GDPR CARPA CERTIFIED

Towards GDPR-CARPA Certification

Michael Hofmann

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EY

Building a better working world

Contents

1 **Why:** GDPR-CARPA Certification

2 **What:** GDPR-CARPA Certification

3 **How:** Our services towards GDPR-CARPA Certification and use cases

1 Why:

GDPR-CARPA Certification

GDPR Challenges

GDPR compliance programs will need to keep pace to address business and privacy risks as the industries continue to digitalize

Digital transformation/ emerging technologies

- Whether digitalization is used to transform in-store experiences or completely redesign the consumer journey, digital adoption will create vulnerabilities and increase the need for cybersecurity expertise and controls to protect customer data and their profiling.

Complex IT environments

- Legacy systems and proprietary systems are often based on older standards. The complexities of operational data and protocol conversion taken together with network communications and security, make it a daunting task without a structured approach for implementing GDPR.

Technology implementations and upgrades (CIA principles)

- Failure to implement new information technology systems or needed upgrades to systems, including operational and financial systems, could expose companies to external and internal threats and adversely affect GDPR implementation.

Data breaches

- The breach of systems containing personal information could subject companies to adverse publicity, costly government enforcement actions or private litigation, and expenses.
- Failure to protect intellectual property rights and high-value assets could diminish the value of brands.

Data governance

- Failure to comply with the various laws and regulations as well as changes in laws and regulations could have an adverse impact on reputation, financial condition, or results of operations. The increased handling of customer data will require a data governance strategy.

Insider threat (Awareness and training)

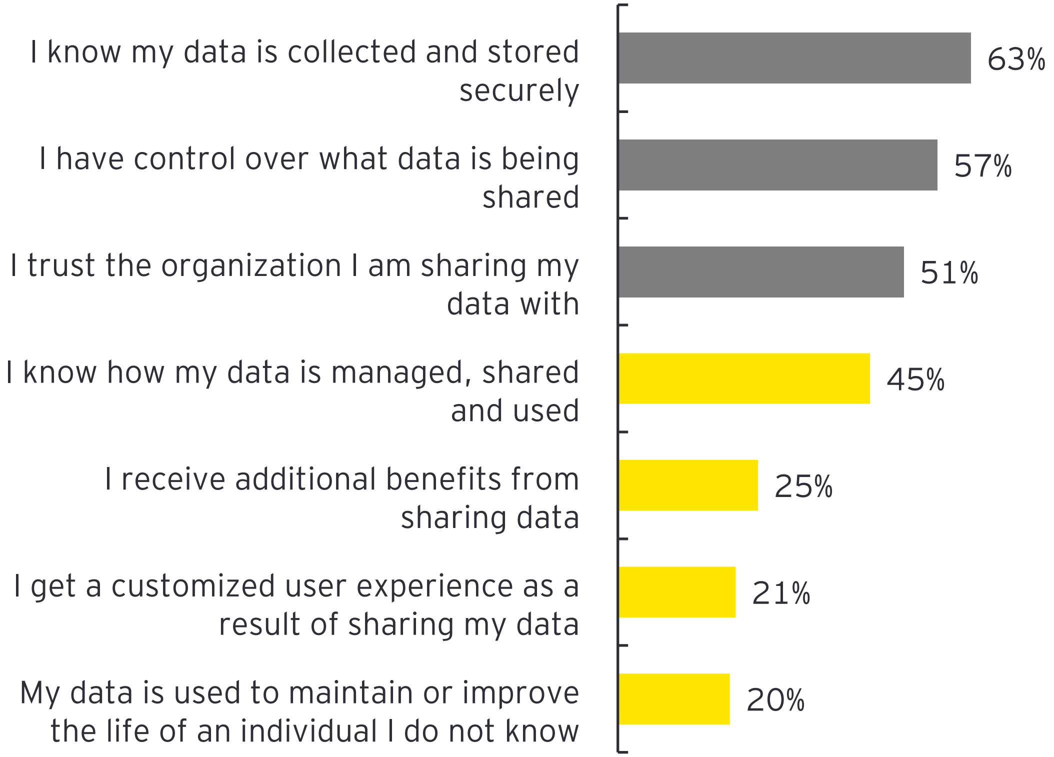
- Failure to monitor and act upon indicators that reveal insiders at work could result in the exposure of critical and physical assets. Insiders – whether employees, contractors or third parties – could use access to compromise the confidentiality, integrity or availability of network systems, data or premises, whether or not out of malicious intent.

