## From EU GDPR to China PIPL:

Challenges of Chinese Data

Regulations Compliance as a

Foreign Company

Chandy YE 24 September 2024





### Vice Chairlady and Director of the Data Privacy Committee of Hong Kong China Network Security Association – 15+Y legal experience

- Hong Kong solicitor and China (PRC) lawyer
- Shanghai (*PRC Law*) + Netherlands (*EU Law*) + London/Hong Kong (*Common Law*)
- Previously in-house counsel with Alibaba, eBay and SAP
- Worked for Beijing, Hong Kong and London offices of leading international law firms
- IAPP, AIGP (Artificial Intelligence Governance Professional)
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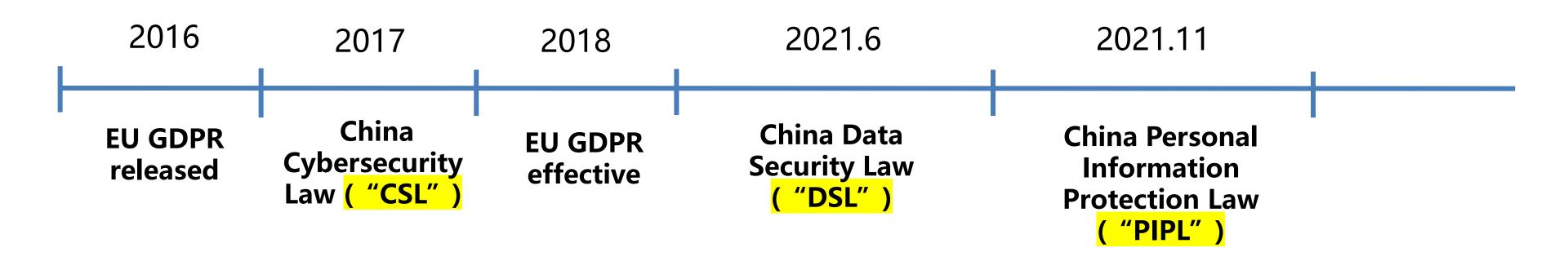


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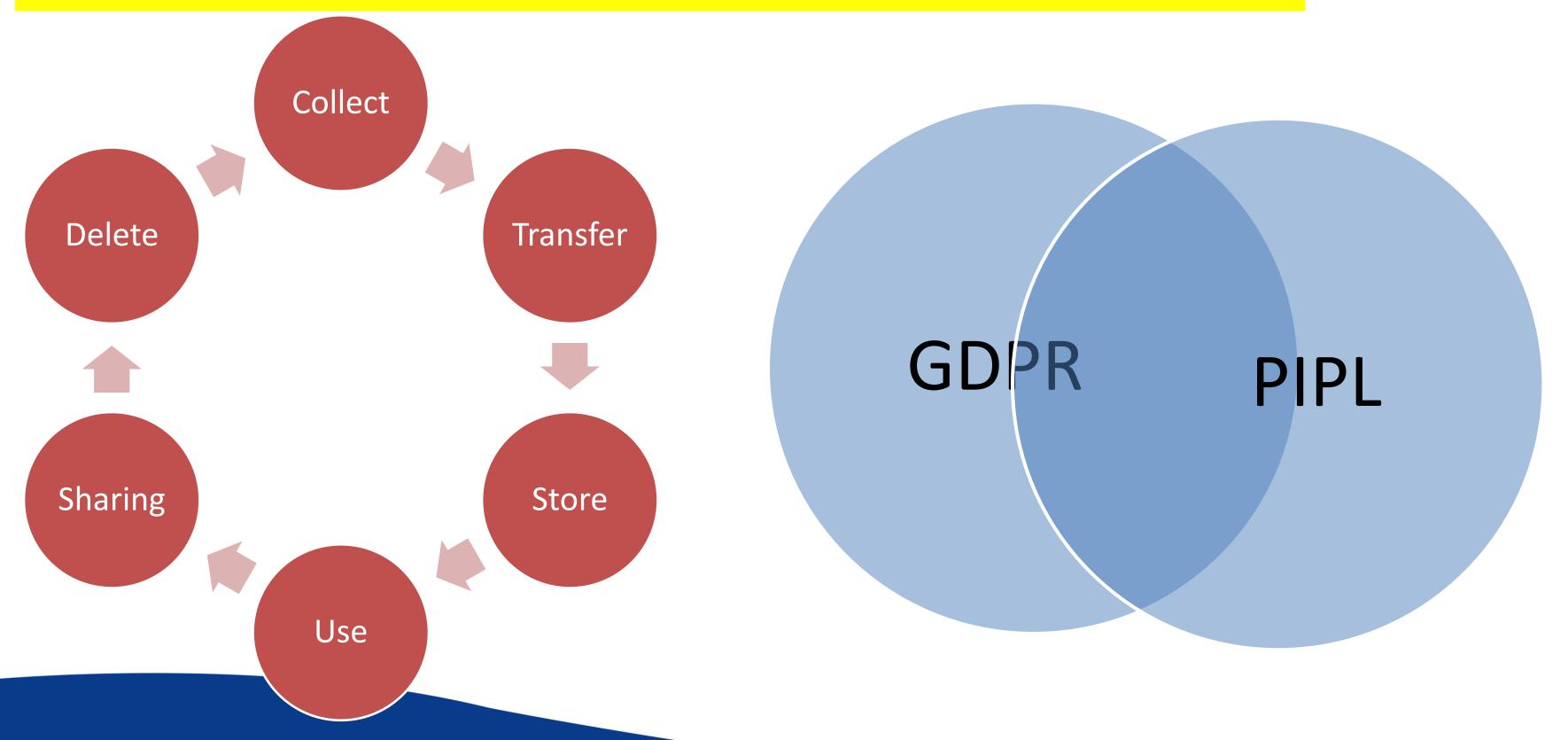
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## Timeline (China's Three Pillars)



