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International Compliance Update

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Our "International Compliance Update" portrays current developments and trends in international compliance legislation, jurisdiction and practice with a focus on their relevance for Germany.

World

The "Panama-Papers'" impact on Business Partner Due Diligences

Gabriel Piatti / Christian Beer

- Since the Panama-Papers-Database went online, copious amounts of free information on offshore companies have become accessible to the public.
- It is therefore a pending question, "if" and "how" the Panama-Papers data is being integrated into the review scope of regular Business Partner Due Diligences ("**BPDD**").
- In order to avoid a possibly unwarranted stigmatization it is necessary to emphasize that potential hits in this database must be assessed on a case-by-case basis.

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"Panama Papers" – A summary

Since early 2015, an anonymous source has been passing on internal documents of the Panama law firm Mossack Fonseca ("**Mossfon**") to the German newspaper *Sueddeutsche Zeitung* ("**SZ**"). Via an encrypted connection SZ gradually received a data volume of 2.6 terabyte, making it the largest data leak in history.[1] Under the direction of the SZ and in cooperation with the International Consortium of Investigative Journalists ("**ICIJ**") around 400 investigative journalists from more than 100 media outlets participated in the revision of the data in Washington, US. On April 3, 2016 – after more than a year of joint investigation – the findings were globally published.[2] Since May 9, 2016 selected extracts from the Panama Papers can be accessed via an online database of the ICIJ free of charge.[3]

"ICIJ Panama Papers Database" – The Content

The database combines information from the Panama Papers as well as the so called Offshore-Leaks from 2013, covering events from as early as 1977 until 2015, listing hundreds of thousands of offshore companies and revealing connections to individuals and companies from more than 200 countries. The number of individuals and companies appearing in the data amounts to about 360,000. The database, however, contains only basic, "structured" information on companies and associated individuals (e.g. name, address). Access to the documents originally passed on to the SZ in the form of email communication, documents on bank accounts and financial transactions etc. ("unstructured information") is still restricted to the ICIJ, who are using those documents in their ongoing investigations. As a result of this restrictive information policy it is currently impossible to identify any individuals or companies holding bearer shares of offshore companies,[4] since the transfer of these shares requires no formal act and may be kept secret even from the offshore company itself. This feature of offshore companies, combined with the possibility to appoint so called sham directors, guarantees their owner a maximum of anonymity.[5] For this reason, offshore companies are a viable instrument to facilitate tax evasion and money laundering activities.[6] Notably, the official statement of grounds of the 2014/15 amendment to the German stock corporation law refers to the particular proneness of unlisted stock companies with bearer shares to being misused for the purpose of money laundering.[7]

Nevertheless, the Panama Papers contain highly sensitive information since they unveil at least partially the true owners of offshore companies – corporate structures often used specifically for concealing true ownership. Among the individuals revealed are several highly influential personalities, such as politicians, billionaires, actors, athletes, but also known and suspected criminals.[8]

[1] Süddeutsche Zeitung – "Das sind die Panama Papers ": http://panamapapers.sueddeutsche.de/articles/56ff9a28a1bb8d3c3495ae13/
[2] Süddeutsche Zeitung – "Die Firma": http://panamapapers.sueddeutsche.de/articles/56f2c00da1bb8d3c3495aa0a/
[3] Ibid.
[4] ICIJ Offshore Leaks Databse - "Frequently Asked Questions": https://offshoreleaks.icij.org/pages/about
[5] Süddeutsche Zeitung – "Die Firma": http://panamapapers.sueddeutsche.de/articles/56f2c00da1bb8d3c3495aa0a/
[6] ICIJ Offshore Leaks Databse - "Frequently Asked Questions": https://offshoreleaks.icij.org/pages/about
[7] Handelsblatt - "Aktienrechtsnovelle: Immobilisierung der Inhaberaktie wegen Geldwäscheverdacht": http://blog.handelsblatt.com/rechtsboard/2015/01/19/aktienrechtsnovelle-immobilisierung-der-inhaberaktie-wegen-geldwascheverdacht/
[8] Süddeutsche Zeitung – "Das sind die Panama Papers": http://panamapapers.sueddeutsche.de/articles/56ff9a28a1bb8d3c3495ae13/

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"Panama Papers" – A Legal Assessment