Third-party risk management (data controller vs data processor)

- Companies have limited control over vendors. Maintaining strong due diligence, continuous monitoring, oversight and limiting vendor connectivity are key to minimizing the vendor risk landscape.

Change in consumers' expectations on GDPR and data privacy

When sharing personal data with an organization, security, control and trust are rated as the most important



- **COVID-19** has ushered in significant changes that may have **altered consumers' attitudes** toward data privacy, but they are unwavering about the importance of security.

- Consumers are more **willing to share their personal data**, but when doing so, the following factors are rated as most important:
  - **Secure** collection and storage processes (63%)
  - **Control** over what data is being shared (57%) and;
  - **Trust** (51%)

Q: Proportion of consumers that rate the factors outlined above as most important when choosing to share their personal data with an organization (respondents were asked to select their top three responses)

Source: EY global consumer privacy survey 2020 – https://www.Ey.Com/en_in/consulting/ey-global-consumer-privacy-survey

2 What:

GDPR-CARPA Certification

CARPA certification: the 1st EU accepted framework

CNPD COMMISSION NATIONALE POUR LA PROTECTION DES DONNÉES

CNPD established criteria for the GDPR Certified Assurance Report based **Processing** Activities **(GDPR-CARPA).**

- **European Data Protection Board: 2.2.2022**
- **CNPD: 13.5.2022**

edpb European Data Protection Board

What is CARPA?

- A certification which demonstrates GDPR data protection and privacy safeguards are in place for selected processing activities via independent, third-party attestation
- CARPA can help minimize compliance and reputation risks associated with GDPR

Who should consider it?

- Companies which handle significant amounts of PII and operate in Luxembourg and Europe*
- Companies which want to provide transparency for data subjects and B2B relations like between controllers and processors

How does it work?

- Certification is granted by a certification body which is authorized by the CNPD. EY to become certification body by 2022
- To become certified, the certification body evaluates a company's ISAE 3000 attestation report over specific processing activities

✓ **Controllers: Demonstrate controller obligations**

✓ **Demonstrate compliance with data protection req's by design / default**

✓ **Publish the CARPA logo and reference certification bodies**

✓ **Demonstrate compliance with security of processing requirements**

GDPR-CARPA implementation – foundational areas

The following six areas are critical to establishing and operating an effective and efficient GDPR-CARPA implementation program:

GDPR-CARPA implementation: foundational components

Governance and oversight	Policies and standards	Risk approach and models	Inventory and data flow mapping	Standard Processes	Technology, automation and reporting
Provides direction for stakeholders in the creation and execution Of the GDPR implementation program and oversees the function to confirm it is operating as designed.	Establishes clear roles and responsibilities for all functional owners of GDPR implementation program through the execution of the end-to-end data privacy life cycle embedded with GDPR related risk treatment and management including third- party management policy and standards for seamless integration.	Establishes that monitoring activities are reflective of the inherent and residual data privacy risk assessment associated to third parties and their services, and are essential in quantification and illustration of the data privacy program value.	Establishes a complete inventory of all systems, interfaces (internal and external, if applicable) and filing systems (electronic and / or physical) used to carry out organization's processing activity. Also an up-to-date, detailed and clearly structured data flow mapping.	Establishes standard and scalable processes to evaluate and monitor not only third-party risk, control and compliance, but also covering overall operationalization of GDPR implementation program.	The use of technology increases data integrity and provides seamless and reliable reporting over the data retention, automated individual decision making and profiling activities, data deletion and return execution, as well as data-life cycle monitoring program.

GDPR-CARPA Certification Criteria

Entities need to ensure that their internal measures be designed, implemented and controls operate effectively to allow them to reach the requirements set out in these certification criteria. When performing the certification audit, certification bodies will check whether the design, implementation and operation of these measures comply with the requirements defined by the certification criteria.

