



TECHNOLOGY

01 June 2018

POLICY DEVELOPMENTS

NEW PRIVACY RULES STARTED APPLYING ON 25 MAY 2018

On 25 May 2018, the General Data Protection Regulation (GDPR) became directly binding and applicable to all EU Member States. GDPR updated the previous data protection rules and regulates how businesses should process and handle personal data.

Professional accountants are directly impacted by these requirements as they deal with collecting, storing and processing personal data in relation to their clients, employees and subcontractors. These data protection requirements need to be considered seriously as fines could go up to tens of millions of Euro. You can find out more what GDPR means for you in our [GDPR factsheet](#), the [report](#) from our GDPR webinar as well as our [GDPR special edition](#).

Adapting national frameworks to the GDPR is not easy. For example, the French National Assembly adopted on 14 May 2018 a bill on personal data protection to align French legislation with the GDPR. However, some senators filed a constitutional complaint against this bill because it allegedly infringes other key principles, such as the principle of equality. The French Constitutional Council is expected to give a decision within a month.

UK WANTS NEW MODEL FOR FREE FLOW OF DATA AFTER BREXIT

The UK released a [presentation](#) to clarify its vision for the future UK-EU data protection framework. The UK proposes to maintain data flows between the EU 27 and the UK via a new model based on the adequacy decision.

This new model should allow the UK's data protection authority to have an "appropriate ongoing role" on the European Data Protection Board (EDPB). The General Data Protection Regulation (GDPR) set up the EDPB to provide guidance, to promote cooperation among data protection authorities and to ensure a consistent interpretation and application of the GDPR.

The presentation stresses that failing to maintain the free flow of data between the EU27 and the UK will require to put in place 'costly alternative mechanisms'. The presentation explains this with an example from the accountancy profession. After Brexit and without an agreement on data flows, a German business that currently works with a UK accounting cloud provider would need to find a new legal basis to continue storing personal data on the platform of its cloud provider.

The EU27 also supports the continued free flow of data. The European Council (EU27) March [guidelines on the future EU-UK](#) relationship stress that the future relationship should include rules on data because of the importance of data flows between the EU27 and the UK.

To recall, the UK will become a third country after Brexit. Personal data will then no longer be able to freely flow to the UK unless it can be proven that it will enjoy adequate protection. You can find more information on the implications of Brexit for data flows in our dedicated [GDPR special](#).

PUBLIC CONSULTATION ON DIGITAL ETHICS

On 15 May, the European Data Protection Supervisor (EDPS) published a [public consultation on digital ethics](#). The EDPS is the EU's independent data protection authority. The consultation aims to explore wider ethical matters, which go beyond compliance with rules and laws. For example, what ethical challenges organisations face or whether they have any policies for ethical assessment.

Stakeholders such as associations and NGOs, trade organisations, public authorities or think tanks are invited to participate and inform this discussion. Responses to this consultation will form a part of a discussion paper, which will be published for the [2018 International Conference of Privacy and Data Protection Commissioners](#).

The consultation will be open until 15 July 2018.

FIRST EVER EU CYBERSECURITY LEGISLATION STARTED APPLYING

On 10 May, Member States had to start applying the Directive on Security of Network and Information Systems ([NIS Directive](#)). It aims to improve cybersecurity in the EU by:

- improving cybersecurity capabilities at national level
- increasing EU-level cooperation
- requiring operators of essential services and digital service providers to take security measures and report cybersecurity incidents

Operators of essential services include service providers in the transport, energy, banking and financial market infrastructure, digital infrastructure and water supply sector. Equally, digital service providers such as cloud computing services need to comply with the new security and notification requirements. However, there is an exception for micro and small enterprises.

HOW DIGITAL IS YOUR COUNTRY?

The European Commission published on 18 May its annual Digital Economy and Society Index (DESI). This tool seeks to measure the digital performance of EU Member States in a variety of areas, ranging from connectivity and digital skills to the digitisation of businesses and public services.

Overall, the EU improved its digital performance compared to last year. Denmark, Finland, Sweden, and the Netherlands remain the top performers. To find out how your country performs, please click [here](#).

ACCOUNTANCY INITIATIVES

If you would like to share your latest technology-related initiative, please contact [Iryna](#).

FSR HIGHLIGHTS IMPACT OF TECHNOLOGY ON THE ACCOUNTING PROFESSION

FSR published its report [Digital Transformation: Impact of new technologies on the accounting industry](#). The publication outlines major digitalisation trends in the accounting industry. It stresses that this brings many opportunities for the profession. However, if accountants do not make use of them, then software providers and new entrants, such as banks, might reap all the benefits.

The report also points out that extensive digitalisation should go beyond creating a Facebook profile. Instead, accountants are advised to look at robot software and data analytics, which have the potential to provide a competitive advantage.

ICAEW UPDATES GDPR CHECKLIST

ICAEW released an updated version of its [GDPR for accountants: your questions answered – A GDPR Checklist](#). The publication aims to provide accountants with practical guidance on the implications of the General Data Protection Regulation (GDPR).

IFAC UPDATES GUIDE TO PRACTICE MANAGEMENT FOR SME ACCOUNTANTS

IFAC [published](#) the fourth edition of its *Guide to Practice Management for Small- and Medium-Sized Practices* (the Guide). The Guide was updated with a new module on ‘Leveraging Technology’.

It explains how technology developments change how organisations operate and recognise the importance for SME accountants to adapt their services. The Guide also covers topics such as developing a technology strategy, hardware and software options, technology risks, new and emerging technologies and leveraging technology for practice innovation.

ROBOTS IN THE NEWS

Technology is getting so much news coverage that it starts becoming difficult to keep track of what is happening or relevant. To help you navigate this ever-expanding information stream, we offer you our selection of articles that we found most interesting.

- [CryptoUK Urges MPs to Support Plans to Regulate the Cryptocurrency Market](#), CoinJournal
- [Tech industry and consumer watchdogs at odds over robot liability](#), Euractiv
- [The True Global Effect of the GDPR](#), Hogan Lovells
- [You’ll never read Facebook’s new data policy, so we did it for you](#), Digital Trends

Is there an article missing that you think should be part of this list? Please send it to [Iryna](#) and we will include it in our next update!