Dubai International Financial Centre Issues Update to Data Protection Law

Dubai, UAE, 21 May 2020 – Dubai International Financial Centre (DIFC), the leading international financial hub in the Middle East, Africa and South Asia (MEASA) region, announced today that His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, in his capacity as the Ruler of Dubai, has enacted the DIFC Law, Data Protection Law No. 5 of 2020. The new Data Protection Law significantly updates the current DIFC Data Protection regime. It will come into effect from 1 July 2020. Until then, the current law, Data Protection Law DIFC Law No. 1 of 2007, will remain effective.

The Board of Directors of the DIFC Authority has also issued new Data Protection Regulations that set out the requirements for notification to the Commissioner of Data Protection, accountability, record-keeping, fines and adequate jurisdictions for cross-border transfers of personal data. While the Data Protection Law will be effective from July 1, 2020, DIFC businesses will have until 1 October 2020 to prepare to comply with the new Data Protection Law.

The updated Data Protection Law and Regulations set out expectations for Controllers and Processors in the DIFC regarding several key privacy and security principles. It combines the best practices from a variety of current, world class data protection laws, such as the General Data Protection Regulation (GDPR), the California Consumer Privacy Act and other forward-thinking, technology agnostic concepts to enable the DIFC to be a leading financial and technology center promoting ethical data sharing.

Key changes include:

(a) Legislating for accountability of Controllers and Processors through compliance programs, appointing data protection officers where necessary, conducting data protection impact assessments and imposing contractual obligations that protect individuals and their personal data;

(b) Clarifications of data subjects’ rights, by both enhancing these rights as well as ensuring contractual clarity when using emerging technologies, such as Blockchain and Artificial Intelligence (AI);

(c) Removal of permit options for cross-border data transfers and special category personal data processing;

(d) Introduction of general fines for serious breaches of the Data Protection Law, in addition to or instead of administrative fines, as well as increased maximum fine limits;
(e) Facilitating appropriate data sharing structures between governmental authorities; and

(f) Providing a framework that will support DIFC’s bid for adequacy status with the European Commission.

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