Data processing | Data at rest | Data in motion | Data in use

Design and implementation of the GDPR-CARPA requirements

tasks

Operating effectiveness of GDPR-CARPA controls

Accountability / Governance criteria

- Policies and procedures
- Record of processing activities
- Data subject's rights
- DPO
- Data breaches
- Data protection awareness & competencies

Principles Relating to Processing of Personal Data (Controller)

- Lawfulness and transparency of processing activities
- Purpose limitation
- Data minimisation
- Accuracy
- Storage limitation
- Integrity, availability and confidentiality

Principles Relating to Processing of Personal Data (Processor)

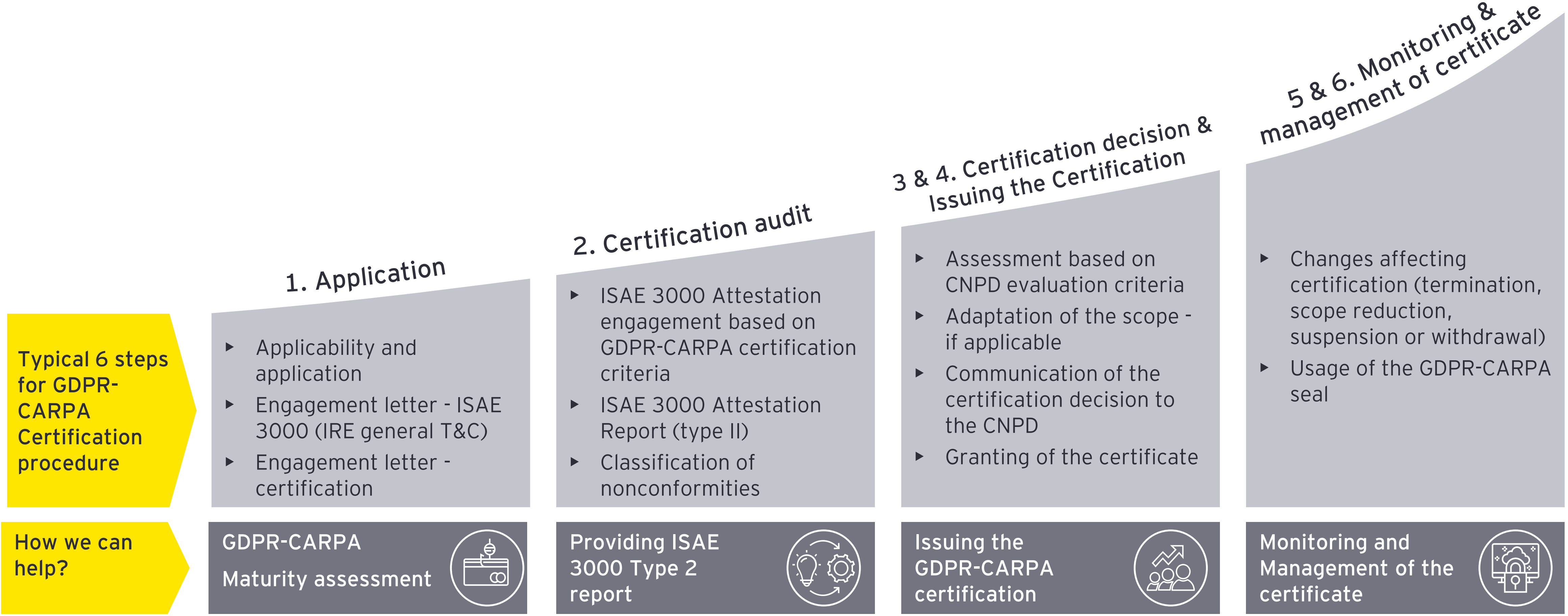
- Contract(s) between processor & controller
- Security
- Subcontracting
- Exercise of data subject's rights
- Transfer of personal data to 3rd countries (if applicable)
- End of the provision of services relating to processing

While Articles 42 and 43 of GDPR address fundamental requirements for certification procedures, the basis for certification criteria must be derived from the principles and rules set out by the GDPR in such a manner as to provide assurance that those principles and rules are complied with.

GDPR-CARPA Certification Procedure

GDPR CARPA CERTIFIED

The certification procedure is guided by ISO/IEC 17065:20121 requirements which have been combined with the ISAE 3000 and other relevant standards in order to form the GDPR-CARPA accreditation requirements.