# EU GDPR vs China PIPL: One size fits all?





## **EU GDPR vs China PIPL: Key differences**

- Legitimate Interest is NOT available;
  - how it affects marketing strategy?
- Definition of SPI: outcome-based;
  - how it affects customer data collection?
- Separate consent requirement;
  - how it affects user experience?



## **EU GDPR vs China PIPL: Key differences**

- Privacy statement: specific content requirements,
- CBDT mechanisms: from stringent to relaxation
- PIPIA requirement: specific scenario;
- DPO role: potential personal liability,
- Data breach notification: case by case.



## **Enforcement in China**

- NO single supervisory authority in China;
- Mobile app focused;
- Monetary fines (*RMB 50 million or 5% of turnover* from previous year): Didi case (*USD1.2 Bln* for violation of the cybersecurity review); CNKI case (*USD6.9 million* for violation of PIPL);
- Civil litigation: recent court case against foreign hotel chain for violation of PIPL.



## What's next?

- PIPL Compliance Audit (*Draft national standard released in June*);
- Classification of "Important Data";
- Network Data Security Management Regulations (passed by the PRC State Council in early September);
- Al Legislation

# Thank you! 謝謝!

Please contact <u>Chandy.ye@qr-ip.com</u> for questions















#### DFS is a leading travel retailer runs more than 40 stores in 14 countries



In the new data era, customer data presents significant opportunities for our business as well as

escalating challenges, particularly in the following areas:



a. Complex consent management: take PIPL CBDT consent as an example



#### Consent need to be triggered under certain circumstances

- e.g. When customer registers in Mainland China Stores by scanning the QR code



#### Consent needs to be stored properly



#### Who must provide consent?

- The question of consent may be complex; for instance, how do we handle a customer registered in Macau but purchasing in China? All potential scenarios must be considered.

b. Where to store the data?



Most companies have major CRM systems or data platform outside of Mainland China border.

