

Issue 8 / July 2024

GDPR and Digital Legislation

A survey of the impact and effect on organisations in Ireland







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About the Research

Ipsos B&A carried out a quantitative online survey of senior figures with responsibility for the compliance and data protection functions in larger Irish businesses during May 2024. The sample comprised a cross section of businesses by size (measured by number of employees) and business sector and industry. Total sample size: N=106. Fieldwork dates: 9 May 2024 to 28 May 2024.

We are very grateful to all the survey participants for their valuable time and insights.



Executive Summary

The European Union's General Data Protection Regulation (GDPR) remains one of the most significant legislative developments of our time with rules that have had an impact on virtually every business and each individual citizen in the EU.

Billed as the toughest privacy and security law in the world, it remains a central business priority for companies in Ireland, as our latest research on the implementation of GDPR affirms.

Six years on from its introduction, a suite of new legislation looms for Irish business to enshrine digital age protections for individuals in European and domestic law.

These major legislative developments including the Digital Services Act, AI Act and Data Act, have the potential to be as impactful, if not more so, for the businesses which fall in scope. While GDPR has been a burdensome and costly exercise for many businesses, the lessons learned will serve as an important foundation ahead of the next wave of changes.

In this, the eighth edition of the Forvis Mazars and McCann FitzGerald annual survey of the impact of GDPR, we consider the latest perceptions amongst those closest to GDPR compliance in Irish businesses, and test the waters for awareness and preparedness for the latest legislative developments designed to reflect rapid changes in technology.

GDPR – 6 years on

The results of this year's survey suggest that Irish organisations are not growing complacent about GDPR. In fact, an awareness of the risks associated with GDPR non-compliance are increasing. More than eight in 10 (82%) of those surveyed are of this view, perhaps influenced by a number of high profile cases in 2023 which saw the imposition of some of the largest fines in the history of the legislation.

This sentiment is also borne out in the finding that 'reputational risk' is deemed the most important factor in determining organisation's data protection risk appetite, followed by 'fear of fines'.

The extensive media reporting of fines such as the Irish Data Protection Commission's landmark €1.2 billion penalty issued against Meta last year will no doubt have kept GDPR to the forefront of business leaders' thinking over the past 12 months, as will an increasing awareness of

the importance of reputation in the eyes of investors, shareholders and other stakeholders.

Another interesting shift in perception suggested by this research is the growing belief that GDPR compliance is beneficial for organisational relations (with employees, customers and stakeholders) in the long term. In 2019, 58% of those surveyed held this view, while in 2024, more than three-quarters of respondents (77%) surveyed cited seeing the long term organisational benefits of the legislation. Similarly, a significant majority of those surveyed recognise the benefit of GDPR for individuals, a trend that has remained steady over the course of this research since 2018.

Compliance matters

Navigating the complexities of GDPR remains a challenge for many businesses in Ireland, with just 15% of respondents rating themselves as 'fully compliant' with the legislation. While this might seem like a low number, it may reflect a recognition that compliance is much more than a 'tick the box' exercise, and requires ongoing focus, investment and resourcing from businesses to stay on top of it. A further 58% of respondents indicated their organisation was 'materially compliant', and 25% say their organisation was 'somewhat compliant.'

Encouragingly, eight out of 10 (81%) businesses surveyed intend to improve their compliance status, with half of respondents reporting they need more staff, financial investment or a higher level of expertise to achieve their compliance target.

New legislation for a Digital Age

Over the last 25 years, technology has transformed our lives in ways no-one could have imagined, and the European Union is staying abreast of developments with a panoply of legislative changes, some which are already in force.

Our research sought to find out more about the awareness of, and preparedness for, these developments including the DORA (Digital Operational Resilience Act), AI Act, Data Act, Data Governance Act, Digital Services Act, Online Media Safety Regulation Act, Digital Markets Act, the Network and Information Security Directive 2 (NIS2) and Cyber Resilience Act. These nine pieces of legislation have all emerged since 2023, with some already in force, and others requiring compliance by 2025.



Executive Summary

Unsurprisingly given the volume of new developments, 60% of those surveyed are concerned about the impact of new digital legislation on their organisation.

The research found that there is also a degree of uncertainty, with many respondents being unsure as to whether specific regulations will apply to their organisations or not.

The highest degree of familiarity appears to be with the AI Act, where three quarters (75%) of those surveyed indicated that the legislation did apply to their organisation, and 19% say preparations for the legislation are either initiated or at an advanced stage. The AI Act has a similar scope to the GDPR in that it applies to all organisations that seek to use, or provide for use, an AI system that impacts EU citizens.

The legislation will come into effect on 2 August 2024 with some commentators predicting that its impact in terms of fines for non-compliance could be even more significant than those imposed for breaches of GDPR rules on privacy.

Experience has taught us that there is a lot at stake - financially and reputationally - for those who fall foul of the EU's rules. We expect regulators across Europe, including our own recently established Coimisiún na Meán here in Ireland, to be keeping a close eye on how organisations respond to these significant legislative changes. Our strong advice to businesses is to maintain focus on compliance with existing legislation like the GDPR, and act now for what's coming down the track.