To establish and own an offshore company is in itself legally permissible. It depends on the concrete usage of the company whether or not the requirements for unlawful and criminal conduct are fulfilled. Criminal offences frequently committed in connection with offshore companies are: money laundering, § 261 German Criminal Code ("**Strafgesetzbuch / StGB**"), tax evasion, § 370 German Tax Code ("**Abgabenordnung / AO**"), and financing of terrorism, § 89c StGB.[9] Igor Angelini, head of the Europol Financial Investigation Unit, explicitly confirmed the important role of offshore companies in the context of large-scale money laundering activities. According to his words, the same applies to the field of corruption, where offshore companies are frequently used to transfer bribes.[10] One must be reminded, however, that there are plausible and economically viable reasons to form and own an offshore company such as the establishment of regional contact points in order to facilitate business development in new markets; the deliberate concealment of individual fortune as a protection from extortion and kidnapping or the secrecy of a company's true owners to avoid a distortion of competition.[11]

Regarding sensitive information the Federal Republic of Germany acquired from sources abroad, the Federal Constitutional Court ("**Bundesverfassungsgericht / BVerfG**") adjudicated in 2010 that such data may be used both as basis for criminal investigations and as evidence in court.[12] According to the BVerfG, the admission of evidence which has been made available to the state by private individuals constitutes neither a breach of international law nor of national inadmissibility rules regarding evidence in court. This holds true even if the evidence was acquired in an unlawful manner. Inadmissible is therefore only evidence which has been obtained by a government agency in a fashion contrary to the rule of law.[13]

"Panama Papers" – The Impact on the Conduct of BPDD

Since the cooperation with external business partners entails a wide array of compliance risks, Business Partner Due Diligences ("**BPDD**") constitute a vital part of any modern Compliance Management System ("**CMS**"). In recent years, international legislation and jurisdiction have shown a clear trend towards prescribing BPDD as a necessary element of an effective CMS. The screening of potential business partners as part of a corporate CMS was specifically the subject of the so called "Neubuerger" judgement of December 10, 2013 by the district court ("Landgericht / LG") of Munich. International regulations containing provisions on the topic of BPDD are, amongst others, the Foreign Corrupt Practices Act ("FCPA"), the UK Bribery Act ("UKBA") and the guidelines of the International Chamber of Commerce and the OECD.[14]

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The Panama Papers include information of substantial relevance specifically for BPDD. In view of the fact that – according to the BVerfG decision of 2010 –information from such sources as the Panama Papers are in principle evidence admissible in court, a thorough BPDD must include a consultation of the Offshore-Leaks database. Due to the viability of offshore companies as instruments for criminal activities, any finding in the database suffices to indicate a compliance-risk. However, as aforementioned, the sole ownership of an offshore company does not constitute a criminal offence per se, but may on the contrary be motivated by legitimate reasons. Results in the database must therefore under no circumstances lead to a potentially unwarranted prejudgement. On the contrary, the database findings are to be embedded into a comprehensive case-by-case assessment.

[9] Dr. Björn Demuth, "Panama Papers – Konsequenzen für die Compliance Praxis?", *Corporate Compliance Zeitschrift* (Heft 03 – 2016).
[10] Süddeutsche Zeitung – "Die Firma": http://panamapapers.sueddeutsche.de/articles/56f2c00da1bb8d3c3495aa0a/
[11] Dr. Björn Demuth, "Panama Papers – Konsequenzen für die Compliance Praxis?", *Corporate Compliance Zeitschrift* (Heft 03 – 2016) S. 139.
[12] BVerfG, Beschluss vom 9.11.2010 – 2 BvR 2101/09.
[13] BVerfG, Beschluss vom 9.11.2010 – 2 BvR 2101/09, Ziff. 11.
[14] Eric Mayer, "Wer muss eine Compliance-Prüfung neuer Geschäftspartner freigeben?", Compliance Berater (06/2015) S. 200 ff.

It is recommended to pursue an immediate clarification of the situation in cooperation with the business partner concerned.

In summary, the Panama Papers yield an additional and free source of compliance relevant information for BPDDs. Hence the review of the ICIJ Panama Papers database will become a mandatory element of BPDD – especially for high risk business partner relationships.

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Germany

New risks of criminal liability in the healthcare sector

Nicole Willms / Max Erhard

- In April 2016 the German Bundestag passed the Law of Anti-Corruption in the Healthcare Sector (*Gesetz zur Bekämpfung der Korruption im Gesundheitswesen*) and thereby introduced sec. 299a and sec. 299b of the German Criminal Code (*Strafgesetzbuch*).
- As a consequence of this legislative change the risk of criminal liability, especially for doctors and employees of pharmaceutical and medical-technology companies substantially increased.