Typical 6 steps for GDPR-CARPA Certification procedure

1. Application

- Applicability and application
- Engagement letter - ISAE 3000 (IRE general T&C)
- Engagement letter - certification

2. Certification audit

- ISAE 3000 Attestation engagement based on GDPR-CARPA certification criteria
- ISAE 3000 Attestation Report (type II)
- Classification of nonconformities

3 & 4. Certification decision & Issuing the Certification

- Assessment based on CNPD evaluation criteria
- Adaptation of the scope - if applicable
- Communication of the certification decision to the CNPD
- Granting of the certificate

5 & 6. Monitoring & management of certificate

- Changes affecting certification (termination, scope reduction, suspension or withdrawal)
- Usage of the GDPR-CARPA seal

How we can help?

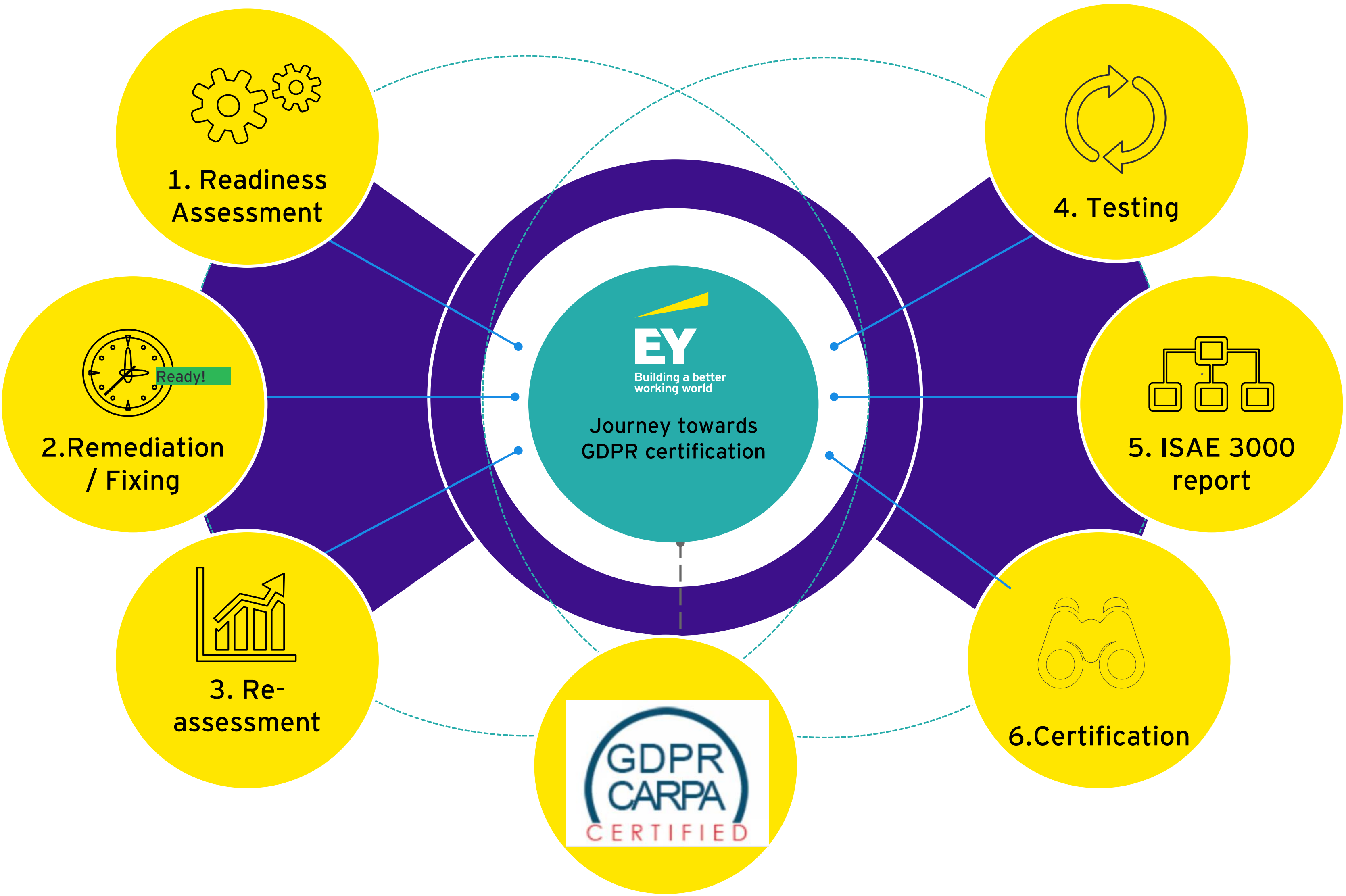
- GDPR-CARPA Maturity assessment
- Providing ISAE 3000 Type 2 report
- Issuing the GDPR-CARPA certification
- Monitoring and Management of the certificate