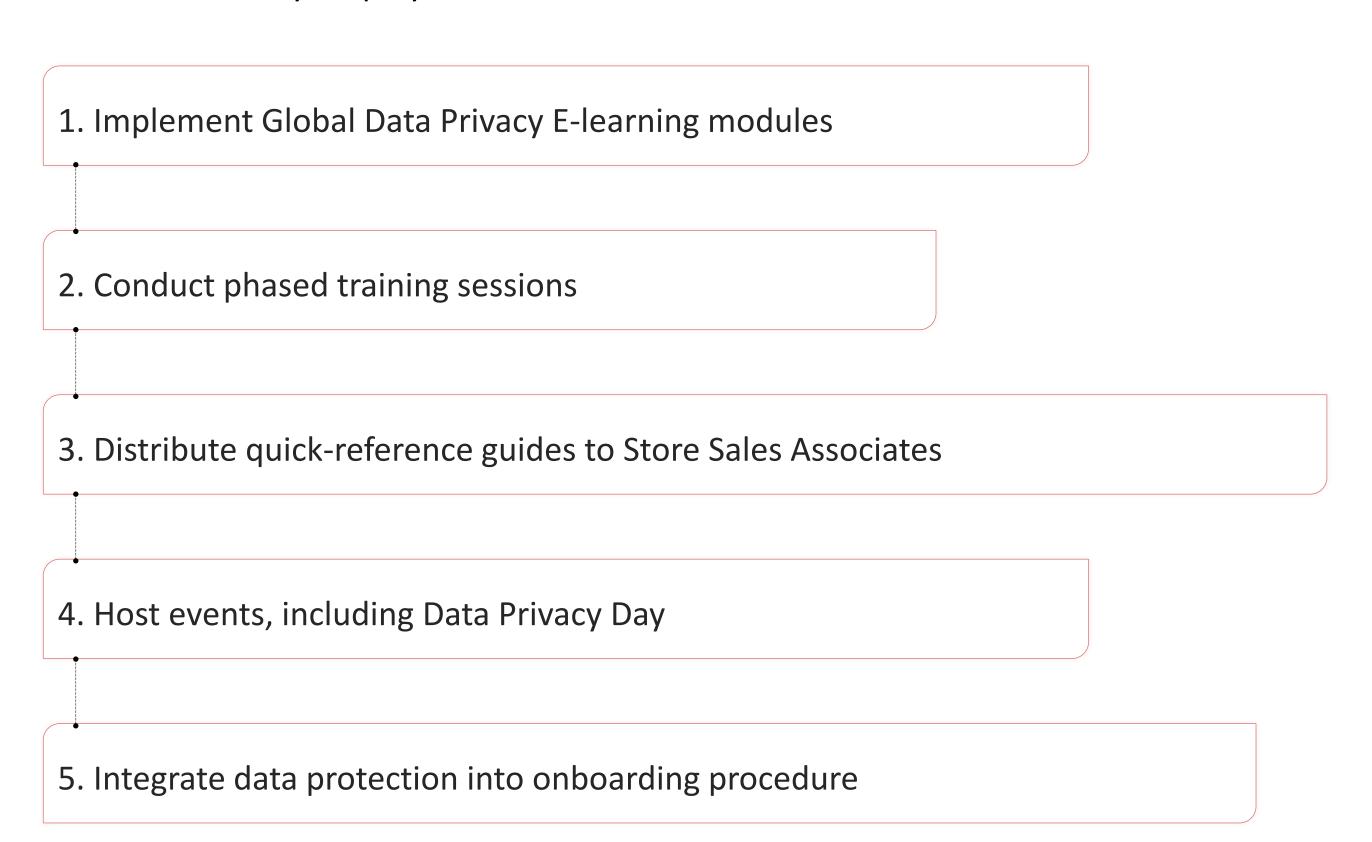


Business wants single customer view for Business Intelligence.



Sensitive personal data is subject to more stringent restrictions.

c. How to train my employees?



d. Committees and organizations



Dedicated DPO team  $\rightarrow$  ensure the achievement of objectives & establishes a strong organization foundation



Identify and manage Data Champions/Owners, data stewards, and Privacy Champions



Committee Meetings (Include AI Committee Meeting, Incident Response Team (when there is a data breach),

Data Protection and Security Committee Meeting, CBDT Strategy Committee

Thank you!