AT A GLANCE: Data flows; an ongoing unaddressed Brexit issue – What Europe can still achieve in the digital single market – European Commission to target data misuse by EU political groups – Debate on digital tax heats up in Brussels – Council Presidency presses EU countries to accelerate work on e-evidence

Edition Content

BREXIT
Data flows; an ongoing unaddressed Brexit issue  P.2

DIGITAL SINGLE MARKET
What Europe can still achieve in the digital single market  P.3

DATA PROTECTION
European Commission to target data misuse by EU political groups  P.4

DIGITAL TAX
Debate on digital tax heats up in Brussels  P.5

E-EVIDENCE
Council Presidency presses EU countries to accelerate work on e-evidence  P.7

Glossary:

REGULATION: EU legislative act that is binding in its entirety and is to be applied in its entirety across the EU by all EU Member States.

DIRECTIVE: EU legislative act that sets out a goal that all EU Member States must achieve. However, it is up to the EU Member States to adopt their own laws on how to achieve the EU goals enshrined in the Directive.

TRILOGUES: Informal negotiations between the European Parliament, Commission and Council of the EU to reach an agreement on a specific legislative proposal. Agreement then needs to be formally adopted by the Parliament and Council.

COUNCIL OF THE EU: Co-legislator, made up of representatives from Member State Governments. Has a six-month rotating presidency, currently held by Austria until the end of the year.

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE: A consultative body made up of “social partners”, i.e. representatives from employers, employees and of various other interests.
BREXIT

Data flows; an ongoing unaddressed Brexit issue

As the Brexit talks continue and the deadline to reach an agreement looms large, another issue remains outstanding: how to secure the flow of digital information between the UK and Europe. A deal on data is needed to enable information sharing, from data underpinning trade agreements to data about ongoing investigations, such as terrorist threats and meddling in elections.

Just this week, Chief EU negotiator Michel Barnier stated that the two sides are making “genuine and good progress” toward a deal on the protection of personal data by banks and insurance companies. At stake is the UK’s right to participate in the regional data-sharing regime.

In addition to the flow of personal data, policy-makers believe that the close relationship between EU and UK regulators will nevertheless suffer a blow, as the UK’s participation in the European Data Protection Board (the group of regulators managing the new data protection regime) will diminish. The UK’s data protection authority is considered one of the better resourced and with high levels of expertise.

Earlier this year, it was estimated that talks would were expected to last between 12 and 18 months.

(Source: PoliticoPro)
DIGITAL SINGLE MARKET

What Europe can still achieve in the digital single market

With European elections and Brexit approaching, EU policy-makers have a narrowing window to carry out their vision of a digital single market and harmonize rules across the EU. In the upcoming months, the EU is expected to fill these gaps by addressing at least four policy dossiers.

A first area where new legislation could be put forward is platform liability, namely the legal responsibilities of digital companies over hosted content. Currently, the European Commission is working on a draft text that could force platforms to take down terrorist content within one hour, which would be a shift away from current voluntary codes of conduct.

Second, the EU is expected to decide whether the Joint European Disruptive Initiative (JEDI), which aims at developing operational ‘disruptive innovation’ prototypes, will take shape.

Third, the Commission is looking to draft a guidance for regulating artificial intelligence. Following the publication of the AI strategy in April, the Commission’s expert group on AI is expected to publish a list of ethics principles for AI technology in the upcoming months.

Finally, the EU will try to gain momentum in its efforts to export high security standards for data protection worldwide. While the EU and US will start their second annual review of the data transfer agreement in mid-October, the EU is also looking for support to promote data protection standards in its trade deals, including with Indonesia, Chile and possibly Australia as well as New Zealand.

(Source: PoliticoPro)
DATA PROTECTION

European Commission to target data misuse by EU political groups

The European Commission is expected to publish a proposal in September 2018 to protect the integrity of the upcoming European Parliament elections. According to the European Commission, this will include targeting EU political groups that misuse data for electoral gain.

In an earlier statement, EU Commissioner for Justice, Consumers and Gender Equality, Vera Jourova, said “we need to do more to protect our elections and tackle the online challenges to elections” and “help ensure that European voters have full liberty when they take their political decisions”.