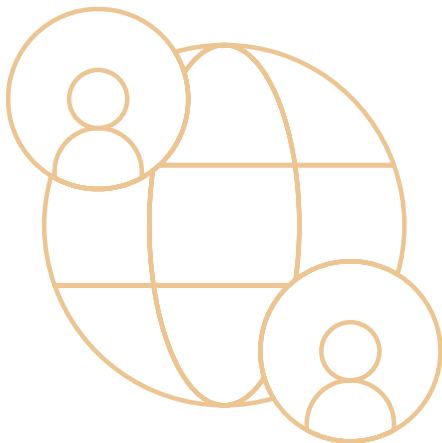
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Over the last 25 years, technology has transformed our lives in ways no-one could have imagined



Overview of the Numbers

Responses from Organisations

82%

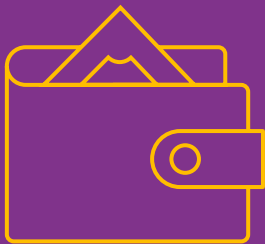


agreed risks associated with GDPR non-compliance are increasing

77%



agreed GDPR compliance is beneficial for organisation's relations (with employees, customers, stakeholders) in the long-term



59%

are concerned about the prospect of being fined for GDPR non-compliance

76%

think GDPR is beneficial for individuals



73%

believe their organisation is at least materially GDPR-compliant



60%



are concerned about upcoming 'digital legislation'

75%



think the AI Act has relevance to their business

Results





Attitude towards GDPR

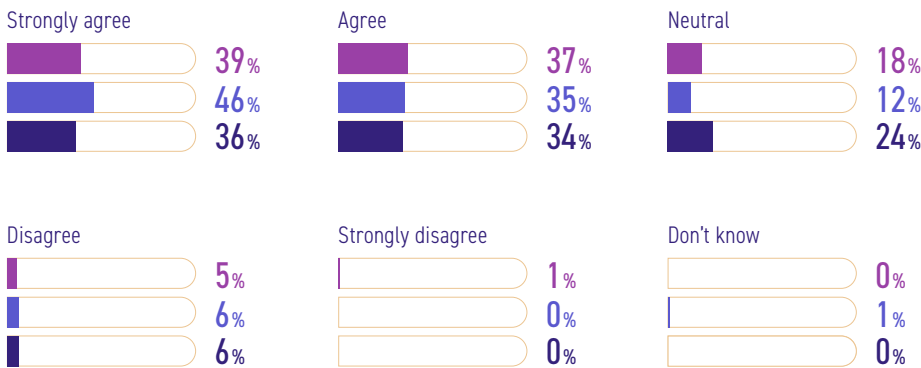
2021 / 2023 / 2024

In 2023, fieldwork and report publication happened in the same year, hence the gap for 2022.

Beneficial for Individuals

Colour key 2024 2023 2021

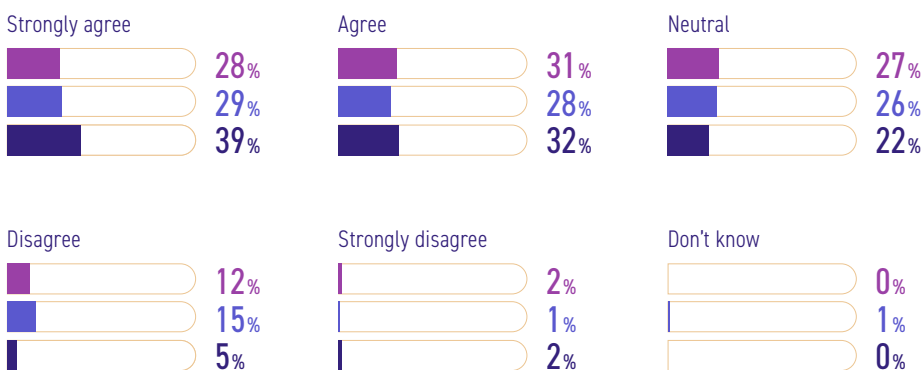
GDPR is beneficial for individuals



Administrative Burden

Colour key 2024 2023 2021

Compliance with GDPR places an excessive administrative burden on organisations



Base: All respondents - 106



Attitude towards GDPR

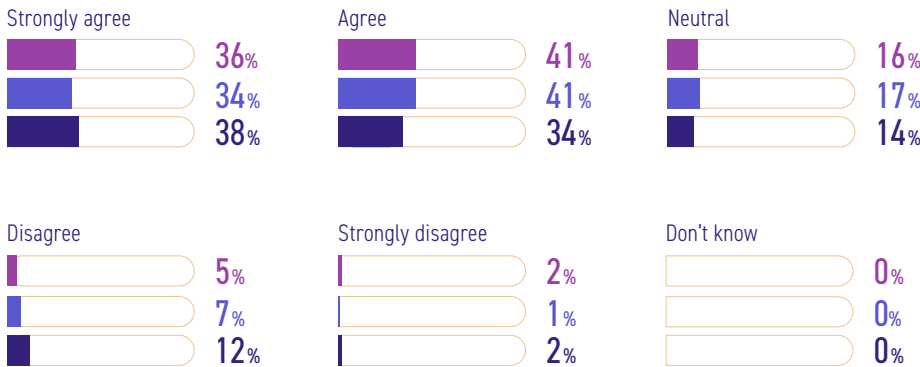
2021 / 2023 / 2024

In 2023, fieldwork and report publication happened in the same year, hence the gap for 2022.

