



THE GENERAL DATA PROTECTION REGULATION

IMPLICATIONS FOR ORGANISATIONS IN THE MIDDLE EAST



The General Data Protection Regulation (GDPR) is a major revision to data protection laws in the EU and has potential implications for companies around the world, including those based in the Middle East.

Middle East organisations need to understand whether or not they must comply with the GDPR. Our guide will walk you through the key tests to apply in order to establish whether or not the GDPR applies to you. If you need to update your practices to ensure compliance, Norton Rose Fulbright can help.

One feature of the GDPR is the strict obligations imposed on companies with regards to personal data breaches. An AIG CyberEdge policy can assist with the financial and reputational ramifications resulting from a data breach and can ensure your business remains up and running.

GDPR HAS BEEN IN FORCE SINCE 25 MAY 2018

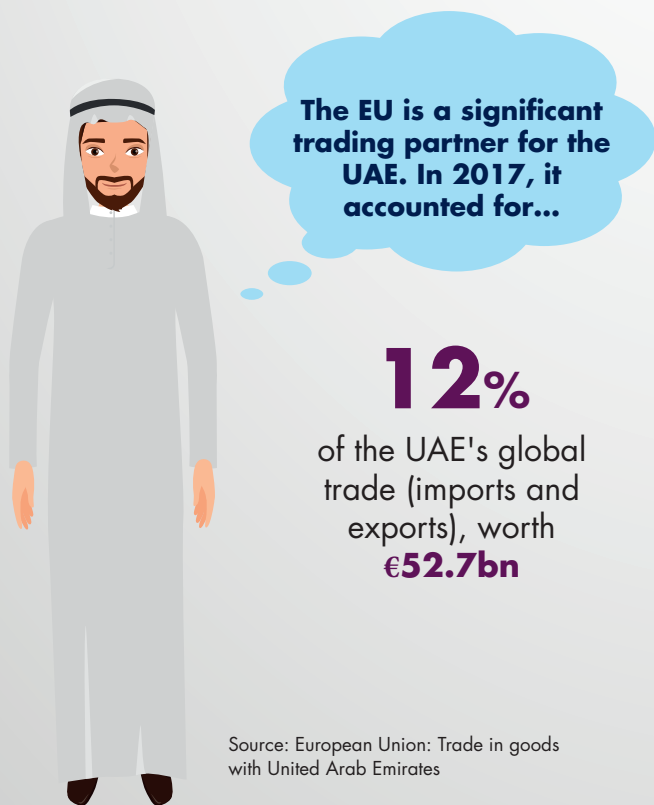
Complying with data protection rules has never been so important. Is your business affected by the GDPR? If so, is it compliant and adequately protected in the event of a data breach?



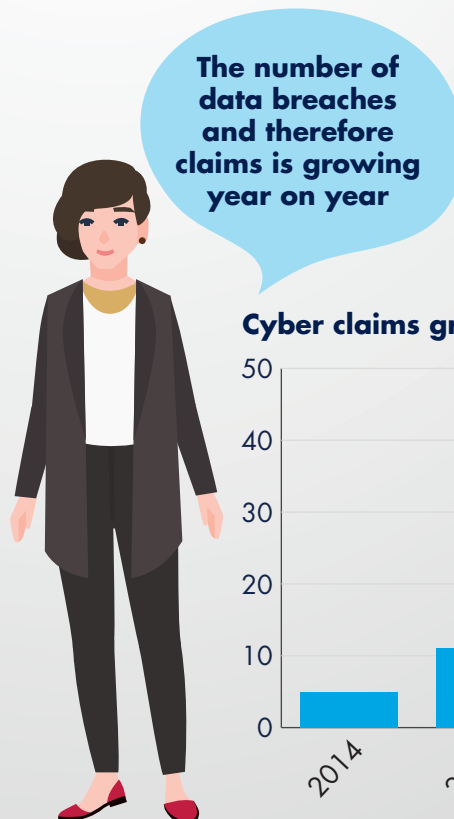
You may think the **General Data Protection Regulation** is not relevant to your business...take our test below to understand whether you must be **GDPR compliant**.

The Regulation protects people's personal data and this simple guide will help you understand if your business is exposed and how legal advice and insurance can assist in the event of a data breach.

The UAE's diverse mix of local and international companies and significant trade volumes with the EU makes considering the applicable data protection regulations imperative.