In practice, the Commission is expected to amend existing rules on European political party financing, enabling the sanctioning of political groups for data breaches that could lead to political gains. The Commission will also lay out a recommendation urging for more transparency for online political advertising and how national election authorities should cooperate with one another. Finally, it will present guidance on the need to maintain strong data protection for political actors.

(Source: Politico Pro)
DIGITAL TAX

Debate on digital tax heats up in Brussels

The introduction of an EU-wide digital tax continues to take center stage in discussions in Brussels.

While at the end of July 2018 EU Ministers called for progress on global rules to tax the digital economy during the G20 meeting in Argentina, discussions in the Council have resumed with the Austrian Presidency presenting its views on a definition of “online targeted advertising” that would feed into the “revenue tax proposal”.

According to the Presidency’s text, the EU has two options concerning online advertising: First, to consider all online advertisements as targeted, or; Second, to make a distinction between targeted and non-targeted advertising on the basis of collected data. The next milestone in the ongoing discussions was the 7th September 2018 informal meeting of Economic and Financial Affairs Ministers (ECOFIN), during which the Commission’s proposals for the taxation of the digital economy was discussed. According to the press release, Austrian Minister of Finance Hartwig Löger commented that agreement on the proposal for a revenue tax can be reached by the end of the year. The Minister noted that there was wide support in the Council, adding that EU members also wanted to see an EU position developing in the context of the OECD.

It was also reported that France, with the caution support of Germany, proposed a sunset clause for the temporary revenue tax that would abolish this tax, once an agreement at the international level has been reached. The legality of such a sunset clause was question by legal experts, who claimed it would be difficult to write a clause that is contingent on a potential international agreement that may never materialise. A unset clause would still be possible, provided a fixed date is included in the legislation. French Finance Minister Bruno Le Maire also rejected the proposal by the Austrian Presidency to exclude the sale of data from the...
Edition Content

---

**BREXIT**
Data flows; an ongoing unaddressed Brexit issue  
*P.2*

**DIGITAL SINGLE MARKET**
What Europe can still achieve in the digital single market  
*P.3*

**DATA PROTECTION**
European Commission to target data misuse by EU political groups  
*P.4*

**DIGITAL TAX**
Debate on digital tax heats up in Brussels  
*P.5*

**E-EVIDENCE**
Council Presidency presses EU countries to accelerate work on e-evidence  
*P.7*

---

If you have any suggestions for content, or would like to know more about IEEE’s European Public Policy activities, please contact  
eppc@ieee.org. Thank you

---

scope of the proposal. The proposal, with or without a sunset clause, was opposed by Denmark, Finland, Ireland and Sweden. Previous reports have also included Luxembourg on that list. The issue is next set for discussion at ministerial level at the ECOFIN in Luxembourg in October.

Meanwhile, the European Economic and Social Committee (EESC) delivered its opinion on the digital tax. While the document stresses the importance of a global solution, it expresses concern on the proposal, which will introduce a tax on revenues rather than on profits. Finally, the EESC is of the opinion that any solution for a digital tax might favour larger economies with many consumers at the expense of smaller exporting economies and recommends that a solution should be fair for all EU economies.

Finally, MEPs from the Committee on Economic and Monetary Affairs held an exchange of views on both digital tax proposals. Lawmakers agreed there is an imbalance between digital and traditional companies, which needs to be addressed. They also broadly support both proposals, with the revenue tax proposal seen as a way to push for a long-term solution at the international level. MEPs believe that a solution at the international level must eventually be reached.

By way of reminder, the European Parliament has only a consultative role in this proposal.

*(Source: Interel)*
E-EVIDENCE

Council Presidency presses EU countries to accelerate work on e-evidence

The Austrian Presidency of the Council has called upon Member States to speed up work on the e-evidence proposal, which would require digital companies to hand over data to police during investigations.

In April, the European Commission presented two proposals that would “make it easier and faster for law enforcement and judicial authorities to obtain electronic evidence,” which would help authorities to investigate electronic communications.

In a document released by the Council Presidency, the Austrian government calls on Member States to assess whether the proposed measures would be of value for their investigators. Meanwhile, discussions on technical aspects, including the definition of service providers, which would be required to hand over information to investigators within days, or hours in emergency situations, will be resumed at one of the next meetings.

(Source: Interel + PoliticoPro)