EY

How:

3 Our services towards GDPR-CARPA Certification and use cases

High-level overview of our approach towards GDPR CARPA certification 1/2



Journey towards GDPR-CARPA certification 2/2

1. Readiness Assessment

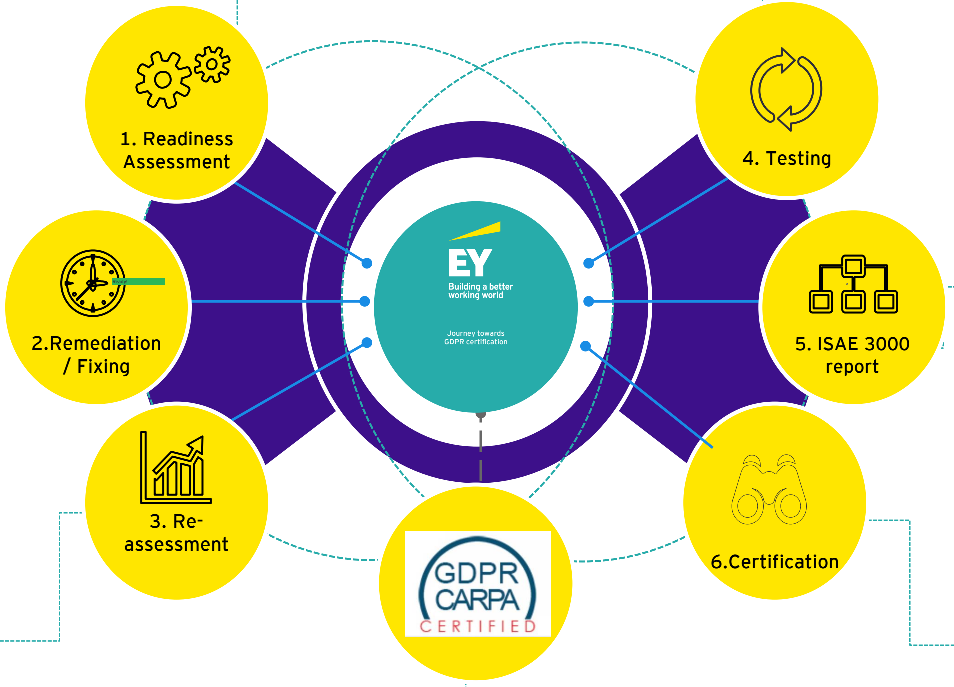
- Governance and operating effectiveness assessment
- Complete review of Record of Processing Activities, inventory and data flow diagram
- Assessment of processing activities in scope
- Help to execute total 160 measures for the GDPR-CARPA certification

2. Remediation / Fixing

- To work on the findings resulting from the readiness assessment
- Provide guidance and recommendations to assist in and facilitate remediation

3. Re-assessment

- Agile and iterative review/re-assessment to confirm closing of findings
- Performed in parallel to remediation and fixing phase



4. Testing

- Design testing for the processing activities in scope
- Final testing of privacy cross-organizational governance aspects as follow-up of readiness assessment
- Interim testing over limited sample size
- Final testing covering at least 6 months of operations

