



# Introduction

The European Union has (EU) passed a new set of rules for businesses to follow when processing the personal data of EU citizens. In this guide, we'll try to explain a bit about these rules are, when they go into effect, who they affect, and some of their potential impacts.

However, this guide should not be construed to be legal advice. For a complete explanation of the regulation's impacts to your business, you may need to contact a dedicated legal expert.



## What the Rule is: \_\_\_\_\_

This General Data Protection Regulation (GDPR), as [noted in Article 1 of the regulation's text](#), "lays down rules relating to the protection of natural persons with regard to the processing of personal data and rules relating to the free movement of personal data."

In basic terms, GDPR is a regulation by the European Commission that is intended to strengthen and unify data protection standards for all EU citizens. The effective date for the rule is May 25, 2018.



## Who GDPR Affects: \_\_\_\_\_

GDPR applies to ALL corporate entities that handle or process the data of any European Union citizens—even if the corporation and the data are outside of the EU. This applies even to "small" size businesses and nonprofits

If your company handles the personal data of any EU citizen at any point in time, or could handle the data of an EU citizen in the future, then this regulation will affect you regardless of your company's geographical location.





# Potential Impacts of GDPR on Businesses

The General Data Protection Regulation has a number of potential impacts for businesses because of its provisions, including (but not necessarily limited to):

**2-4% Fine**

**of your business's global annual revenue for the previous year, for not complying with the rules.**

## Fines for Failure to Comply with the Regulation

One of the most obvious consequences of failing to comply with the rule is that there are hefty potential fines involved. The severity of the fine will vary depending on the nature of the infraction, but fines equaling either 2% or 4% of your business's global annual revenue for the previous year are within the proscribed penalties.

