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Multinationals offered respite from strict EU data-transfer rules

The [Data Protection Working Party](#) has adopted a [working document](#) designed to facilitate the international transfer of personal data within a corporate group. The document should make data transfers and e-commerce easier for multinational companies while still maintaining high standards of data protection.

Under the EU [Data Protection Directive](#), data may only be transferred from the European Union to a non-EU country that does not have adequate data protection safeguards in place if:

- one of the directive's few exceptions is satisfied (eg, the data subject has given explicit consent);
- a safe harbour agreement exists with the recipient country (see [Commission reports on Safe Harbour agreement](#)); or
- a contract using the European Commission's standard contractual clauses has been concluded between the transferor and the receiving corporate entity (see [Commission introduces standard clauses for data transfer](#)).

According to the working document, multinational groups would be exempt from these strict provisions provided that they adopt a code of conduct to govern the transfer of personal data originating from the European Union. In addition, either the multinational's headquarters (if based in the European Union) or one designated EU-based group member should be responsible for the group's data transfer obligations.

Data subjects would be entitled to take action against the corporate group if the code is breached. Such an action would be heard in the jurisdiction of either the group member from which the disputed transfer originated or the group's responsible member, to be chosen by the data subject.

Multinationals should establish internal procedures to ensure that all group members are aware of their responsibilities. The working document also mentions audits, which would be carried out by external auditors in order to ensure that the corporate codes fully comply with relevant EU