Beneficial in the long term

Colour key 2024 2023 2021

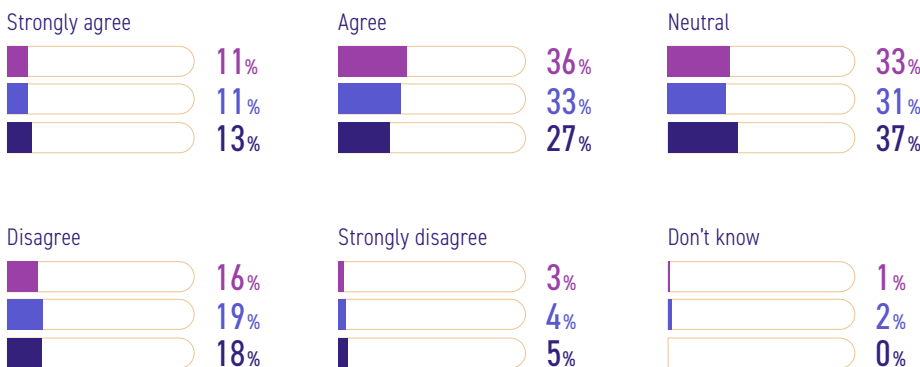
Compliance with GDPR will be beneficial for organisations' relations with their employees, customers and other stakeholders in the long term



Working to comply with GDPR

Colour key 2024 2023 2021

Working to comply with GDPR has delivered many benefits for our organisation



Base: All respondents - 106



Attitude towards GDPR

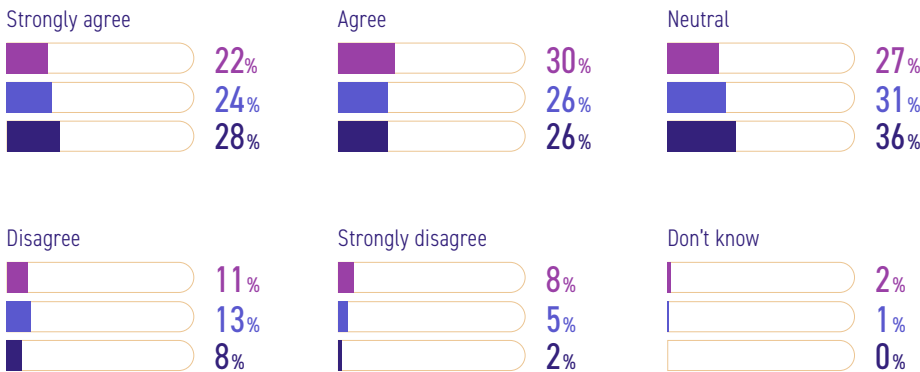
2021 / 2023 / 2024

In 2023, fieldwork and report publication happened in the same year, hence the gap for 2022.

Our CEO is strongly engaged with GDPR

Colour key 2024 2023 2021

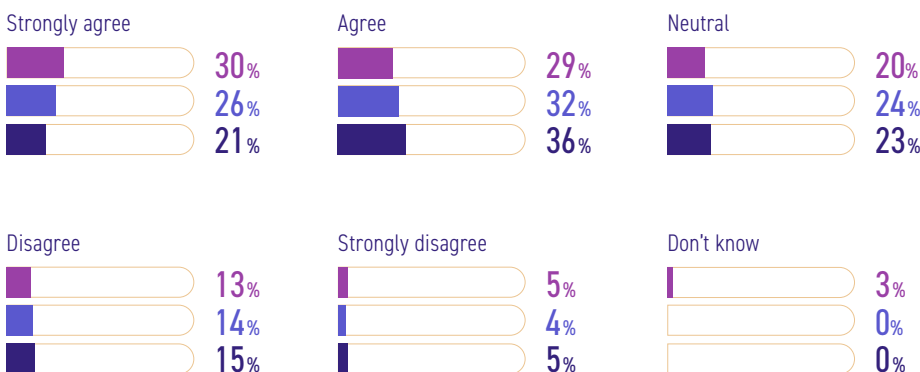
The CEO of our organisation is strongly engaged in GDPR compliance and data privacy



Being fined for non-compliance

Colour key 2024 2023 2021

In our organisation we are concerned about the prospect of being fined for GDPR non-compliance



