



the gdpr is coming - are you ready?

MSK Client Alert

April 5, 2018

On May 25, 2018, important European regulations regarding data privacy and protection go into effect that will have a major impact on American companies, many of whom don't realize they will be subject to compliance with its requirements. The General Data Protection Regulations (the "GDPR") will have severe penalties for non-compliance (as high as €20 million or 4% of annual worldwide turnover). The GDPR will also have very broad territorial reach applying not only to European entities, but also to entities located outside of Europe (including those in the U.S.) that process the personal data of living European individuals residing in the covered countries, including if the company:

- Offers goods or services to individuals in the covered countries (e.g., e-commerce, capital raising, fund raising, immigration);
- Employs individuals in one or more of the countries;
- Monitors the behavior of individuals in any of these countries; and
- Collects, stores, or processes the personal data of affected individuals on behalf of others.

For these purposes, the European definition of personal data mirrors nicely the American definition of personally identifiable information. Given the severe penalties and broad reach, it is important that each company in the U.S. consider whether the GDPR applies to its operations and, if so, how best to comply.

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