



A LOOK AT CHINA'S DRAFT OF PERSONAL INFORMATION PROTECTION LAW

Judy Bai
Digital Science
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DATA PROTECTION LAWS IN CHINA

- ❑ **[DRAFT] Personal Information Protection Law (PIPL) (2020)**
- ❑ **[DRAFT] Data Security Law of the People's Republic of China (2020)**
- ❑ Personal Financial Information Protection Technical Specification (2020)
- ❑ China's Encryption Law (2020)
- ❑ **[DRAFT] Personal Information Outbound Transfer Security Assessment Measures (2019)**
- ❑ China's Personal Information Security Specification (2018)
- ❑ **Cybersecurity Law of the People's Republic of China (2017)**
- ❑ Consumer Protection law and its Amendments (2014)
- ❑ Decision Concerning Strengthening Network Information Protection (2012)

ABOUT PIPL

- [illegible]

A FEW HIGHLIGHTS

- i. Extraterritorial application
- ii. New legal bases for data processing
- iii. Data localization and cross-border data transfer
- iv. Fines up to RMB 50 million (US\$7.5 million) or 5% of annual turnover

WILL MY COMPANY BE REGULATED BY PIPL?

When the law comes into effect it will provide new compliance obligations for organizations operating in China.

Additionally, the law will provide protection of personal information of PRC residents processed outside of mainland China for the purposes of: sales and goods, analysis of residents' behavior, or in other circumstances as provided by Chinese laws and regulations.

Entities outside of China that collect and analyze data for these purposes will need to appoint a data protection representative or organization in China.

HOW TO ASSESS THE POTENTIAL IMPACT OF PIPL?

- ✓ Whether the personal information processed by your company can be transferred out of China
- ✓ Whether any sensitive personal information is being processed
- ✓ Whether any data classification and retention techniques are deployed in your organization
- ✓ Examine whether the company is using any mobile app to communicate with people or deliver service to clients

WHAT MEASURES SHOULD I TAKE TO ENSURE COMPLIANCE?

Technical measures:

- General security control measures
- Encryption
- De-identification measures
- Data classification / date retention / data loss prevention (DLP) measures
- 'Privacy by design' and 'privacy by default'

Organization measures:

- Running a data protection impact assessment
- Staffing
- Training

SOME OBSERVATIONS AND SUGGESTIONS

❖ The gap between PRC regulation and the EU (with GDPR) is closing on Personal Information

❖ Businesses should:

- Monitor developments and seek to submit comments to the consultation
- Review policies and practices
- Plan budget to implement compliance measures

A word cloud featuring the phrase "thank you" in numerous languages, including English, Spanish, French, German, Italian, Japanese, Korean, Chinese, Hindi, and many others. The words are arranged in a circular pattern, with "thank you" being the largest and most prominent. The background is dark with colorful bokeh lights in shades of blue, green, yellow, and orange.