Base: All respondents - 106



Attitude towards GDPR

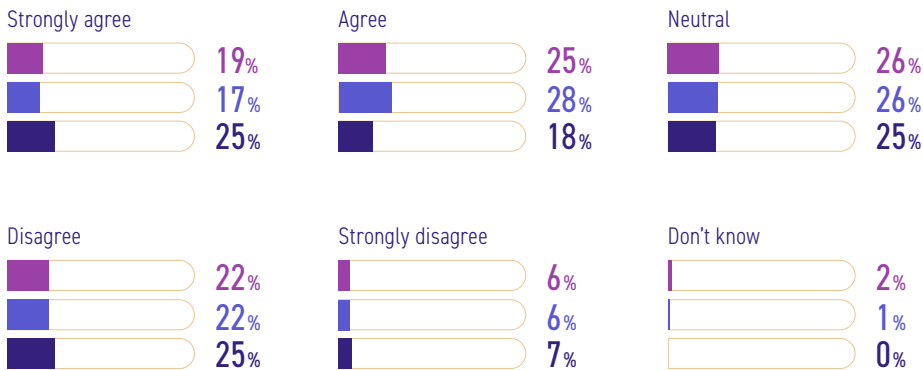
2021 / 2023 / 2024

In 2023, fieldwork and report publication happened in the same year, hence the gap for 2022.

Civil actions

Colour key 2024 2023 2021

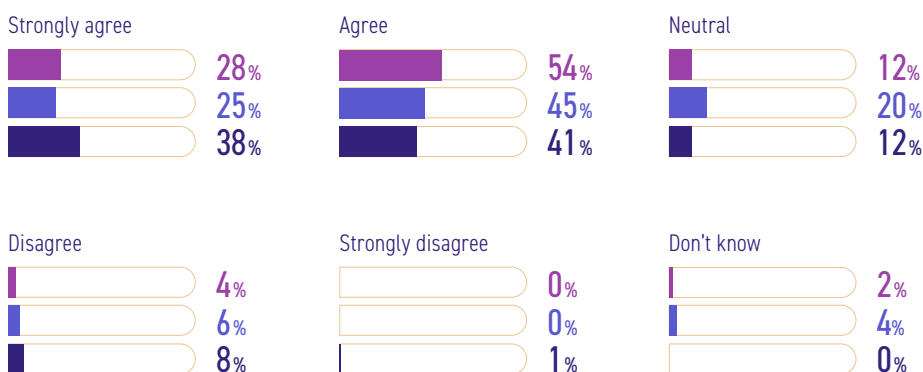
We are concerned about civil actions from data subjects



Risks of non-compliance

Colour key 2024 2023 2021

The risks associated with GDPR non-compliance are increasing



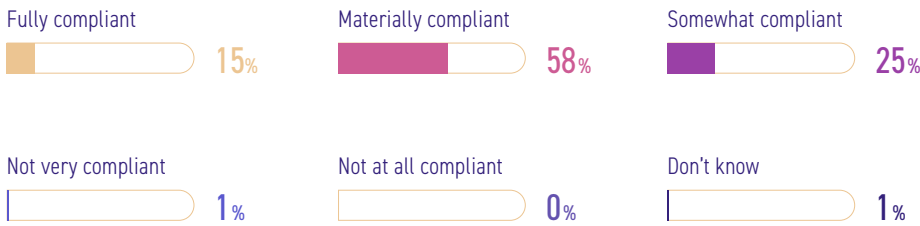
Base: All respondents - 106



Current Compliance Status 2024

Perceived data protection compliance of the organisation

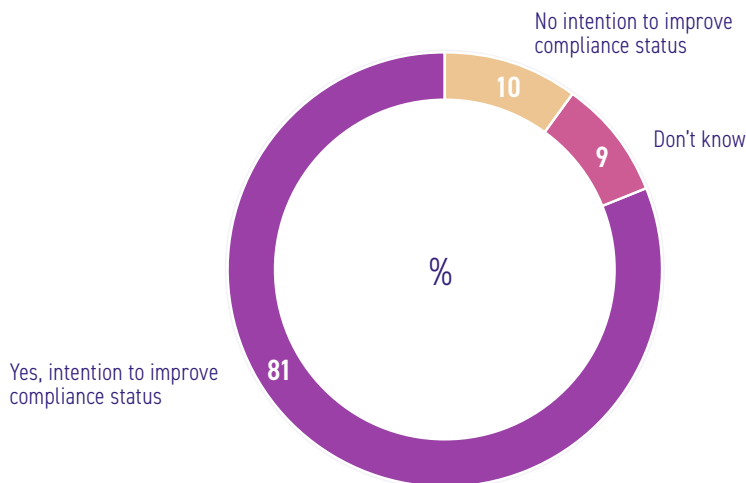
Which of the below best describes how compliant is your organisation?



73%

perceive that their organisation is at least materially compliant.

Intention to improve compliance status



81%

intend to improve their compliance status.