Background

With this legislative change the legislator reacts to the decision of the German Federal Court (*Bundesgerichtshof,* "**BGH**") dated March 29, 2012[1], which revealed a significant gap in criminal liability for granting advantages to independent physicians (*niedergelassene Ärzte*) by employees of pharmaceutical companies or pharmacies.

Until then, cases in which advantages for the prescription of certain medications or the referral of patients to certain pharmacies were granted to independent physicians were assometimes sessed as being covered by sec. 299 of the German Criminal Code (taking and giving bribes in commercial practice).[2] However, according to the prevailing opinion independent physicians were never classified as public officials and thus sec. 331 et seq. of the German Criminal Code were always deemed inapplicable.[3] Similarly, private medical care (*privatärztliche Versorgung*) was not subject to criminal liability either.

In its decision the BGH concluded that none of the aforementioned behavior is punishable, neither under sec. 299 nor under sec. 331 et seq. of the German Criminal Code. Independent physicians were not to be classified as public officials in the sense of sec. 331 et seq. of the German Criminal Code, nor – contrary to previous court decisions – to be regarded as employees or agents of any companies (e.g. the health insurance companies) as requested by sec. 299 of the German Criminal Code.

This was and is certainly different for medical officers (*Amtsärzte*) and doctors employed by a hospital, as they are public officials and employees of a company respectively, and consequently sec. 331 et seq. and sec. 299 to the German Criminal Code are applicable.

Sec. 299a of the German Criminal Code (taking bribes in the healthcare sector) and its counterpart sec. 299b of the German Criminal Code (giving bribes in the healthcare sector) do not refer to any status as an agent or employee of any entity or as a public official; instead the capacity as briber or recipient of bribes respectively is merely tied to the position as a doctor or a member of a healthcare profession.

[1] BGH (Großer Senat in Strafsachen), Decision on 29.03.2012 – GSSt 2/11.
[2] LG Hamburg, Judgement v. 09.12.2010 – 618 KLs 10/09; OLG Braunschweig, 23.02.2010 – Ws 17/10; Pragal, NStZ 2005, 133.
[3] Taschke, StV 2005, 406; Reese, PharmR 2006, 92.

In the future the acceptance of an advantage for purchasing or prescription of medical products or the referral of patients or the acceptance of a promise of such an advantage will be prohibited. Thus the legislation in particular covers certain types of "pharma marketing", such as kick-back payments in the form of rebates, and the granting or receipt of referral premiums for the referral of patients.

It is to be welcomed that the legislator has moved away from its original approach, which was to subject the mere bribery-based breaching of one's professional obligation to criminal liability. This would, due to the variety and complexity of the professional rules concerned, have led to a proliferation of the regulation and thus a significant increase of legal uncertainty.

Importance for doctors and companies in the pharmaceutical and healthcare sector

Nevertheless, in the version now adopted sec. 299a and sec. 299b of the German Criminal Code have important implications for doctors and companies operating in the healthcare sector. A variety of practices that previously violated the professional misconduct regulations "only" (the acceptance of financial benefits for the referral or the prescription of specific medicines is already prohibited for doctors under sec. 31 of the Model Professional Code for Physicians (*Musterberufsordnung für Ärzte*)) can now lead to substantial criminal liability (up to three years imprisonment). This applies particularly to employees of pharmaceutical and medical-technology companies, who were not previously subject to professional regulations similar to those provided for doctors.

Pharmaceutical and medical-technology companies should therefore urgently undertake a critical examination of their marketing practices. The mere suspicion of corruption and the initiation of investigation proceedings can have serious consequences and in particular result in reputational damages. Attention needs to be paid to the fact that the BGH takes an overall view of circumstantial evidence with respect to the necessary link between the granting of an advantage and a compensation received, such as the relationship of the one who gives the benefit to the activity of the recipient, the value and number of the advantage and the form of the grant.[4] Such a circumstantial evidence inspection can easily be to the detriment of the companies concerned.

Particular attention should be paid to the "sponsoring" of independent physicians, for example in the form of remuneration for taking part in clinical studies and the undertaking of advisory duties or the assumption of costs for training courses and conferences.

