
EU Data Act Enters Into Force, Putting in Place New Rules for a Fair and Innovative Data Economy



The new rules define the rights to access and use data generated in the EU across all economic sectors and will make it easier to share data, in particular industrial data.

The Data Act will ensure fairness in the digital environment by clarifying who can create value from data and under which conditions. It will also stimulate a competitive and innovative data market by unlocking industrial data, and by providing legal clarity as regards the use of data.

Margrethe **Vestager**, Executive Vice-President for a Europe fit for the Digital Age, said:

Today marks a key milestone in our digital transformation journey. Through well-defined legislation on data, we put the user in control of sharing data generated by their connected devices, while ensuring the protection of trade secrets and safeguarding the European fundamental right to privacy.

Thierry **Breton**, Commissioner for Internal Market, said:

The entry into force of the Data Act is a key milestone in our efforts to shape the digital space. It will foster a thriving EU data economy that is innovative and open - on our conditions. European citizens and businesses will benefit from the wealth of industrial data that becomes available, triggering new data-driven applications, notably in the field of artificial intelligence.

Measures to boost the EU's data economy

In recent years, there has been a rapid growth of connected devices in the European market. The use of connected objects (or the Internet of Things) generates increasing amounts of data. This represents a huge potential for innovation and competitiveness in the EU.

The new rules **enable users of connected products to access the data generated by these devices**, and to share such data with third parties. For example, the owner of a connected car or the operator of a wind turbine will be able to request the manufacturer to share certain data generated by the use of these connected products with a repair service of the owner's choice. This will give more control to consumers and to other users of connected products and it will boost aftermarket services and innovation. Incentives for manufacturers to invest in data-generating products and services will be preserved, and their trade secrets will remain protected.

Public sector bodies will be able to access and use data held by the private sector to help respond to public emergencies such as floods and wildfires, or when implementing a legal mandate where the required data is not readily available through other means.

The Data Act also **protects European businesses from unfair contractual terms** in data sharing contracts that one contracting party unilaterally imposes on the other. This will enable small and medium-sized enterprises (SMEs), in particular, to participate more actively in the data market.

Furthermore, the Data Act will allow customers **to switch seamlessly (and eventually free of charge) between different cloud providers**. These measures will promote competition and choice on the market while preventing vendor lock-in. For instance, any European enterprise could combine data services from different cloud providers ("multi-cloud") and benefit from the vast opportunities in the EU cloud market. It will also drastically reduce costs for businesses and administrations when they move their data and applications to a different cloud provider.

The Data Act also includes safeguards against unlawful requests by third-country authorities to transfer or access non-personal data held in the EU, ensuring a more reliable and secure data-processing environment.

Finally, the Data Act introduces **measures to promote the development of interoperability standards** for data-sharing and for data processing services, in line with the EU [standardisation strategy](#).

Next steps

Following its entry into force, the Data Act will become applicable in 20 months, i.e. 12 September 2025.

Background

On 23 February 2022, the Commission [proposed](#) the European Data Act to ensure fairness in the digital world and foster innovation. A [political agreement](#) was reached by the European Parliament and the Council on 28 June 2023. The Data Act is a key milestone of the Commission's [data strategy](#), which is an important enabler for meeting the [2030 Digital decade objectives](#).

The Data Act complements the [Data Governance Act](#), which became applicable in September 2023 and creates the processes and structures to facilitate data sharing by companies, individuals and the public sector. The Data Governance Act will also establish [Common European data spaces](#) to make more data available for use in the economy and society, while keeping the companies and individuals who generate the data in control.

Source: [European Commission](#)

Image Credit: [iStock](#)

Published on : Thu, 18 Jan 2024