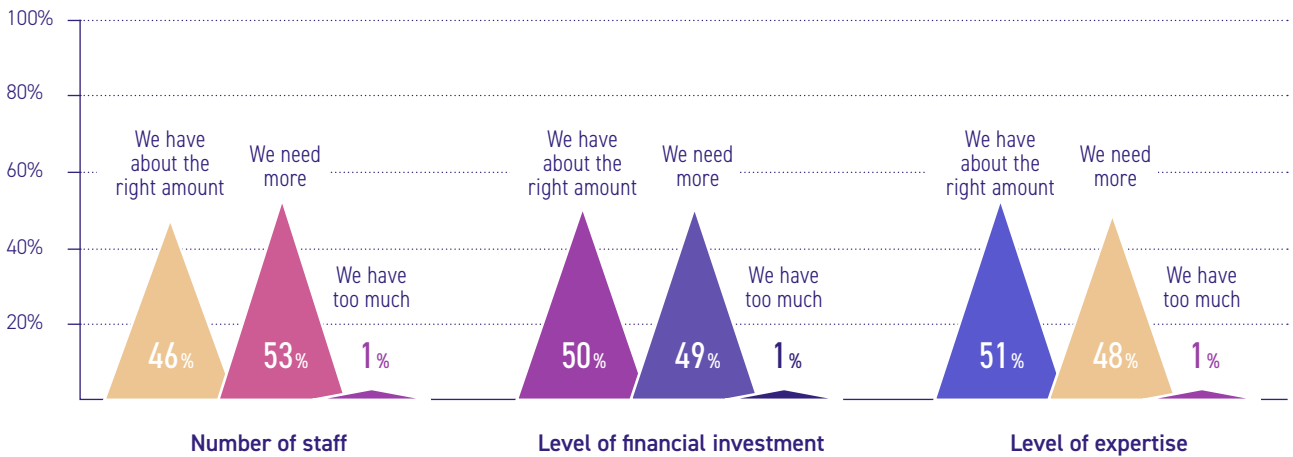
Base: All respondents - 106



Current Compliance Status 2024

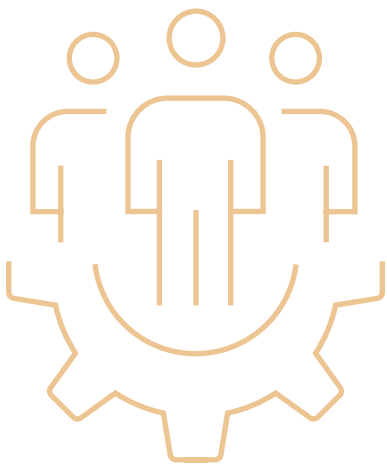
Resources to reach target compliance level

Are you satisfied that you have sufficient resourcing to achieve your target compliance level in the following areas?



50%

broadly reported they need more staff, financial investments or higher level of expertise to achieve their compliance target.



Compliance...requires ongoing focus, investment and resourcing from businesses to stay on top of it

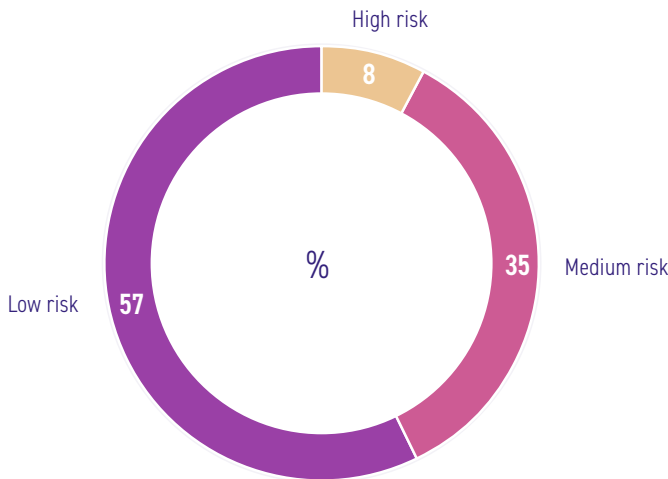
Base: All respondents - 106



Data Protection Risk Appetite 2024

Appetite for accepting data protection related risks

How would you describe your appetite for accepting data protection related risks?



57%

describe their appetite as low risk.

Most important factor in determining organisation's data protection risk appetite

Ranked from the most to the least important



Reputational Risk

is largely considered the most important factor in determining organizations' data protection risk appetite.

Base: All respondents - 106

Preparedness for Recent and Upcoming Digital Legislation

A dark blue pen is positioned diagonally across the lower right portion of the image. The background is a textured purple surface with a halftone pattern of small dots. The text is centered in the upper left area, with a thin white horizontal line above it.



