

GDPR IS COMING – ARE YOU PREPARED?

McPhersons Chartered Accountants

European data protection laws are changing and come into force 25 May 2018. These new laws will affect all businesses in the UK and the current Data Protection Act (DPA) will be updated to reflect the GDPR obligations.

The GDPR is a framework with greater scope, much tougher punishments and judicial remedy for those who fail to comply with new rules around the storage and handling of personal data, be it in physical or electronic format.

Why are these new laws being introduced?

Since the DPA was introduced in 1998 technology and the internet have developed at such a rapid rate that these rules are now deemed to be ineffective. Nowadays, the ease and sophistication of data collection means that thousands of SMEs not only collect personal details, but store, move and access them online.

Personal data is used in everything from sales to customer relationship management to marketing. Cybercriminals are now much more common. In 2016, companies in the UK lost more than £1billion to cybercrime. Major data breaches have given criminals access to names, birthdates and addresses and even social security and pension information.

A recent report from the Federation of Small Businesses (FSB) claims that SMEs are now more likely to be targeted by cybercriminals than their large corporate counterparts and cybercriminals consider SMEs softer targets!

The GDPR is considered a necessity for the protection of data in a modern internet based society.

It is also a chance to take a fresh look at your data security as data breaches may impact on your business reputation.

What does the GDPR mean for SMEs?

Businesses must keep a detailed record of how and when an individual gives consent to store and use their personal data. This means a positive agreement and cannot be inferred from a pre-ticked box. Customers or individuals have the right to withdraw consent. Details must be permanently erased.

This means businesses should review their existing data and delete any that they do not have a valid reason to hold. The GDPR sets out the legal bases available for processing personal data such as needing it to perform a business contract. Businesses should review what data they hold, have they got consent and do they need to keep it?

Data should be kept secure and this will require a review of current practices to prevent data breaches.

Personal data is a key tool for SMEs looking to target and retain customers: GDPR means it must be handled with the utmost care. You should start planning for the GDPR now and consider an information audit and, for many businesses, a change in culture.

How can we help?

We have produced a checklist of actions you should undertake before 25 May 2018 to ensure you have a policy for compliance to ensure you have the correct permissions and data is stored as securely as possible. For a copy of this checklist please click on this link <http://www.mcphersons.co.uk/pdf/gdprchecklist.pdf>

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