
PRIVACY DIGEST



AZURE DATA PROTECTION CONSULTANTS LLP

APRIL 2023

Your privacy digest is filled with the latest developments in the field of privacy and data protection across the globe.

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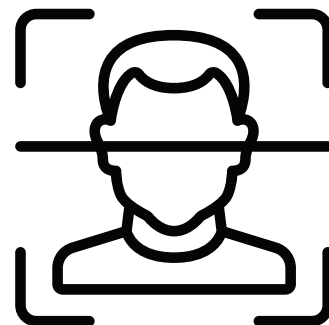
Latest Trends

EU Council releases Cyber Resilience Act compromise text

March 1, 2023 - The latest version of the Cyber Resilience Act, shared by the Swedish Presidency of the EU Council, provides additional information on its relationship with the Artificial Intelligence Act, penalties, and enforcement. The updated text specifies that AI systems deemed high risk will adhere to the cybersecurity standards outlined in the AI Act if they satisfy the conditions outlined in the Cyber Resilience Act. Moreover, the new text requires EU countries to establish a mechanism for challenging external audits mandated for specific products.

US military enters a contract to install facial recognition on drones

March 1, 2023 - The US military has signed a contract worth \$800,000 with Seattle-based software company RealNetworks to develop lethal drones equipped with facial recognition technology. The drones will be equipped with autonomous capabilities enabled by machine learning algorithms, which will be used to identify individuals deemed potential targets by U.S. special operations forces.



Canada bans TikTok on government devices

March 1, 2023 - The Canadian government has prohibited the use of TikTok on devices provided by the government due to security concerns. The reason cited for the ban is that the use of TikTok poses a significant risk to both privacy and security, which is deemed unacceptable.



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China to make new single data regulator

March 6, 2023 - During the upcoming annual session in March, the National People's Congress of China is anticipated to approve the establishment of a data authority. The existing regulatory framework for data violations in China is currently distributed across various agencies. The proposed data authority will address this issue by consolidating oversight and enforcement of data collection, sharing, and transfer rules under the recently passed Personal Information Protection Law. Additionally, the new regulator will monitor data security standards and the use of algorithms.



UK releases draft data protection reform

March 8, 2023 - The United Kingdom has released a draft data protection reform proposal that aims to amend its General Data Protection Regulation. The Secretary of State for Science, Innovation, and Technology, Michelle Donelan, presented the Data Protection and Digital Information (No. 2) Bill to Parliament, which includes several key provisions. Firstly, the proposed legislation would increase the maximum fines for nuisance calls and texts to up to 4% of global turnover or £17.5 million, whichever is greater. The bill also aims to reduce the number of consent pop-ups on websites. Furthermore, the Information Commissioner's Office will be reorganized to include a statutory board with a chair and chief executive.



EU member states to reach agreement on Data Act

March 24, 2023 - The European Union (EU) member states have reached a consensus on the proposed Data Act, paving the way for negotiations to begin between the Council of the European Union and the European Parliament to finalize the legislation. The Data Act is aimed at establishing a single market for data, allowing it to flow freely across sectors within the EU. This is expected to benefit businesses, researchers, public administrations, and society as a whole.



OAL approves final CPRA regulations

March 30, 2023 - The California Privacy Protection Agency (CPPA) has announced that its first rulemaking package for the California Privacy Rights Act has been approved by the California Office of Administrative Law after a review. The package covers a range of important areas, including data processing agreements, consumer opt-out mechanisms, mandatory recognition of opt-out preference signals, dark patterns, and consumer request handling.



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US state legislatures introduce privacy bills

March 3, 2023-

Hawaii Senate Bill 974 advanced out of the Senate Committee on Ways and Means and is now available for second reading on the Senate floor prior to more committee consideration and a potential final reading.

Montana Senate Bill 384 was passed by the Senate and now moves to the House for consideration. It covers entities with data on more than 100,000 individuals or deriving 25% of annual revenue from data belonging to more than 25,000 consumers, with an effective date of Oct. 1, 2024.

