

Subject: Comment on GDPR in B2B - will reduce tax revenue

Dear Sir, Madam,

We are writing to you about the General Personal Data Protection Act (GDPR) of the European Parliament and Council 2016/679 I. Although our company agrees with higher personal data protection of natural persons than until now, we are addressing you with reservations regarding the impact of the regulation on the development of technology solutions and business.

On the basis of the information published by the Personal Data Protection Agency, we believe that the regulation will ultimately have a major negative impact on the development of free trade within the European Union, which will result in reduced tax collection, the deterioration of business conditions and environments for small businesses and entrepreneurs will lead to an increase in unemployment, reduce end-consumer and customer spending to detect dishonest business entities and limit the development of advanced technology solutions compared to other non-EU countries. Here are some of the reasons behind this concern, and we would, therefore, like to ask you for a possible review of the implications of this Regulation and for possible amendments.

The main problem of the GDPR decree is that it does **not only concern the protection of personal data of non-entrepreneurs but also of business individuals - self-employed.** However, due to the impact of the Regulation on information of a purely commercial nature, but related to the self-employed, there may be a very significant restriction of business to business (B2B) business practices and practices in a broad sense. According to us, **the free and easy accessibility and usability of information on all business entities - both legal entities and natural person entities across the EU** - it is essential for the development of **free trade between states within the EU.** Not only within state registers but also services provided by other entities. Customers, entrepreneurs or job seekers in different EU countries should be able to easily verify that the business person is honest with what information they have registered and easily access them easily in information systems, technology projects for business or just personal needs.

Unfortunately, we are convinced that the **current version of the GDPR regulation goes against the idea of free trade and the movement of workers within the European Union.**

According to the Personal Data Protection Office, data such as the name and address of the natural person are personal data and the disclosure and use should be restricted without the consent of the personal data subject. **These data are, however, necessary to identify the business entity, necessary for screening, invoicing as well as other normal and daily business activities.** This does not help that the GDPR Regulation uses a broad and general definition of what is a personal data - *"personal data" (is) any information about an identified or identifiable natural person (hereinafter referred to as the "data subject"); an identifiable natural person is a natural person that can be identified directly or indirectly, in particular by reference to a particular identifier such as name, identification number, location data, network identifier or one or more specific physical, physiological, genetic, psychological, economic, the social identity of that individual; "*

Our belief is that **if a natural person starts to do their business and use their personal data for business, it is inferred that such data are used by other entrepreneurs, employees, and end-users, for example.** Just by the fact that a natural person decides to act in their own name and on their own responsibility expresses the right to have their name and other information connected with their business activity then it is pointless that such data have the same level of protection as the data of other entities to which GDPR turns out. Data on a natural person, which in most cases is self-publish on its website or through advertising will be subject to a level of protection that prevents or at least significantly complicate their use for comparison, use in trade or evaluate the credibility of the entrepreneur.

Due to the significant change in the regime of personal data of entrepreneurs and personal data in general, there will generally be a considerable shrinking and limitation of the development of advanced software solutions aimed at facilitating and streamlining the operation and functioning of business companies and, eventually, state administration bodies. **At a time when there is considerable investment and subsidization not only of technological progress (in the broad sense), it seems very contradictory to issue regulations that tie up work with data while trying to improve in this field.**

A possible outcome of the negative impact could be the impact on software for automatic filling of forms based on data from public registers or a navigation system containing databases of natural

persons. Similarly, it could be in the interest of the firm to have a database of publicly available information from business registers about business users for use in accounting and economic systems that would become "banned" after the GDPR's effectiveness, since it cannot be assumed that the company was able to get approval from all the self-employed. **In fact, there would be an absurd situation where the self-employed did not feel the negative consequence of someone having publicly available information until then, but the company could be severely affected by the sanctions that the GDPR brings.** In a similar way, GDPR will impact on the creation of automated systems to facilitate business activities, such as creating a navigation system that would use the database of business entities (i.e. self-employed) to navigate the branches, offices and operations of these entities and would be tied to obtaining the consent of a large number of self-employed people to the data already publicly available and available to the state administration. **Considering the trend of automation for automotives and road transport, we generally do not want to limit the progress that will be made by the rest of the world. It is perhaps not even necessary to add that the strict protection of personal data, which is itself free of charge, publicly and over-publishing in the registers, is illogical.**

The GDPR will also have an impact on servers and databases that serve to detect dishonest and unreliable entrepreneurs, working in particular with publicly available information and information from those who are in a business relationship with the entity. Set-up protection setup will mean a possibility for dishonest entrepreneurs to avoid getting a wider circle of potential customers to learn important information when deciding on business cooperation in the most general sense with the entrepreneur.

The GDPR also influences the impact on the marketing and business activity of small, medium and emerging business entities that need to find and build clientele and do not have sufficient means of surface advertising as large subjects. In practice, it turns out that a start-up entrepreneur often acquires a database that also includes entrepreneurs (self-employed) as a potential circle of business clients that they would like to focus on in their business activities and address them with their services. In our opinion, it would then be impossible, in the case of a request for consent to the processing of personal data for each individual entity, to actively appeal to other natural persons engaged in the provision of their services and products. Here we would like to emphasize that we are talking about the database only with business entities, not non-business individuals.

Secondly, the impact of the regulation here will be reflected in reduced revenues, which may also result in higher unemployment and a real reduction in the tax base.

For entrepreneurs and businesses, it is certainly a frightening experience to read Article 83 of the GDPR, which deals with the level of sanctions that can be applied under this regulation. The ceiling of this sanction, set at 20 million euros, or 4% of the worldwide annual turnover (to be collected between the higher amount of the two) is certainly an amount that would be "able to" put the vast majority of entrepreneurs in the Czech Republic. Given the difficulty of implementing this regulation at the same time as the ambiguities of this regulation, part should be clarified only through litigation, then it may be linked to this threat that there may be market abandonment and termination by a large number of entrepreneurs, whether due to our disproportionate the difficulty of adapting to the Directive or the very threat of high sanctions.

Finally, we would like to add that we agree with the idea of GDPR - Privacy of Non-Entrepreneurial Persons and we consider it important. However, the same data protection for the self-employed will be meaningless and unprofitable for all parties involved. We therefore appeal to you to consider using all the means available to mitigate the impact of the regulation.

At the same time, we would like to thank you for your brief comments on this topic.

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