

The EU Data Act

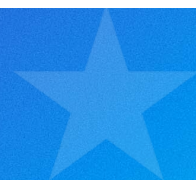
On November 27, 2023, the Council of the European Union approved the transformative **Data Act**, emphasizing fair data distribution in the digital economy. This legislation focuses on enhancing data access and reuse, promoting fair data-sharing practices, and stimulating a competitive data market.



Scope of the EU Data Act

The Data Act shall apply to, but not limited to, the following actors:

- **Manufacturers and providers of connected products (i.e. physical products capable of collecting or generating data and transmitting product data relating to the Internet of Things, their use or environment) and/or services (i.e. digital services, including software, integrated into or associated with a connected product) placed on the market in the EU,**
- **Real person and legal entity users of such products and services,**
- **Data holders who provide data to recipients within the EU,**
- **Data holders who have the right or obligation to use or make available the data,**
- **Providers of data processing services that provide such services to EU-based customers.**



Scope of the EU Data Act

Therefore, **companies operating in the EU or providing services to EU-based customers**, in particular technology and software companies, are obliged to comply with the Data Act standards.



Scope of the EU Data Act

The Data Act is designed to ensure that companies make all data, **including non-personal data**, accessible to other parties so that it can be reused for new purposes. The scope of the Data Act, the industry actors it affects and the obligations it imposes are extremely broad and may require significant engineering work for companies, including redesigning products to ensure compliance.



Implications of the Data Act on Companies

The Data Act provides for a number of obligations for actors in its domain, including:

- The obligation for manufacturers to design their products placed on the market in such a way that the data generated by these products can be used free of charge and directly by the end user;
- Measures regulating the contractual terms in data sharing agreements between data holders and parties, such as users or third parties;
- Rights of access to and sharing of data generated through the use of connected products and related services;
- Obligations regarding the technical, legal, and organizational measures that providers of data processing services must take into account during the international transfer of non-personal data;



Implications of the Data Act on Companies

The Data Act provides for a number of obligations for actors in its domain, including:

- Various contractual, commercial, and technical requirements to facilitate switching between cloud, edge, and other providers of data processing services covering the same type of service;
- Obligations regarding the sharing of private sector data with public authorities and EU institutions or bodies in exceptional circumstances;
- Measures to encourage the development of interoperability standards for data sharing and data processing.



Implications of the Data Act on Companies

The new obligations envisaged may require companies to make previously privately held data available to users and to enter into new contracts in compliance with the Data Act. These obligations also apply to a wide range of products that generate "**non-personal data**" (e.g. *industrial and commercial machinery subject to sale between companies*).



Timeline

Political agreement on the Data Act was reached on 27 June 2023 and formal approval was given by the Council on 27 November 2023. The Data Act will be published soon in the EU's official journal and will enter into force on the 20th day following its publication.

General implementation will start 20 months after publication, i.e. towards the middle of 2025.

However, some obligations for connected products and related services will apply 32 months later.

Businesses affected by the Data Act should proactively assess the impact of the regulation and establish an action plan without delay to ensure full technical, legal, and administrative compliance.

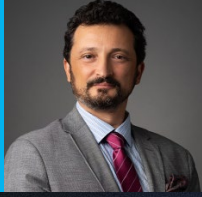


Timeline





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