Source: European Union: Trade in goods with United Arab Emirates



Source: AIG Cyber Claims Report 2018; AIG Europe, Middle East, Africa

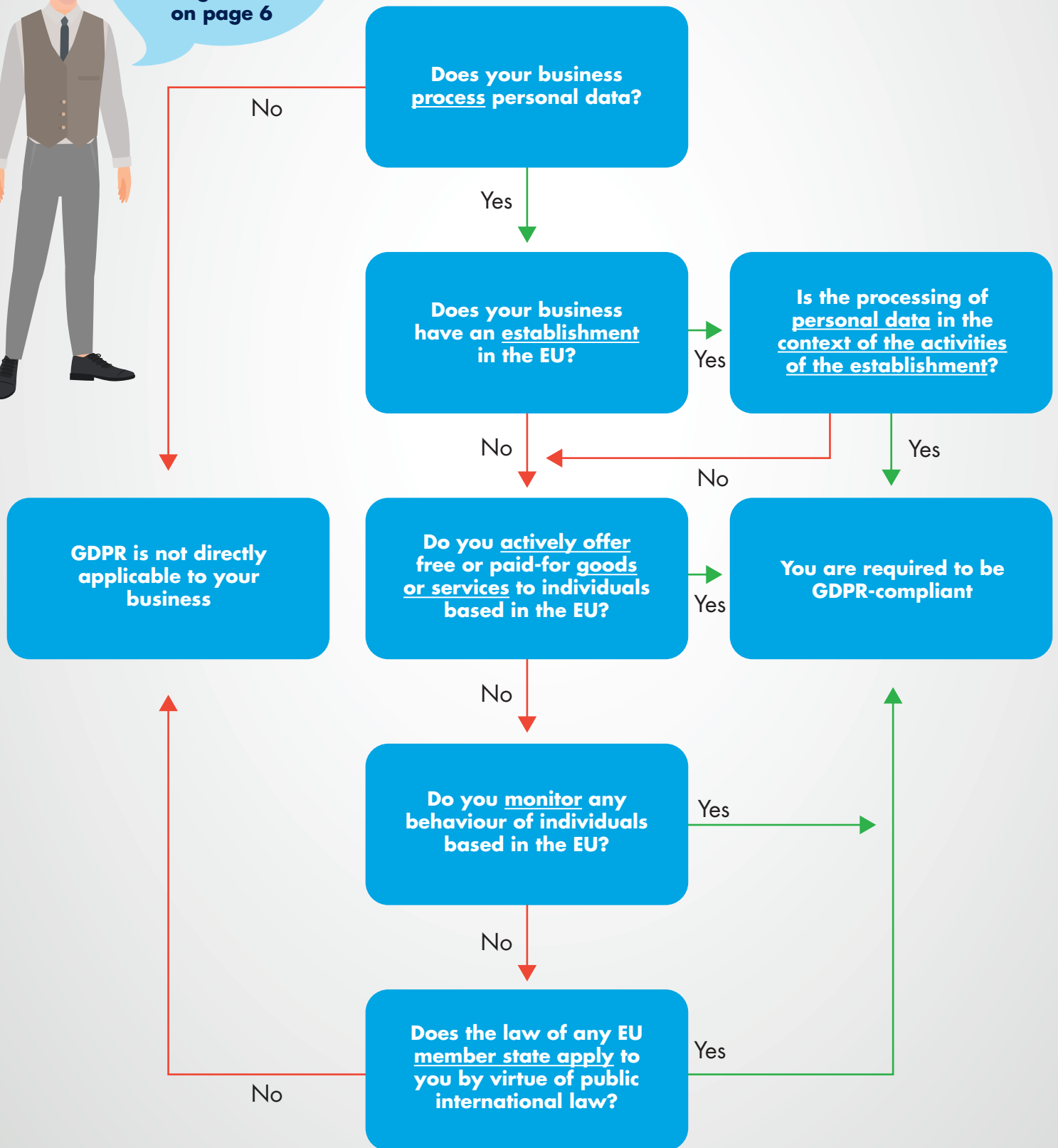
Does your company need to be compliant with the GDPR?

