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Dr. Liam Fox, Secretary of State for International Trade Department for International Trade King Charles Street, Whitehall London, SW1 A 2AH

15 February 2018

Dear Secretary of State,

## **UK Approach to Data Protection and Future Trade Agreements**

We are writing to highlight the importance of the UK maintaining its commitment to implement the EU General Data Protection Regulation (GDPR) during its exit from the European Union ("Brexit"), recognising that it can do so consistently with the obligations that it may assume in future Free Trade Agreement (FTA) negotiations.

Together our organisations represent tech and other digitally enabled companies large and small across the UK and around the world, including in the EU and United States. We are supportive of the UK Government's forward-looking agenda, as reflected by the Global Britain agenda, and believe that the tech sector can be a valuable contributor to enhancing the UK's status as a centre for trade and innovation across the world.

The UK is already a global hub for data and is alone responsible for 11.5% of worldwide data flows. The UK's infrastructure, regulatory system, and geographical location make it uniquely well placed to service both the EU and other markets, including the United States. These circumstances have positioned the UK as a particularly attractive place to invest for global companies. Post-Brexit, the UK has the potential to continue to hold this coveted position. However, diverging from EU data protection rules in domestic law post-Brexit would undermine this opportunity.

To do business internationally, companies depend upon legal certainty, clarity, and consistency. Given the UK's unique position and relationship with the EU, as well as its historical adoption and implementation of European data protection rules, our organisations support work, including the work of the Department for Digital, Culture, Media and Sport, to ensure the UK continues to implement the GDPR after Brexit and negotiates a data flows relationship with the EU based on adequacy.

While we commend the UK Government's initiative in seeking mutually beneficial trade deals with other economies after Brexit, we would caution against the misunderstanding that adherence to the EU data protection regime is incompatible with securing high-quality trade agreements that promote open trade and investment, ensure free cross-border data flows, and respect high levels of data protection. The United States, for example, effectively has an adequacy agreement with the EU by virtue of the Privacy Shield framework, but this does not prevent it from negotiating high-standard trade agreements that provide strong privacy protections, such as in the current modernization of the NAFTA.

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The digital world is continually evolving and countries, including the UK and EU, will have to ensure they strike the right balance in protecting their citizens' data and positioning themselves to benefit from and lead in the development of emerging technologies. It is important that the UK Government remains at the forefront of this thinking in the future, and we hope that the UK's future relationship with the EU will allow it to continue to lead on this issue on the regional level, particularly through the UK's Information Commissioner's Office.

Given the importance of this issue to all our members, we would be keen to work with you to ensure that the UK's strong data protection framework can be an enabler for 21st century digital trade agreements.

We have attached for your attention a report, co-published by techUK and UK Finance, who represent the UK's Financial Services Industry, which is worth over £124 billion to our economy, on the implications of Brexit on data flows. We stand ready to further discuss these matters with you.

Yours sincerely

Julian David CEO techUK Dean Garfield CEO ITI