Glossary of Acts and Directives

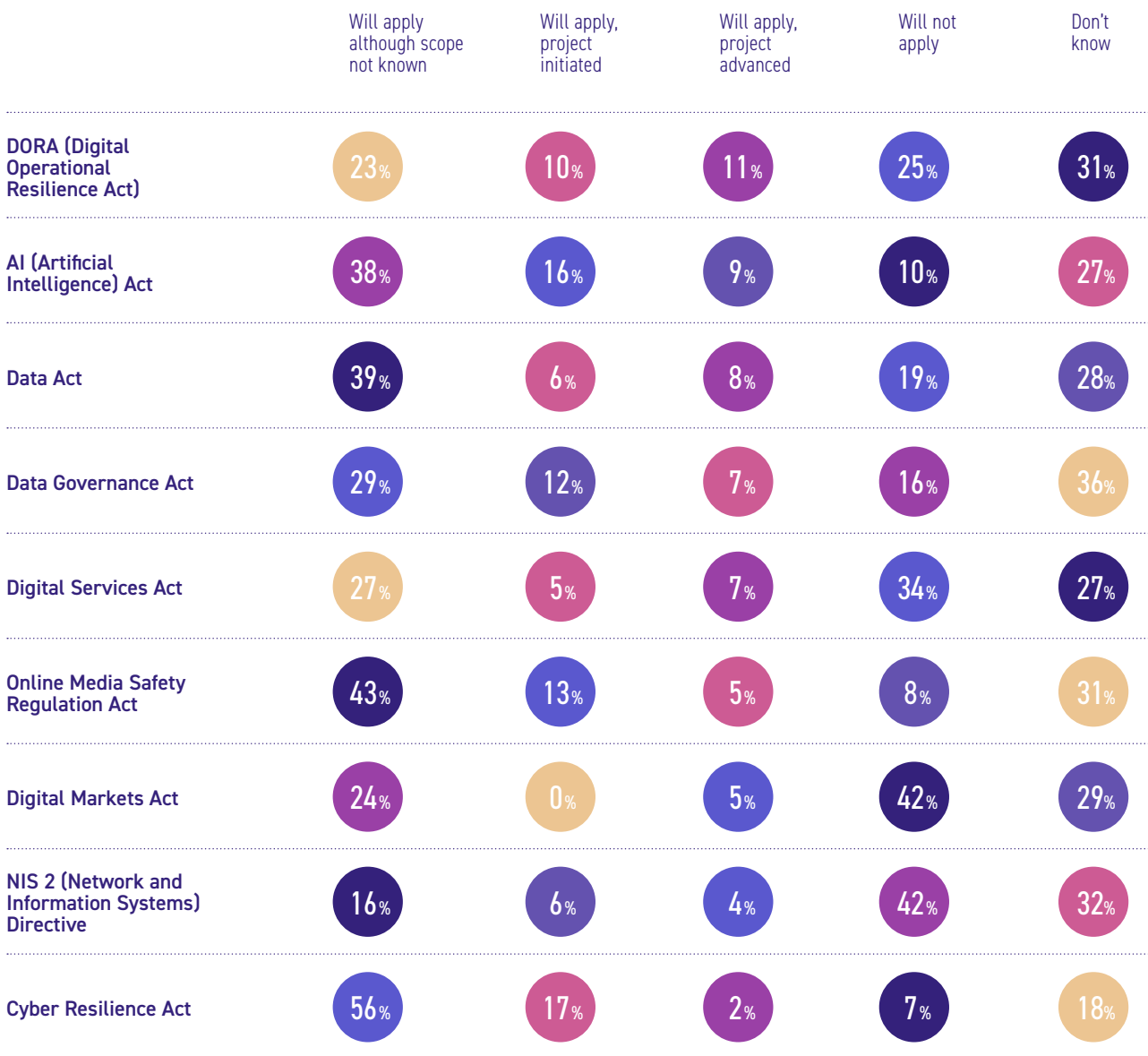
Name	Descriptor	Relevancy	Status
Digital Operational Resilience Act (DORA)	Designed to standardise digital operational resilience requirements in the financial services sector across the EU. It requires organisations to fully understand the link between the ICT systems and the delivery of its products/services.	Financial services sector.	Applicable from 17 January 2025.
The AI Act	The first piece of legislation globally that impacts on AI systems. It focuses on the safe development and subsequent use of AI systems categorised into four levels of risk: unacceptable risk (or banned AI systems), high-risk, limited risk, minimal or no risk, with different obligations for each level.	Producers and users of AI systems.	The AI Act will enter into force on 1 August 2024 and will apply in stages commencing on 2 February 2025, with the bulk of provisions applying from 2 August 2026.
The Data Act	Designed to enhance the safe and free movement of data while continuing to protect the rights of EU citizens.	Producers of IOT devices, cloud service providers, public sector bodies that require access to private sector data.	Applicable from 12 September 2025.
The Data Governance Act	Introduced a framework to enhance trust in the voluntary sharing of data for the benefit of businesses and citizens. The DGA regulates the re-use of publicly held/protected data through regulating new data intermediaries and encourages data sharing for altruistic reasons.	Public sector bodies that share certain data, businesses engaging with data sharing intermediaries, businesses and consumers that wish to share data.	Applicable from 24 September 2023.
The Digital Services Act	Designed to ensure that there is an increased level of protection for consumers across the EU by providing a common set of rules and obligations to relevant providers.	Online intermediaries and platforms such as marketplaces, social networks, content-sharing platforms, app stores, and online travel and accommodation platforms.	Fully applicable as of 14 February 2024.
The Digital Markets Act	The sister Act of the Digital Services Act. It focuses on access to services for businesses involved in the digital economy by placing new obligations on "gatekeepers".	Large online platforms that are designated as "gatekeepers".	Fully applicable as of 25 June 2023.
The Network and Information Security Directive 2 (NIS2)	Expands on its predecessor NIS1 on cybersecurity requirements for public authorities/EU companies that are considered critical infrastructure. The primary responsibilities for entities under NIS2 revolve around risk management, communications, and incident response.	Private and public sector operators of essential public services and key digital service providers.	The transposition deadline for the Directive is 17 October 2024.
The Cyber Resilience Act	Aims to enhance the cybersecurity of digital products within the EU, by introducing mandatory cybersecurity requirements for both manufacturers and retailers.	Producers of products with digital elements (i.e. hardware and software).	Awaiting adoption by the EU Council.
The Online Media Safety Regulation Act	Introduces new rules to combat the availability of harmful material online. More importantly, it also established a new regulator, Coimisiún na Meán, which replaces the Broadcasting Authority of Ireland, and also a number of new Commissioners, including the Online Safety Commissioner.	Any 'relevant online service' or categories of 'relevant online services' designated by Coimisiún na Meán, and broadcasting services and audiovisual on-demand media services.	Majority of provisions applicable from 15 March 2023.