It is certainly difficult that by nature there is no court decision available yet for the interpretation of sec. 299a and 299b of the German Criminal Code and consequently for the limits of criminality on the cooperation between pharmaceutical and medical-technology companies and independent physicians. This particularly applies to the social acceptability of potentially granted benefits, e.g. promotional gifts or meal invitations, as well as the appropriateness of individual compensations, such as for participations in studies and speaking engagements.

In this respect, the FSA Code of Conduct Health Professionals may, however, offer some good reference points.[5] The FSA Code provides rules of self-regulation for pharmaceutical companies with regard to the cooperation with independent physicians, including participations in professional conferences, research collaborations, as well as gifts and entertainments and as such was already consulted as guidance in the past by German Courts.[6] However, the FSA Code does not provide for fixed value thresholds.

[4] BGH, NJW 2008, 3580, 3583.
[5] Available online: http://www.fsa-pharma.de/verhaltenskodizes/fachkreise/
[6] LG München I, PharmR 2008, 330 ("Wasserspender-Fall"); LG Aachen, Urt. v. 27.06.2006.

Allthough for the time being, many individual cases remain somehow uncertain, chances are good that by conscientiously reviewing and critically evaluating one's own conduct one will be able to limit the new risks of criminal liability.

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Norway

Active investors' focus on Compliance

Eric Mayer / Clemens Blettgen

- More and more investors – not only "activist shareholders" – are playing an increasingly active role in assessing actual compliance management capabilities of investment targets and portfolio companies. Active ownership in this regard is said to help removing both ethical- *and* financial risk
- The *Norwegian Government Pension Fund* is not only leading the global peer group of Sovereign Wealth Funds by the sheer market value of its total investment of currently ca. 800 Billion Euros. Moreover, the Norwegians have established as the only state fund so far an independent *Council on Ethics* focusing on compliance-related investment – or if necessary – observation- and exclusion-criteria.
- For the first time ever, a company has now been excluded from the fund on the grounds of gross corruption: On January 7, 2016, the Chinese telecommunication equipment- and network solutions provider *ZTE Corp.* was officially excluded from the fund.

The Norwegian Government Pension Fund

The Storting in Oslo – the Norwegian Parliament – passed in 1990 a law to establish the then so-called *Government Petroleum Fund*. The nation's petroleum revenues were to be transferred to this new fund in order to support the government's long-term management of petroleum revenues. Six years later the fund received its first capital transfer from the Norwegian Ministry of Finance amounting to two billion NOK, or some 200 million Euros. In 2004, ethical guidelines were introduced and in 2006 the fund changed its name to the current nomenclature Norwegian *Government Pension Fund – Global* ("**GPFG**").

Today, the GPFG is not only the largest Sovereign Wealth Fund (SWF) of the world with a current market value of 7,475 Billion NOK or ca. 802 Billion Euros[1], but also the single biggest shareholder on this planet with investments in more than 9,000 corporations in 75 different countries. In Germany alone, the GPFG is holding corporate investments amounting to 27 Billion Euros, owning ca. 4% of the DAX and being the most important investor in SME- or "Mittelstand"-companies.

The GPFG's investment activities help significantly to diversify the Norwegian economy from its dependency of oil exploration. Ever since its historic peak in 2001, the national oil exploration kept diminishing and today Norway remains as the world's 14th largest oil producer with a 2.1% share of global oil production.[2] According to the fund's investment strategy, 60% is invested in equity, 35% in fixed income and 5% in real estate assets. Norway's Ministry of Finance has clearly regulated that equity investments must not exceed a 10% quota per company. Nevertheless, the GPFG very often ends up on the list of the major investors of many corporations as risk diversification leads many companies to spread their shareholding.

[1] https://www.nbim.no/en/the-fund/history/

[2] BP: Statistical Review of World Energy June 2013; the three largest exploring countries are currently Saudi-Arabia, Russia and the USA.

