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Since not only individual people, but also the overall project, are being presented, online presentation can be divided into two main parts. First is the management of personal social media. Avoid any disrespectful or offensive discourse, as well as any ambiguous posts and photos. Or as a minimum, do not display them publicly.

Secondly, visual communication is absolutely crucial to protect the name of a reliable project. The design and structure of whitepaper, the content of a website and competence with social media networks should no longer be seen only as tools for major players in business. Even the smallest projects (especially ones that promote new types of technologies) must have these features.

Simply put, internet use is wider than ever before and can be used as a respectable source of information. It sounds perfectly reasonable, but unfortunately not everyone working with these projects fully applies these principles.

All in all, it is not difficult to improve communication for an ICO project. The method, which is definitely not rocket science, can lead you straight to success. The essential values to focus on being reliability, clarity and content.

Even if the task of fixing communication seems a bit complicated for a particular project, do not leave it too late. Talk to communication professionals in this field, explain your vision and achieve wonderful results together. ■

# GDPR FOR STARTUPS

*A Cure, Or The End?*



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COLUMN

**Anna  
Vladimirova-  
Kryukova**

*Anna is a data protection officer and associate at law firm COBALT.*

**WOULD YOU ENJOY DRIVING ON A BUMPY HIGHWAY** without any traffic signs, lanes or access limitations? Or would a smooth and well-marked high-speed expressway seem like a better idea?

The European Union's General Data Protection Regulation (GDPR) promises free, yet controlled, flow of personal data, just like you get on a well-surfaced road with good infrastructure. Without a doubt, the GDPR aims to be the most advanced regulation in the world. The open question is whether it will kill or heal startups.

### What is it?

The GDPR is a legal act in the European Union that will be enforced from 25 May 2018. Since it is a regulation, it is immediately and directly binding throughout the European Union as law. It defines the precautions that companies must take when handling data and grants very broad rights to data subjects, including the famous right to be forgotten. The GDPR is best-known for its extremely high penalties for personal data protection violations: up to 20 million euros or 4% of the total worldwide

annual turnover, whichever is higher.

A very important aspect of the GDPR is that it is binding not only on companies established and operating in the EU, but on any company that provides services and goods to customers in the EU. This means that packing up and moving to the US (or anywhere else) will not help if you are targeting EU customers.

A second aspect is that the GDPR defines personal data extremely broadly. Data is not just a person's name and address, but any information that may be used in isolation or together with other information to identify a particular person. This may include, for instance: email address, photo, health information, username, IP address, number of children, race, political beliefs, etc.

### Kill?

Let's start with the bad news. The GDPR (just like many other laws) can kill a young business. Firstly, the fines are high, and even a four-figure penalty can kill a seed-level enterprise.

Secondly, the GDPR provides that customers (private individuals) have the right to request their personal data and details on it from any company, to delete all of their data or to transfer it to another service provider. The supervisory authorities have broad audit powers to make sure such requests are honoured. The processing of such customer requests will be costly and time-consuming if the company operations have not been structured in accordance with the GDPR. The more personal data or clients the company has, the higher the risk of customer requests. Ignoring them is not an option, since that will trigger fines.

Thirdly, GDPR issues will be ever-present in transactions and investments. Certain business models will be less favourable, because managing the legal aspects will be costly. Prospective investors may hesitate to pay for the more intense due diligence that will be needed prior to backing such a business. This will be true where a company has many employees, large numbers of clients, or its business involves storing, transferring or trading personal data. Any operational issues related to data will suddenly become important in a way they never were before.

If a company is compliant, or intends to be compliant with the GDPR, the kill moment is likely to be related to increased legal costs (creating the required procedures

and documents) or problems within the business model: for example, if the business is selling personal data.

In this respect, startups have a huge advantage over bigger and older companies: it is much easier to restructure your operations when you are young, while legacy companies are still struggling to manage issues caused by massive paper-based archives and decentralised operations.

### Heal?

There is good news, too. Firstly, the GDPR is now a known entity and new businesses can enter the market with a business that, from its start, is legally compliant. Customers and employees care about their personal data, especially when yet another massive data leak or hacking event hits the headlines. Compliance with the GDPR may be a strong competitive advantage for your business, both in Europe and worldwide.

Secondly, the GDPR demands a certain level of operational discipline. Companies have already started implementing the GDPR, and their personal data storage and transfer flows look much more structured than they did a few years ago. It is no longer enough to just drop your HR and customer data on a cloud somewhere; you have to think about security. This is a good thing.

Thirdly, the GDPR itself unlocks new business opportunities. There will be plenty of demand for those who can provide great solutions to solve the problem because of the right to data portability. This right will mean that startups can more easily enter markets dominated by established players, since the latter will be required to permit (and enable) customers to port themselves to other solution providers. The GDPR will help level the playing field between these players.

The GDPR can help data-driven startups, if they take appropriate measures in time. For those who don't, there may be painful lessons to be learned and a bumpy road ahead. ■