Preparedness for Recent and Upcoming Acts and Directives 2024

Readiness for Recent and Upcoming Legislation

Using the scale below please indicate the extent to which you feel each regulation will apply to your organisation and the work ongoing to prepare



Base: All respondents - 106



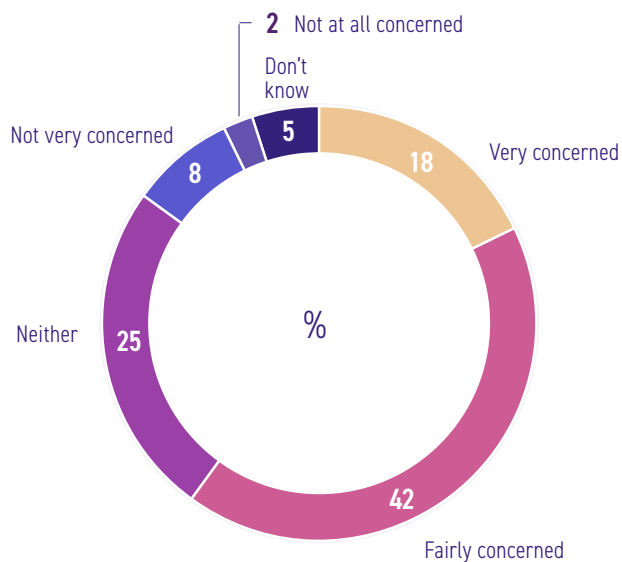
Preparedness for Recent and Upcoming Digital Legislation 2024



Much of the upcoming legislation either unknown or not seen as relevant. AI Act most commonly seen as having relevance .

Concern about upcoming legislation impacting on the organisation

How concerned is your organisation about the impact of these regulations?



60%

are concerned about the upcoming legislation.

Base: All respondents - 106

Profile of Respondents





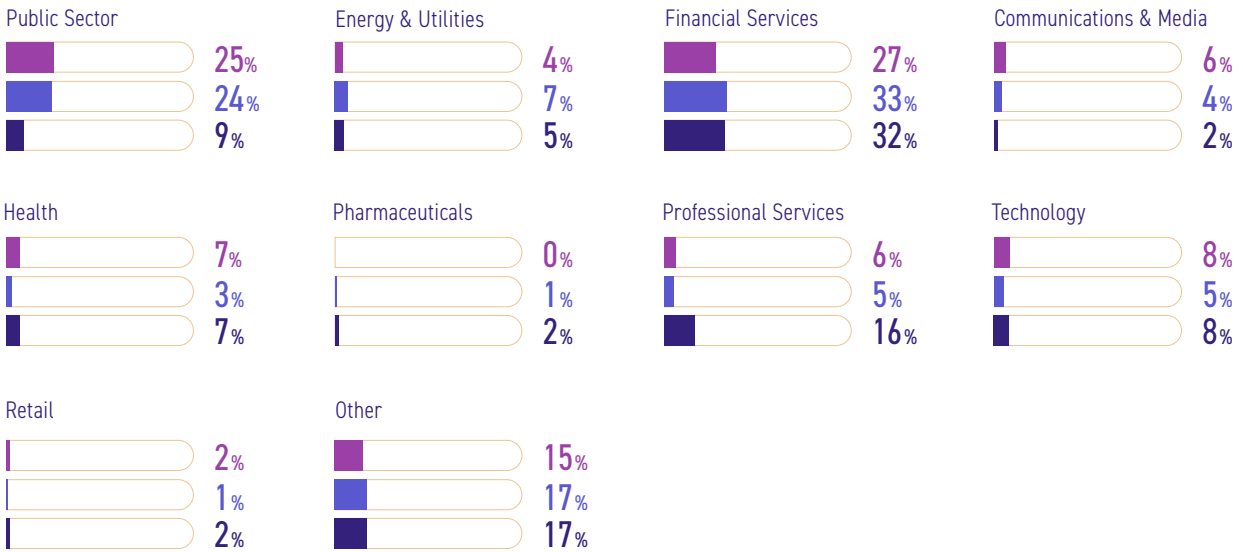
Profile of Respondents

2021 / 2023 / 2024

Industry

Colour key 2024 2023 2021

For analysis purposes, can you indicate the industry sector you operate in?