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From its inception, the fund has articulated clear expectations towards acceptable business activities of investment targets and portfolio companies. This does not only follow a strong sense of owner's responsibility. Yngve Slyngstad, the CEO of *Norges Bank Investment Management* (NBIM, i.e. the Norwegian Central Bank unit responsible for the GPFG), has just repeated the unambigous message that insisting on compliance with human rights or climate protection for instance has also a lot do to with risk reduction from a financial perspective.[3]

The Council on Ethics

The GPFG is not only the largest Sovereign Wealth Fund in the world, but it is also the only state fund that has established a dedicated and independent body supporting ethical investment decisions. This *Council on Ethics* is composed of five elected members and a secretariat with eight full time employees investigating and preparing cases for the Council.[4]

The Council makes recommendations on the observation or exclusion of companies directly to Norges Bank which then decides on whether to follow these recommendations or not. The main objective of the Council is to help remove ethical risk from the fund. In this context, exclusions are described as a last resort choice. The Council emphasizes to make recommendations only in the most grave and systematic cases of violations so that "hunting" for a largest possible number of exclusion candidates would not be appropriate per se. Any active dialogue between companies and the Council is highly appreciated and can significantly help to reduce the perceived risk of recurrence of violations. On the other hand a company's refusal to share information is perceived as a risk factor by the Council.

The Council is assessing companies on the basis of specific *Guidelines for Observation and Exclusion from the Government Pension Fund Global* stipulated by Norway's Ministry of Finance.[5] These guidelines provide for *product-based criteria* like tobacco-, cluster munitions or nuclear weapons production as well as *conduct-based criteria* such as human rights violations, environmental damage and gross corruption.

In consequence, the fund has as of today excluded altogether 64 companies including well-known corporate brands such as *General Dynamics* because of the production of cluster munitions, *Philip Morris* for tobacco production, *Wal-Mart* for human rights violations, *Rio Tinto* for environmental damage or *ZTE* – for a first time ever – because of corruption.[6]

Under the corruption criterion the Council focused in 2015 on systematically reviewing corruption allegations in the oil & gas- as well as in the defence industry sectors. The results of these reviews are explicitly reported as "*not* uplifting". All in all Norges Bank received eight recommendations from the Council in 2015 and decided at last year's end on five of those – so far following all Council recommendations.

[3] Interview with Frankfurter Allgemeine Sonntagszeitung (FAS) on February 7, 2016

[4] For a current list of all Council members refer to page 6 of the Council on Ethics Annual Report 2015

[5] Guidelines by February 1, 2016 available on pages 47 – 50 of the Council´s Annual Report 2015

[6] The complete list of currently excluded companies can be found on page 32 of the Council on Ethics Annual Report 2015, http://etikkradet.no/files/2016/03/Etikkraadet_AR_2015_web.pdf

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Assessment of Corruption Risk

Since 2013 the Council has not only started reviewing companies with negative press news pointing at corruption allegations, but has also analyzed particular countries and industries with high corruption risk indications. In addition, the Council has conducted specific studies on companies in the building and construction beyond the already mentioned oil & gas- and defence sector surveys and initiated a telecommunications industry analysis, too.

The council has applied the following specific definition of "gross corruption" in the recent ZTE Corporation case[7]:

Gross corruption exists if a company, through its representatives,

a) gives or offers an advantage – or attempts to do so – in order to unduly influence:

   i. *a public official in the performance of public duties or in decisions that may confer an advantage on the company; or*

   ii. *a person in the private sector who makes decisions or exerts influence over decisions that may confer an advantage on the company,*

and

b) the corrupt practices as mentioned under paragraph (a) are carried out in a systematic or extensive way.

The Council typically starts by reviewing publicly available information on accusations of gross corruption taking into account the size of the alleged amounts of bribery and whether there are continued accusations leading to the assumption of a systematic utilization of bribes. Next, it is crucial for the Council to determine if the identified gross corruption risk will continue. In this regard, it is of utmost importance to analyze the anti-corruption controls and procedures actually implemented within the corporation. Only when the company can prove that the corporate compliance management system is *"properly organized and implemented effectively"*[8] the Council will be able to conclude that the risk of future corruption has been reduced and will refrain from an exclusion recommendation accordingly. Personal meetings are an important source of information in this context for the Council regarding the assessment of future risk.

In the case of the Shenzhen-based Chinese telecommunications hardware producer ZTE Corporation, the company has been investigated for gross corruption allegations in numerous high-risk countries such as Zambia, Liberia, Nigeria, Myanmar (Birma), Papua New Guinea and the Philippines. ZTE is also operating in a high-risk business environment with large public-sector contracts and the typical pattern of bribing foreign officials in order to influence public tenders. While there has been only one investigation in the ZTE complex ultimately leading to a conviction, the Council explicitly criticizes that in many occasions the ZTE employees were leaving the respective countries as soon as the investigations were initiated – making it virtually impossible to comprehensively investigate the accusations. Making matters worse, ZTE is said having failed to provide the Council with sufficient information about its compliance management system and the actual implementation status thereof. In essence, the Council recommended in mid-2015 that ZTE be excluded from the fund with Norges Bank following this recommendation on January 7, 2016 – making this case the first exclusion on the grounds of gross corruption ever.

