



BritishAmericanBusiness

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19 November 2021

We are writing in response to the Department for Digital, Culture, Media & Sport's request for comments on proposed reforms to the UK's data protection regime. This submission supports and does not supersede individual submissions made by member companies. The submission also makes reference to a [Briefing Paper](#), 'Data Flows That Work For Transatlantic Business', published in October 2021.

BritishAmerican Business (BAB) is the leading transatlantic trade association, incorporating the British-American Chamber of Commerce in the US and the American Chamber of Commerce in the UK. We are committed to strengthening the economic corridor between the US and the UK, and support policies and actions that enhance the environment for transatlantic trade and investment on behalf of our members.

BAB sits at the heart of a vibrant transatlantic community of stakeholders and businesses, small and large, which together form and contribute to one of the most successful economic relationship in the world. The US is the UK's largest single trading partner, accounting for 19% of exports and 11% of total imports to the UK. The UK is the US's largest foreign investor, while the US is the largest foreign investor in the UK.

We welcome the UK's ambition to build on already robust regulation and establish a forward-looking data protection regime that supports data-driven business and further enables trade. We support the government's goals of maintaining a high standard of protection for privacy and personal data, while also availing of the advantages of the digital economy to allow companies to grow and innovate.

Data transfers and digital trade

Data transfers underpin the thriving US-UK trade and investment relationship. The US and the UK are global leaders in the export of digitally delivered services and are both home to large e-commerce markets. The UK is the biggest trading partner of digitally enabled services for the US, and UK digital service exports have grown by 56% over the last decade.

As an organisation with a uniquely transatlantic viewpoint, BAB welcomes the UK's ambition to deliver new data adequacy decisions for its international partners—particularly the US, which was

listed as a priority jurisdiction in August. The establishment of a US-UK data transfer mechanism has similarly been identified as a key priority by the business community. A new transatlantic data transfer agreement would provide much-needed clarity for transatlantic companies, streamline cross-border data transfers, and support the expansion of trade and investment on both sides of the Atlantic.

BAB agrees that a future adequacy assessment for the US should be risk-based, outcomes-focused, and should not compromise the EU Adequacy Decision. The ability to seamlessly transfer data between the UK and the EU remains a top priority for most US and UK companies with operations between the three jurisdictions. In that context, we support efforts to improve the current regulatory framework, but we also caution against moving too far away from the current UK GDPR framework in a way that would pose a risk to the EU Adequacy Decision.

It is fundamental that both adequacy and alternative transfer mechanisms reduce, rather than increase, the burden placed on businesses. The creation of new regulatory options for transferring data should be done in consultation with industry, regulators, and in-line with global trends to ensure they fulfil those principles of making it easier not harder to transfer data safely and securely. Without such consultation there is a risk that new transfer tools could be counterproductive and unnecessarily increase the complexity and fragmentation of data transfer regulations. These burdens are almost always most strongly felt by SMEs, who lack the extensive resources to navigate regulatory complexity and to understand what options works best for them.

Multilateralism

BAB would also like to use this opportunity to restate its support for multilateral efforts to improve global data governance and data transfers. Ongoing initiatives, such as OECD negotiations on trusted government access to data, offer a useful point of engagement for the UK to inform global data standards.

The UK should also use future bilateral data agreements to drive the global agenda and shape global standards. In this regard, we support the government considering whether to grant adequacy to groups of countries, regions, and multilateral frameworks, where those jurisdictions share harmonised data protection standards or adhere to multilateral frameworks that include data sharing.

Improving the UK's approach to data regulation is an ambitious and necessary step, and it is clear that protecting privacy, fostering innovation, and facilitating digital trade are key elements of a future-proof strategy. BAB's own work has often overlapped with these policy priorities, and we encourage the government to continue to offer opportunities for stakeholder engagement.

We stand ready to assist the UK Government in its efforts to develop a pro-growth and innovation-friendly data protection regime.

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