

# PERSONAL DATA: THE NEW LOCALIZATION REQUIREMENTS ARE BEING INTRODUCED AS EARLY AS ON 1 SEPTEMBER 2015

For the attention of company employees in charge of processing personal data, as well as heads of IT departments and HR departments, and lawyers

Pepeliaev Group advises that new requirements for the personal data of Russian nationals to be kept in electronic form in Russia are being introduced as early as on 1 September 2015.

On 31 December 2014, Draft Law No. 526-FZ was signed. It has changed the effective date of Federal Law No. 242-FZ dated 21 July 2014 "On amending certain items of the legislation of the Russian Federation to specify the procedure for processing personal data in IT networks" ("Federal Law No. 242-FZ"). Thus, the effective date of the Federal Law No. 242-FZ has been shifted from 1 September 2016 to 1 September 2015.

Please be reminded that the main requirements of Federal Law No. 526-FZ may be summed up as follows:

- A personal data operator's duties will include ensuring that the personal data ("Personal Data") of Russian citizens is collected, recorded, systematised, accumulated, stored, specified (updated or modified) and extracted in databases located in Russia.
- 2. If the Personal Data is processed in a way that violates the legal requirements, the Federal Service for Supervision in the Sphere of Telecom, Information Technologies and Mass Communications (known in Russia by the abbreviation Roskomnadzor) will have a right to restrict access to such data (and this includes blocking a web-site).
- 3. An automated IT system called the Register of Abusers of Personal Data Owners' Rights will be created.
- 4. Federal Law dated No. 294-FZ dated 26 December 2008 "On protecting the rights of legal entities and individual entrepreneurs in the course of state (supervisory) and municipal control" will not determine a procedure for inspections to be organised and carried out in the context of control and monitoring of Personal Data processing and whether requirements are met in respect of information distributed over the Internet.

For more detail about Federal Law No. 242-FZ, please see PG's alert dated 15 September 2014.

# To which companies do the amendments apply?

The amendments apply both to Russian and international companies represented in Russia by their branches, representative offices or subsidiaries that process personal data in databases located outside Russia and/or that have websites with forms for the Personal Data of Russian citizens to be collected. It should be noted that domain names .ru and .pф also run the same risks.

<sup>&</sup>lt;sup>1</sup> Federal Law No. 526-FZ dated 31 December 2014 "On amending article 4 of the Federal Law "On amending certain items of the legislation of the Russian Federation to specify the procedure for processing personal data in IT networks"

Legal alert January 16, 2015

#### What to think about and what to do

Companies should be ready to work in the new conditions for personal data processing and prepare themselves to face monitoring by the regulator Roskomnadzor of their compliance with personal data legislation. This should include in particular:

- arranging the company's and its employees' activities in terms of processing personal data in line with the new legal requirements:
- developing and implementing the necessary internal regulations;
- taking technical measures required to protect personal data;
- obtaining relevant licences and other permits.

Among other things, this will allow companies that are affected to prepare for Roskomnadzor's regulatory activities well in advance, with a view to managing (mitigating or ruling out) the risks of liability being imposed or of other enforcement measures being taken as a result of such regulation.

## Help from your adviser

Pepeliaev Group's experts have extensive experience of handling issues relating to compliance with personal data legislation. They are ready to provide comprehensive legal support and technical assistance in preparing for the new requirements, and to represent a company and its employees during supervisory measures pursued by and disputes with administrative authorities.

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