[7] Council on Ethics Recommendation to exclude ZTE Corp. from the Government Pension Fund Global, June 24, 2015, page 5, http://etikkradet.no/files/2016/01/ENG-Tilr%C3%A5dning-ZTE-24.-juni-2015-ENGELSK.pdf

[8] Assessment of corruption risk, Annual Report 2015, page 25

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Outlook

It is fair to assume that the Norwegian GPFG, together with the Council on Ethics, are becoming a role model not only for other sovereign wealth funds, but for many if not all financial investors that have understood that reducing ethical risk will ultimately also remove financial risk. Because of Norway's size and influence as the single biggest shareholder on this planet it will become difficult for other shareholders to ignore Oslo's decisions.

Active ownership in terms of compliance will hence become a trend regarding ethics in general and effective and truly implemented compliance management in particular.

This will inevitably lead to rising expectations towards the companies' actual capabilities to prevent misconduct in future with a robust compliance management system. Compliance is becoming an important investment criterion. And companies keen to retain such prominent investors should continue to stand ready for active cooperation once active owners start asking questions about compliance and request personal meetings.

To put it with the recent words of a board member of a portfolio company: *"The Norwegian Government Pension Fund is not only changing the rules. It is changing the playing field."*

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Europe

General Data Protection Regulation (EU) 2016/679 entered into force on May 25, 2016

- On May 25, 2016, the new EU-General Data Protection Regulation ("**EU-GDPR**") entered into force. It is directly applicable in all Member States as of May 25, 2018 without any further national implementation act.
- Data processing and related systems have to be reformed within the next two years in order to be consistent with the EU-GDPR.

Within the last couple of years the importance of data protection has consistently increased: Be it the publication of employee-data of the International Atomic Energy Agency (IAEA) in 2012, the data theft of around 76 million clients of the bank JPMorgan in 2014 or the affair-platform AshleyMadison that was attacked by hackers in 2015: more and more sensitive personal data are recorded; very often, however, they are insufficiently protected from an escalating use or an unauthorized access by third parties. The German data protection standards provided by the German Data Protection Law (Bundesdatenschutzgesetz – "BDSG") are not at all guaranteed throughout Europe. In 2012, the EU-Commission therefore started an initiative to replace the old data protection directive from 1995 with a new regulation directly applying in all Member States. After a long-standing controversial discussion, the EU-GDPR has now finally been published in the Official Journal of the European Union on May 4, 2016. According to Sect. 99 EU-GDPR, the regulation entered into force 20 days after its publication, i.e. on May 25, 2016. However, the EU-GDPR will be applicable within the Member States only two years after its entering into force, i.e. as of May 25, 2018. In practical terms this does, however, not grant addressees a breather. According to recital no. 171 of the EU-GDPR the two years are expressly intended as a "transition period", which addressees shall use to review their data processing operations and -systems and if necessary, timely adapt them to the standardized requirements asthe EU-GDPR does not provide for any grandfathering rights. Content-wise the EU-GDPR enhances consumer rights throughout Europe. Parties concerned will, for instance, be able to request the transfer of personal data to another service provider or – following the Google-verdict of the European Court of Justice[1] – their deletion. Even if measured by current German standards, the possibility to use gathered data for other purposes will be severely restricted. In addition, the EU-GDPR increases the companies' responsibility to organize their data protection in a reasonable and functional manner: future data processing operations are to be documented and to be technically limited to a minimum. Once processing operations are associated with high risks for the concerned consumers, companies are expressly obliged to carry out a prior risk and impact assessment.

Not only the imminent loss of trust in the event of possible data mishaps, but also the significant increase of fines provided for in the EU-GDPR (companies may be fined with penalties of up to 4% of their overall worldwide yearly turnover of the prior financial year) make it inevitable for companies to take the statutory changes relating to data protection seriously and use the remaining two-year-period to review and bring-up to the EU-GDPR-state their data recording processes and data processing systems.

[1] European Court of Justice, verdict dated May 13, 2014 (C – 131/12).

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We'd like to know your areas of interest.
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