

Data Act

What You Need to Know

- The European Union has long sought to create a single market for data, as reflected more recently in its European Strategy for Data in 2020. The **Data Act** is a key component of this data strategy and complements the [Data Governance Act](#) and other proposals to regulate data.
- In line with the Commission's 2030 digital objectives, the Data Act is expected to help drive the EU's digital transformation and transform the EU into a leader in the digital and data space.
- The Data Act focuses on data generated by Internet-enabled products and services. Its main objective is to create a single, harmonized market for such data in the EU and facilitate access to that data by users, businesses and governments, as well as to foster innovation and competition more generally.
- The Data Act is currently still the subject of negotiations involving the Council of the EU and the European Parliament. It is expected to be adopted in late 2023.

Why Covington?

Combining our competition, technology regulatory and privacy capabilities, Covington's cross-disciplinary team advises on the impact of the Data Act and helps clients navigate this new regulatory landscape, representing a variety of companies that may be subject to the Data Act.

For more information, please reach out to Dan Cooper, Laura Somaini, or another member of our team.



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Why Does It Matter?

- The Data Act aims to set **common rules on who can use and access data derived from "connected" or Internet-enabled products and related services**, across all economic sectors, covering both personal and non-personal data.
- It will apply to a range of **actors**, such as producers or manufacturers of connected devices; providers of cloud or edge computing services; and public sector bodies.
- The **new rules** will:
 - grant rights to users in relation to the data generated through their use of connected products;
 - require manufacturers to design and manufacture connected products so that users can access the data they generate; and
 - facilitate switching between cloud and edge services.
- As such, the Data Act will primarily impact providers of connected products and related services, as well as cloud providers, but it may also concern any company that holds or acquires data generated by such products and services.
- Companies should ensure that they **anticipate** how the Data Act is going to impact their business.