Utah Senate Bill 152 on social media regulation amendments earned final passage with provisions for platforms to adopt required age-verification processes and obtain parental consent for various online activities of minors under age 18.

March 7, 2023- US lawmakers reintroduced the Facial Recognition and Biometric Technology Moratorium Act, which aims to prohibit the federal government from using facial recognition technologies.

March 13, 2023-

New Hampshire's State Senate Judiciary Committee recommended Senate Bill 255 to pass with amendments, which would create a new chapter establishing a consumer expectation of privacy, giving consumers the right to protect their data, and placing responsibility on businesses to respect their privacy wishes.

The **Oklahoma** House advanced House Bill 1030, the Oklahoma Computer Data Privacy Act, which provides protections for consumer personal information and enacts guidelines for businesses collecting consumer data. The bill's fiscal analysis states it relates to the privacy of computer data.

March 20, 2023- **Maryland** House Bill 0901 had its first reading in the state Senate. The bill proposes a requirement for businesses offering online products likely to be accessed by children to complete a specific data protection impact assessment.

March 24, 2023-

The **Minnesota** Age-Appropriate Design Code Act was supported with amendments by the House Committee on Judiciary Finance and Civil Law and referred to the Commerce Finance and Policy Committee.

The **Tennessee** Senate recommended passing the Tennessee Information Protection Act, while it was placed on the Commerce Committee calendar in the House.

Washington's Senate Committee on Law & Justice passed House Bill 1155, which addresses the collection, sharing, and selling of consumer health data.

March 29, 2023-**Iowa** passed a comprehensive privacy law, making it the 6th state to do so. The law will go into effect on January 1, 2025, giving organizations 21 months to comply with the new requirements.



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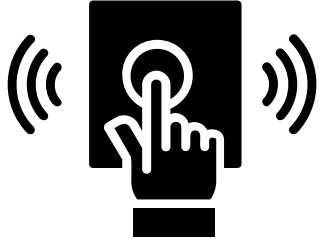


Data Breaches



Mental health app suffers data breach

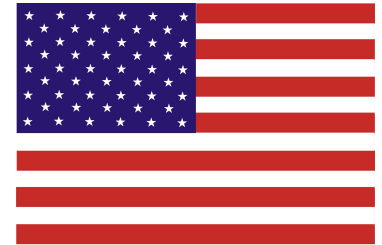
March 10, 2023- Cerebral, a mental health assessment app, revealed that it shared the personal data of its users, including mental health assessments and personally identifiable information, with advertisers and social media companies. In total, more than 3.1 million assessments were shared with third parties.



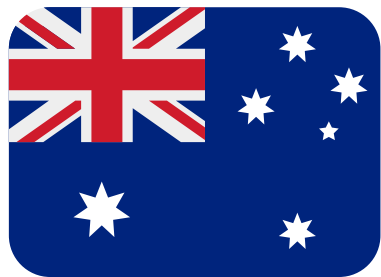
Ring suffers a ransomware attack

March 14, 2023- Amazon's smart doorbell company Ring's data was stolen by the ransomware gang ALPHV. Ring has not found any evidence of a direct breach but said that a third-party vendor was attacked by ransomware. However various sources have verified that the stolen data was posted on the group's data forum.

Personal information of members of the US Congress leaked on a hacker forum



March 14, 2023- A data breach of Washington, D.C. health insurance marketplace DC Health Link resulted in the exposure of personal information of members of the U.S. Congress on a hacker forum. The breached data includes sensitive information such as members' health plan details.



Australian financial services company suffers data breach

March 17, 2023- Australian financial services company Latitude Financial suffered a data breach in which a hacker accessed the personally identifiable information of approximately 328,000 New Zealand citizens. The hacker gained access by stealing employee login credentials and targeting two service providers storing the data.

OpenAI suffers data breach exposes ChatGPT user data



March 24, 2023- According to a blog post by OpenAI, a bug may have led to the unintentional exposure of payment-related information for 1.2% of ChatGPT Plus subscribers during a nine-hour period. The incident also resulted in some users being able to access the personal information of other active subscribers, including their full names, email and payment addresses, and credit card details.



