

DJW IT Working Group

EU General Data Protection Regulation (GDPR) Technical Issues and Solutions for Japanese Businesses

Osaka, April 24th 2017

As a continuation of our last working group meeting in Munich (EU General Data Protection Regulation from a legal perspective with our speaker Kirsten Wolgast, LL.M), in this meeting we examined the GDPR from a technical perspective. Our speakers addressed some of the possible technical implications and solutions for Japanese businesses.

Our first speaker, Mr. Daniel Kastl (Georepublic K.K.), has been working as a software developer in Japan for more than 10 years and shared his thoughts and learnings from working with Japanese clients. Whereas his company focuses on open data especially in the field of geographic mapping and routing, in his talk *"Mobile First, Security last?"* he addressed data security and privacy in Japan. As he pointed out, for many companies it is more important to develop mobile apps and modern websites than to invest in encryption and data security. Inevitably, massive amounts of customer data were recently leaked due to poor security by Japanese companies like Benesse and GMO, incidents which have been covered in the national news.

In various examples Mr. Kastl demonstrated just how poorly security is handled. Like in many other countries, the dangerous practice of sending password-protected ZIP files is still a commonplace in corporate Japan. Even banks discourage customers from creating strong passwords, and even force them to use weak short passwords for the sake of usability. In one example, Mr. Kastl showed the sign-up process for the online banking service for a major credit card company where the password length is set to only 6-8 characters and allows for only alphabets and or numbers. Such passwords can be cracked as fast as under a second in a brute force attack. In many cases companies do not consider data protection an important topic and subsequently spend little or no budget on it. Mr. Kastl concluded that this may be because the risks of profiling and identity theft are not top of mind for users and customers.

The second talk *"Developing a GDPR Toolbox for Japanese companies in Germany"* by Dr. Hermann Gump (Gump & Partners) tackled the technical issues involved in achieving GDPR compliance. Starting with a brief overview of the new regulations that will be enforced from May 25th 2018, Dr. Gump highlighted a few of the articles in the new regulation which Japanese companies will need to be aware, as the rules on international transfers of data in and out of the EU are generally tighter. Japan is currently deemed by the EU as not having an adequate level of protection, and so the regulation will necessitate a major adjustment for many Japanese companies. The highlighted articles included requirements on appointing a Data Protection Officer (Article 37), implementation of data protection by design and default (Article 25), obligation to conduct data protection impact assessments (Article 35) and to maintain detailed records of processing operations (Article 30). Dr. Gump then showed the technical solutions for these obligations, which he has created in his "GDPR Toolbox", that will allow Japanese companies to anonymise data, monitor servers, and conduct step by step assessments.