regulation department, and specializes in advising on a wide range of regulatory and commercial matters involving worldwide regulatory and practical aspects of cyber security, data protection and privacy, online advertising, mobile marketplaces compliance and international trade.

Israel (Ruly) Ber | beri@hfn.co.il

Ruly joined HFN's Technology & Regulation department after 8 years as a legal advisor in one of Israel's largest banks. Ruly specializes in advising on data protection and privacy, online advertising, user generated content, social media and mobile marketplaces compliance, as well as financial and banking regulations, and their implications on financial institutions' information and technological procedures.



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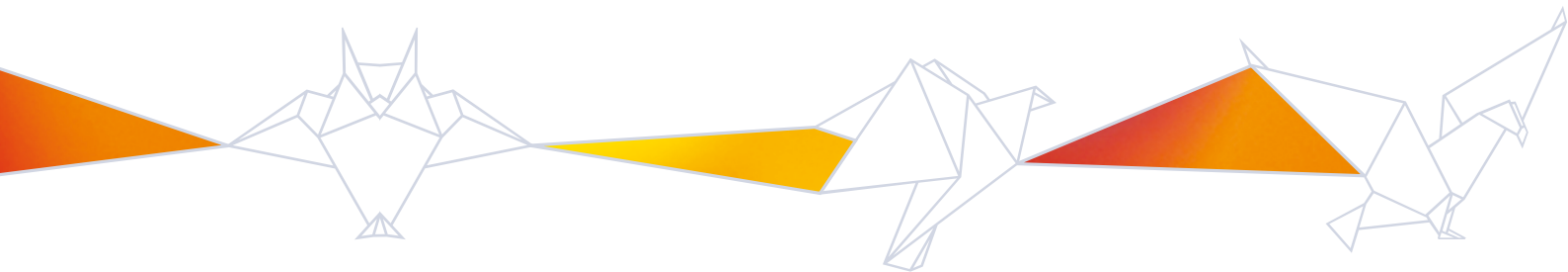
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