5. ISAE 3000 report

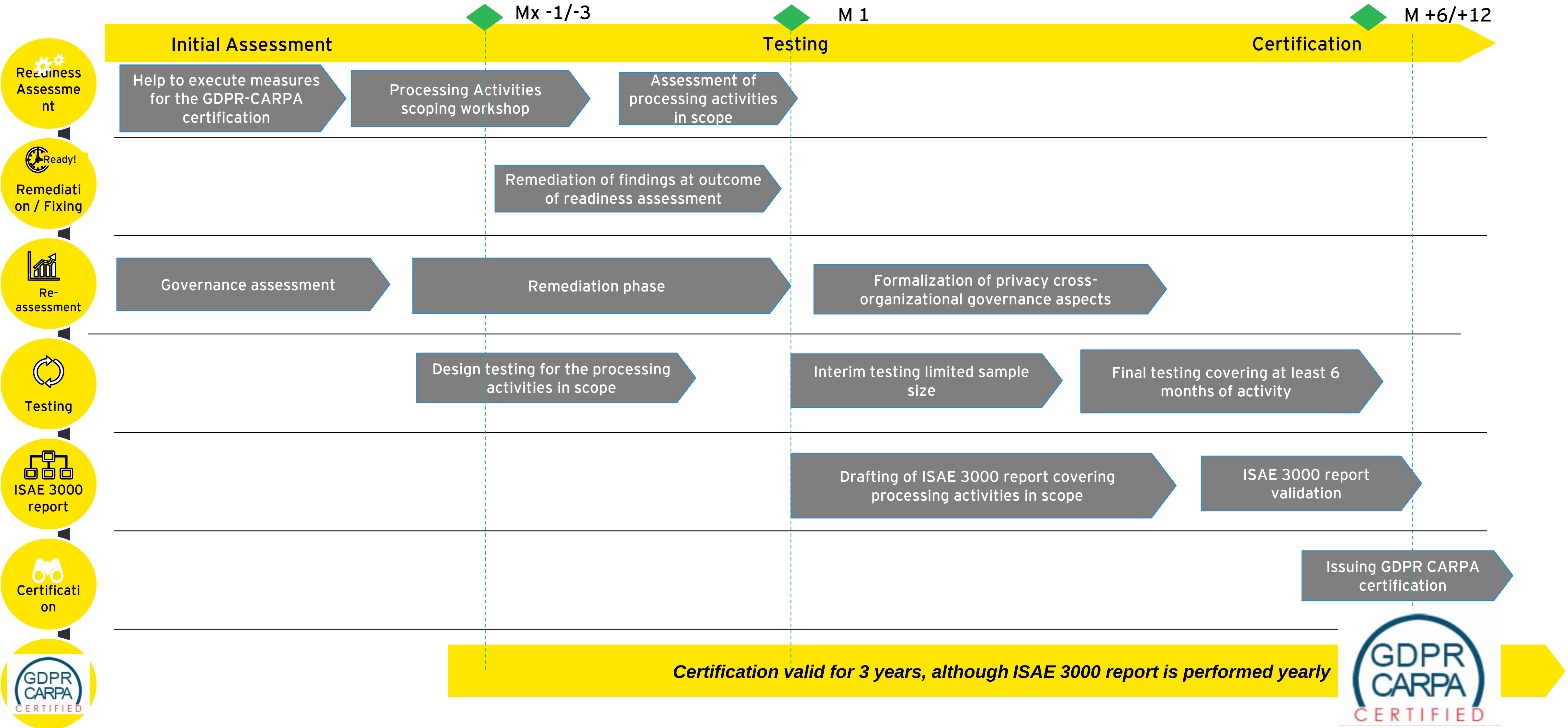
- Drafting of ISAE 3000 report
- Issuance of ISAE3000 report to serve as basis for certification

6. Certification

- Review and evaluation of ISAE 3000 report
- Granting official GDPR certification over the determined scope of processing activities in compliance with GDPR and CARPA requirements
- Certification monitoring and management as per GDPR-CARPA requirements

GDPR-CARPA certified

Journey towards GDPR-CARPA certification - Planning



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M 1

M +6/+12

Initial Assessment

Testing

Certification

Readiness Assessment
- Help to execute measures for the GDPR-CARPA certification
- Processing Activities scoping workshop
- Assessment of processing activities in scope

Ready!

Remediation / Fixing
- Remediation of findings at outcome of readiness assessment

Re-assessment
- Governance assessment
- Remediation phase
- Formalization of privacy cross-organizational governance aspects

Testing
- Design testing for the processing activities in scope
- Interim testing limited sample size
- Final testing covering at least 6 months of activity

ISAE 3000 report
- Drafting of ISAE 3000 report covering processing activities in scope
- ISAE 3000 report validation

Certification
- Issuing GDPR CARPA certification

Certification valid for 3 years, although ISAE 3000 report is performed yearly

EY GDPR-CARPA Certification solution - Benefits

1 Management in control

- EY data protection and privacy team helps the client to take control of the processing activities.
- We can oversee any items that demand follow up and management can easily check the overall status of data privacy compliance.
- Enables adoption of structured approach instead of unstructured processes.

