



## **TABC Statement on the Importance of Privacy Shield to the Transatlantic Relationship**

*September 2017*

Ahead of the first annual review of the EU – U.S. Privacy Shield Framework between representatives of the European Union and the United States government on 18-19 September, the Trans-Atlantic Business Council would like to reiterate the importance of the Privacy Shield to the facilitation of transatlantic commerce and ensuring sufficient data protection of European citizens during transatlantic transfer of personal data.

The U.S. Department of Commerce and the European Commission concluded the Privacy Shield agreement in 2016 to establish a valid mechanism for cross-border data transfers between the EU and U.S. while ensuring that American companies adequately uphold privacy rights of European citizens. This landmark achievement, reached through careful consultation with EU data protection officials and other government stakeholders, made substantial improvements to the previously invalidated Safe Harbour framework with additional safeguards and transparency obligations. To date, over 2,000 organizations have received certification under the Privacy Shield.

It is important to emphasize that the Privacy Shield is as vital to European companies as to American ones. The uninterrupted transfer of data across borders is commonplace in the modern business. Companies on both sides of the Atlantic rely on instant communication and readily available access to data to drive commerce and enable trade. In the case of electronic commerce, businesses capitalize on these cross-border data flows in use of cloud computing, big data analytics, supply-chain management, and centralizing back-office management. A valid mechanism by which companies can rely on to transfer data to ensure compliance with European data protection law is necessary for both sides of business interaction.

TABC urges EU and U.S. officials to take careful consideration of the immense benefit the Privacy Shield has provided since its inception as they conduct the annual review. A positive outcome of the Privacy Shield review would ensure the much-needed predictability of legal requirements for European and U.S. companies and confirm the importance of the interoperability of legal systems to keep data flowing seamlessly around the world. Fundamental rights of EU and U.S. citizens are at stake, as well as the societal benefits spurred by innovation and economic growth.

In an increasingly digital global economy, it is vital that the new framework establishes a predictable and enduring tool for data transfers and privacy protection as European and U.S. laws continue to evolve. We look forward to the results of this annual review and stand ready to advise as work continues on the implementation of the Privacy Shield framework.

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*TABC provides a platform for EU and U.S. companies to develop common positions on policy issues impacting the transatlantic economic space.*