Check by answering these simple questions



For more information, please see our guidance on page 6

START

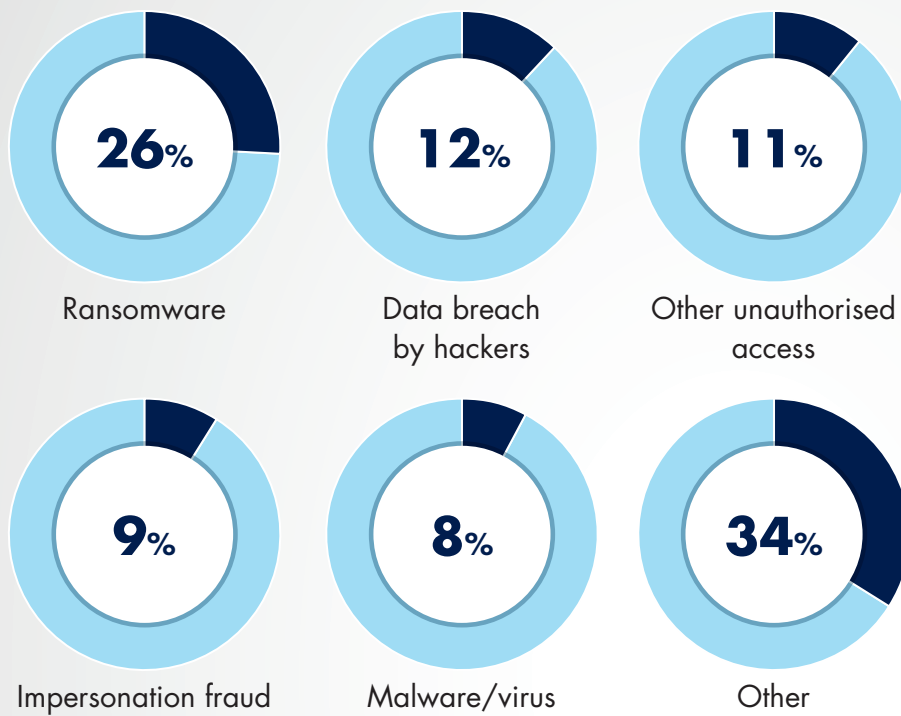


If you need to be GDPR compliant, Norton Rose Fulbright can discuss what this means for your business.

An AIG CyberEdge policy can assist with the financial and reputational ramifications resulting from a data breach to ensure that your business remains up and running.

Even if you do not need to be GDPR compliant, you may wish to consider updating your data privacy policies from a best-practice perspective. Norton Rose Fulbright can assist with this.

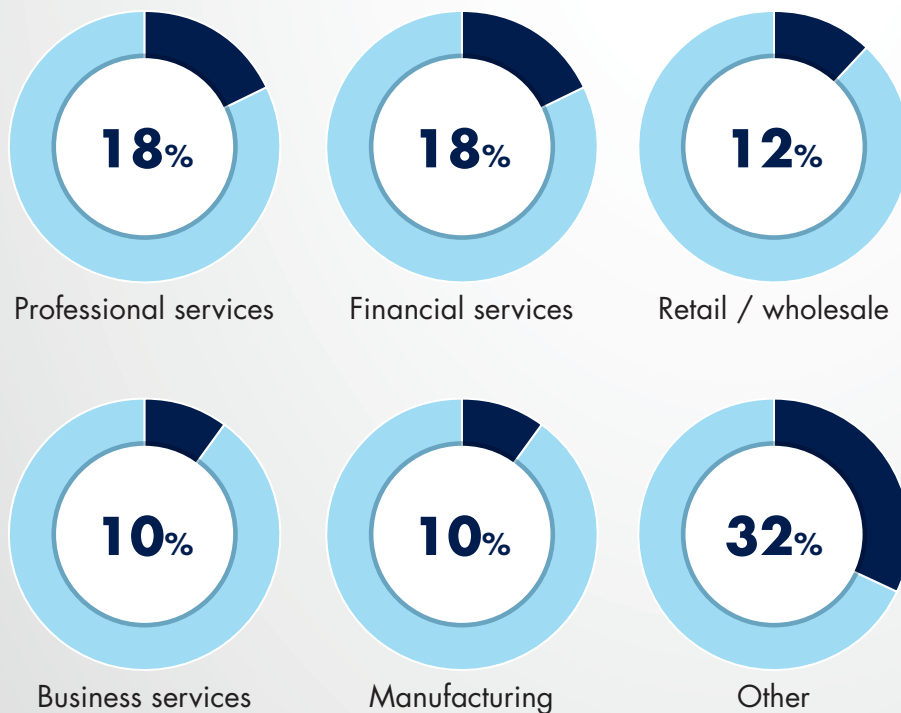
MOST COMMON BREACHES IN 2017 (%)



Data breaches put personal information at risk and can damage a company's reputation



INDUSTRIES MOST AT RISK, 2017 (%)



The risk of falling foul of GDPR is higher for industries that hold sensitive personal and financial information, however, no industry is immune to GDPR exposure

Source: AIG Cyber Claims Report 2018; AIG Europe, Middle East, Africa

Substantial fines have been introduced under the GDPR:

For serious breaches

€10m

or

2%

of total worldwide annual turnover, whichever is the greater

For very serious breaches

€20m







or

4%

of total worldwide annual turnover, whichever is the greater

CyberEdge - Add our expertise to yours
















GDPR increases the need for effective insurance to protect an organisation and help it take the correct action should a breach occur. A timely response to an attack is critical to minimising its impact.