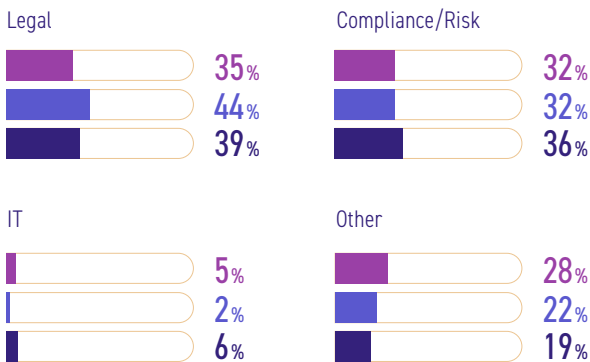


Function of the Respondent

Colour key

Which of the following best describes your function in the organisation?

2024
2023
2021



Base: All respondents - 106



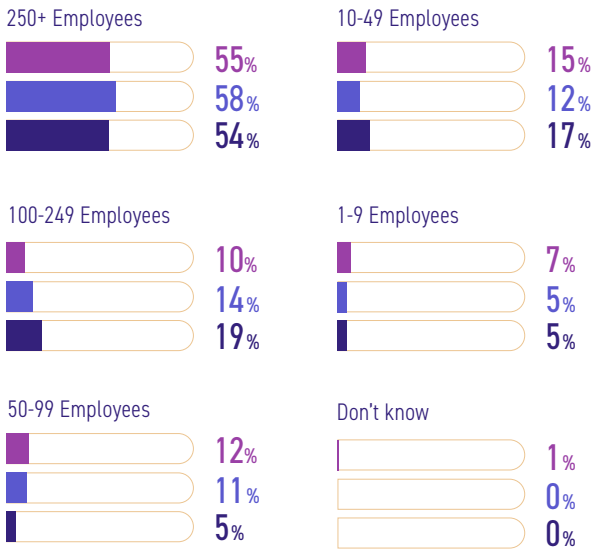
Profile of Respondents

2021 / 2023 / 2024

Number of Employees (Ireland)

Colour key

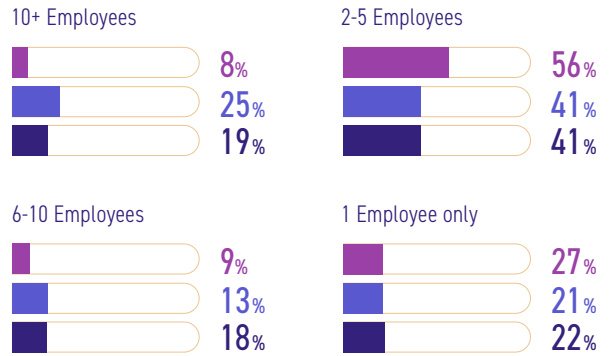
How many people are employed in your organisation in Ireland?



Number of Employees directly involved in GDPR compliance work

Colour key

How many people in your organisation are directly involved in GDPR compliance work on an ongoing basis?



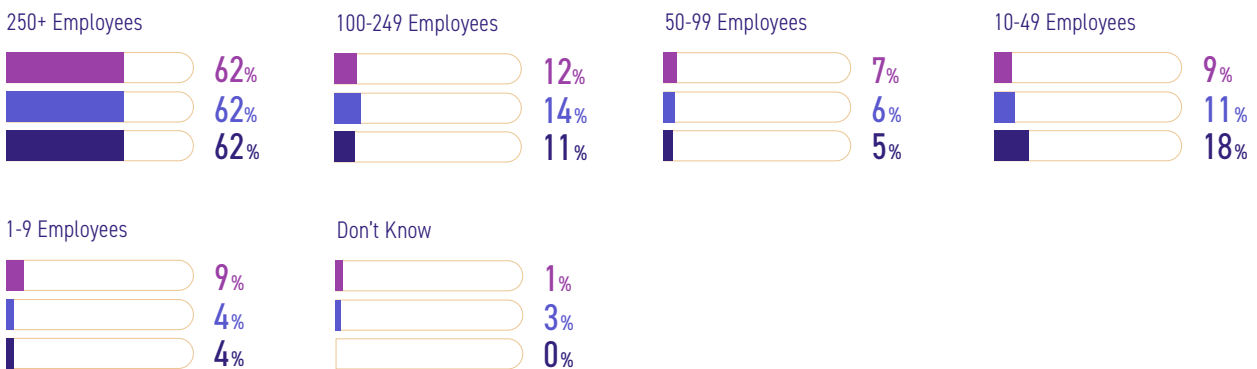
Number of Employees (Worldwide) *

Colour key



How many people are employed in your organisation worldwide?

* Those without a worldwide workforce excluded



Base: All respondents - 106



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