2 Reduced risk and regulatory exposure

- We supports the client in identifying and reducing privacy risks within their practice.
- With support for multi-regulation compliance, we help them to reduce regulatory exposure and meet the different compliance requirements.

3 Improved efficiency and avoidance of costs

- Having a clear picture of the GDPR compliance activities and knowing where the high risks sit, we can lead to avoidance of costs.
- The costs could be fines (e.g., 4% of global annual revenue), audit costs and other expenditures.

4 Constant multidisciplinary support

- We provides clients with constant support of a global organization such as EY on GDPR-related activities and challenges.
- The operating model allows multidisciplinary support from advisory, law, fids.

5 End to end one-stop shop

- Our team provides the one of the most complete GDPR-specific solutions in the market, covering all the requirements of the regulation for GDPR-CARPA certification.
- We can help client to implement an end-to-end record of the processing activities and audit trail of data breaches and good governance monitoring including the remediation actions taken to the board and data protection authority.

6 Integrated and integrable solution

- All the modules (and related services) of our solution are integrated, providing consistency.
- We can help integrate all processing activities and their corresponding data-flow diagrams and inventories.

7 Scalability and up-to-date

- The client can start small, and acquire new modules and services only when required for achieving GDPR-CARPA certification.
- Updates are provided both from a process and content perspective (e.g., Regulatory updates).

8 Recognized industry practice

- Our team leverages the recognized industry practices developed by EY at a global level, allowing clients to increase their maturity posture in an efficient manner.

Audit based on GDPR-CARPA approach - Sample

Assessment domain		Risks	Expected controls	Testing details	EU 2016/679 Reference	Activity in scope
SECTION I: DATA PROTECTION POLICIES AND PROCEDURES						
Subsection A: Accountability						
1	Existence and content of policies and procedures review	Lack of proper privacy governance model may lead entity to have no control while handling personal data.	Entity has implemented data protection governance policies and procedures that set organizational measures to ensure accountability of authorized management and effective personal data handling and management through all processing activities.	Inspection of set of data protection policies and procedures and verify whether they properly cover the following topics: ‣ the record of processing activities; ‣ data subject's right; ‣ the DPO roles and responsibilities (if applicable); ‣ data breach handling; ‣ data protection principles ‣ data transfers (if applicable); ‣ use of processors (if applicable). Verification that policies and procedures define formal allocation of roles and responsibilities, formal reporting lines and documentation of decisions impacting data protection.	Art 24	Policies and procedures over GDPR and data protection Privacy principles, policies and procedures
2	Review, update and approval of policies and procedures	Obsolete policies and procedures may result in data protection breaches and ineffective data protection governance.	Entity management formally reviews and approves on a regular basis and at least annually the operational effectiveness of its data protection governance policies and procedures, including the register of processing operations.	Inspection of documentation where review and approval of policies and procedures, including register of processing operations, are formalized by Entity authorized management. Where review and approval have been delegated by the authorized management, IA will ensure that delegated resources have relevant business, legal and technical competencies.	Art 24	Policies and procedures over GDPR and data protection Privacy principles, policies and procedures
Subsection B: Data Subject Rights						
3	Data subjects rights	Lack of Data subjects rights principle may give rise to discrimination, identity theft or fraud, financial loss, damage to the reputation, loss of confidentiality of personal data protected by professional secrecy, unauthorized reversal of pseudonymization, or any other significant economic or social disadvantage;	Entity has to implement procedure that explains the rights given to a data subject and sets out the mechanisms by which data subjects can exercise them, and how Entity will respond.	Inquiries with management and inspection of data subjects rights policies and procedures to ensure the following measures have been implemented: ‣ a contact point has been appointed for receiving data subject's request for exercising their rights, that is easily reachable; ‣ requests are recorded and their timely conducted execution documented; ‣ for rejected requests, the justification of the reject is documented and communicated to the controller.	Art 12	Policies and procedures over GDPR and data protection Compliance with GDPR and related local regulation

Questions?
Reach out to:

Thank you!