| BREACH COMPONENT |  Breach |  Forensics |  Legal/PR |  Notification |  Fines & Investigation |  Liabilities |
|--------------------|--|--|--|--|---|---|
| CYBEREDGE RESPONSE | Immediate response within 1 hour from claims and breach counsel | Expert forensic support to determine what's been affected, how can it be contained, repaired or restored | Expert legal advice and PR consultancy to contain reputational damage | Costs of notifying data subjects who may be affected by the breach – and credit monitoring to prevent further losses | Professional preparation for any investigation, insurable fines, and penalties by a data protection regulator | Defence costs and damages for: <ul style="list-style-type: none"> • Any breach of personal or corporate data • Contaminating someone else's data with a virus • Theft of system access code • A negligent act or error by an employee |

The AIG CyberEdge end-to-end risk management solution, consisting of pre-breach risk management solutions, a broad insurance policy wording and best-in-class incident response services, is designed to help organisations get back to normal operations as soon as possible following a cyber breach or cyber-attack.

End-to-End Risk Management Solution

From our innovative loss prevention tools providing education and potentially preventing a breach, to the services of our CyberEdge Breach Resolution Team if a breach does occur, insureds receive responsive guidance every step of the way.

| Loss Prevention Services | Insurance Coverage | Breach Resolution Team |
|--|--|--|
|  Knowledge |  Third-Party Loss Resulting From a Security or Data Breach |  7/24 Guidance Supported by IBM |
|  Training and Compliance Solutions Powered by RiskAnalytics |  Direct First-Party Costs of Responding to a Breach |  Legal and Forensics Services: KPMG, Norton Rose Fulbright |
|  IT Security Assessment Services Powered by IBM |  Lost Income and Operating Expense Resulting From a Security or Data Breach |  Notification, Credit and ID Monitoring |
|  Consultation |  Threats to Disclose Data or Attack a System to Extort Money |  Crisis Communication Experts |
|  Proactive Shunning Services Powered by RiskAnalytics |  Online Defamation and Copyright and Trademark Infringement |  Over 15 Years (Since 1999) Experience Handling of Cyber-Related Claims |

For more information about our CyberEdge solution please contact your insurance broker or reach out to one of our cyber underwriters.

Definitions and Guidance Section

| Test | Source | Guidance |
|---|---|--|
| <u>Processing</u> | Article 4 GDPR | <p>Processing is very broad and means any operation which is performed on personal data.</p> <p>Processing includes, for example: the collection, storage, use and disclosure of personal data.</p> |
| <u>Personal Data</u> | Article 4 GDPR | <p>Personal data is any information relating to an identified or identifiable individual.</p> <p>This is interpreted broadly under the GDPR.</p> <p>Personal data includes, for example: name, address, passport/ID number, bank account number, gender, ethnic origin, test results.</p> <p>The information a business holds about its employees is personal data.</p> |
| <u>Establishment</u> | <p>Article 3(1) GDPR</p> <p>Recital 22 GDPR</p> <p>Weltimmo (Case C-230/14)</p> | <p>An establishment is a stable presence in the EU.</p> <p>This may occur in a variety of ways, for example through a branch, subsidiary or office in an EU country.</p> <p>The European courts have interpreted “establishment” broadly. One or two employees could be sufficient to constitute an establishment in the EU.</p> |
| <u>‘In the context of an establishment’</u> | <p>Article 3(1) GDPR</p> <p>Google Spain (Case C-131/12)</p> | <p>EU case law has interpreted this requirement broadly.</p> <p>Google Spain established that a non-EU business processing data is in the context of an EU establishment if the two are “inextricably linked”.</p> <p>An inextricable link is likely to be found where the non-EU business depends economically on activities conducted in the EU.</p> |
| <u>Actively offer Goods or Services:</u> | <p>Article 3(2)(a) GDPR</p> <p>Recital 23 GDPR</p> | <p>There must be an intent to draw EU Data Subjects as customers</p> <p>This condition is not met by a business merely having a website that can be accessed by individuals in the EU to buy goods.</p> <p>Key factors which can evidence the active offering of goods and services include: the language options, currency options, shipping options and the top level domain name.</p> |
| <u>Monitoring</u> | <p>Article 3(2)(b) GDPR</p> <p>Recital 24 GDPR</p> | <p>Monitoring means tracking on the internet, including to predict preferences, behaviours and attitudes or perform analytics.</p> <p>A common example is the use of cookies that collect data on how individuals interact with your website or their activity on other websites in order to analyse or predict preference.</p> |
| <u>Member State Applicability</u> | <p>Article 3(3) GDPR</p> <p>Recital 25 GDPR</p> | <p>This is a question of public international law.</p> <p>For example, this will apply in a Member State’s diplomatic mission or consular post.</p> |

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