Dutch national railways suffer a breach

March 28, 2023- The Dutch national railway, NS, has announced that a data breach has potentially affected more than 780,000 passengers. It was discovered that an external party gained unauthorized access to the NS' data through a third-party software provider.



Australian property developer company suffers data breach

March 29, 2023- Australia-based property developer Meriton has reported a data breach that may have affected 1,900 customers and staff members. The incident has potentially exposed sensitive information, such as financial, health, and employment details of employees.



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Fines and Penalties

Turkish DPA fines TikTok TL1.75M for insufficient data protections.

March 1, 2023- The Turkish Data Protection Authority (KVKK) has imposed a fine of 1.75 million liras on TikTok for inadequate protection of users from unlawful data processing. According to the KVKK, the fine was imposed on TikTok because it failed to take all necessary measures to ensure an appropriate level of security to prevent the unlawful processing of personal data. The authority also noted that the platform's privacy and cookies policies should be updated to comply with the country's regulations.



US FTC fines \$ 7.8M to a medical counselor for sharing sensitive information

March 2, 2023- The US Federal Trade Commission (FTC) has fined online counseling service BetterHelp \$7.8 million over alleged improper data sharing for advertising purposes. The fine includes a payout to affected customers and a ban on the service conducting further data sharing that leads to non-consensual use for third-party advertising campaigns. BetterHelp was accused of sending mental health data to various platforms, including Facebook and Snapchat.



Finnish DPA fines consumer credit company over customer payment data handling

March 2, 2023- Finland's Office of the Data Protection Ombudsman fined Finnish consumer credit company Suomen Asiakastieto 440,000 euros. The DPA interpreted the company's practice of setting default payments for certain customers as an unwillingness to pay their balances.

Singapore PDPC fines Eatigo International due to data breach

March 10, 2023-The Personal Data Protection Commission of Singapore has imposed a SGD62,400 fine on Eatigo International in connection with a data breach in 2020 that affected 2.76 million individuals. The company failed to implement adequate data security measures to protect a database that it lost track of while changing its engineering team. In addition to the fine, the regulator has recommended that the company build a comprehensive data inventory that classifies various risk levels for the personal data it collects.



US SEC fines \$3M to a data management platform

March 13, 2023- The U.S. Securities and Exchange Commission fined data management platform Blackbaud \$3 million for improper disclosures to individuals affected by a 2020 ransomware attack.

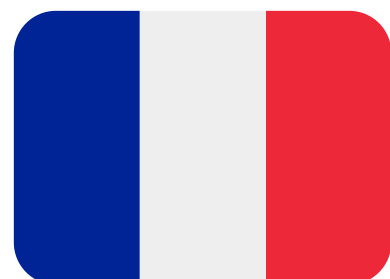
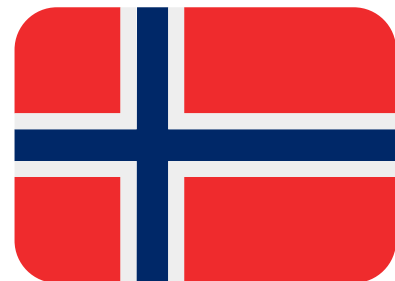
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Fines and Penalties

Norway DPA fines \$2.5M to medical devices company

March 16, 2023- Argon Medical Devices, a U.S.-based company, has been fined 2.5 million kroner by Norway's data protection authority for violating the EU General Data Protection Regulation. The company failed to report a data breach that occurred in July 2021 within the required 72-hour deadline.



Cityscoot fined 1225k euros by CNIL

March 28, 2023- The French data protection authority, CNIL, issued a fine of 125,000 euros to Cityscoot, a rental scooter company, for collecting and retaining the geolocation data of its vehicles. According to CNIL, Cityscoot violated the principles of data minimization and contractual obligations under the EU GDPR, as well as the French Data Protection Act by not obtaining user consent or informing them about the data collection.



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