Michael Hofmann
EY Luxembourg Partner
Executive Member of the Board
EY PFS Solutions
+352 621 632 053
michael.hofmann@lu.ey.com

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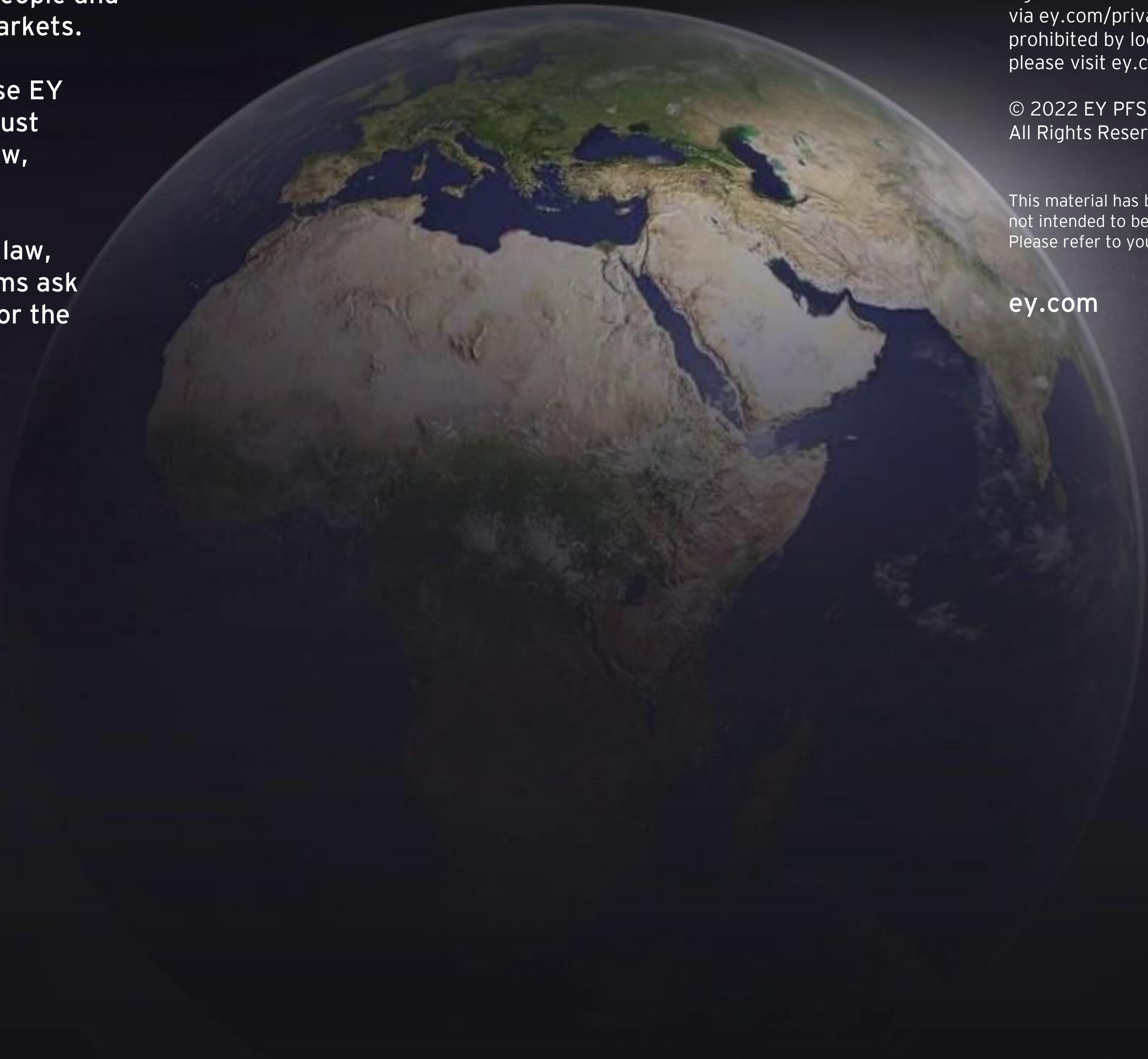
Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.



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