

Investment Company Institute

Global Cybersecurity Forum

European Union Preparing “Game Changing” Data Privacy Regulation

Stephanie Orbals-Tibbs, Director, ICI Media Relations: Many global asset managers are trying to navigate so many different regions. Is there anything special they need to think about in terms of Europe and some of the specific issues you deal with here?

Matthew Martindale, Director, KPMG: The one that’s getting all the attention at the moment is the new EU General Data Protection Regulation, which is going to come into force in May 2018. This is a real game changer in terms of the way organizations have to protect personal information. The headlines are: if you have a breach of personal data, you need to be able to report this to the regulator within 72 hours and the fines could potentially be up to 4 percent of annual turnover. So it’s sort of game changing in Europe. This applies to the personal data of an individual in Europe or with an organization that’s based in Europe. Even as we’ve moved to a global nature, whether we’re in Japan or the U.S., if you’re transacting and interacting with people and organizations in Europe, then you’re going to have to be aware of this new regulation, comply with it, and

understand the potential implications. Given where we are in Europe at the moment, there are existing regulations that many organizations actually haven't fully complied with those anyway. So this new regulation is going to be a real noticeable step change. If you're an asset manager that's got a large retail customer base, you're going to be capturing lots of personal information. Even if you're not and you say, "Well, we're just institutional—investors and customers," you're still going to have all the personal data about your employees: their name, address, payment details, national insurance, Social Security numbers, etc. And each and every organization will have a responsibility for protecting this personal data. That's probably the biggest game changer in terms of jurisdictional activities and changes.