

# IT Law & Privacy E-Alert

## Co-ordinated Application Procedure for Binding Corporate Rules (BCRs) Becomes Reality

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The European “privacy watch-dog” (the Article 29 Working Party, hereinafter: the Working Party) published yesterday evening (February 26, 2007) a *Recommendation on the Standard Application for Approval of Binding Corporate Rules for the Transfer of Personal Data*. The Recommendation contains a standardized BCR application form which renders the long waited “single-stop” application procedure effective. In a recent press release the Working Party’s President, Mr Schaar, stated that the application procedure “*would facilitate the submission of BCRs to supervisory authorities and the coordination procedure laid down by the Working Party to the benefit of multinational groups.*” The introduction of a co-ordinated BCR application procedure could indeed mean an effective breakthrough in having BCRs accepted as a realistic means to transfer personal information within multinational groups.

BCRs are a self-regulatory system of data protection rules adopted by a multinational group to transfer personal information between the group member organizations in compliance with the EU Data Protection Directive’s international data transfer provisions. Companies considering BCRs were required to submit their BCR application before each relevant national Data Protection Authority (DPA), due to the lack of a harmonized pan-European BCR approval procedure (until today). As a consequence, the adoption of BCRs was generally experienced as time-consuming and corporations were required to fall back on data transfer solutions which can be obtained within a more reasonable time interval but which often are not entirely compatible with their information practices or business needs.

The Working Party Recommendation does not introduce a mutual recognition approval system whereby the approval of one national DPA results in the automatic approval of data transfers taking place from other EEA jurisdictions. Multinationals are still required to have their BCRs approved by each national DPA of the jurisdiction where the data exporters are located. However, the new application procedure has an important streamlining potential by: (i) harmonizing the information that must be submitted when applying for BCR-approval; and (ii) establishing a co-operation procedure by having a lead DPA circulating the applications to all relevant DPAs. In addition, the Recommendation may also lead to the acceptance of BCRs amongst DPAs which rather disfavored this solution. The Working Party Recommendation does not set forth a minimum period during which applications will be handled.

The Recommendation can be found at :

[http://ec.europa.eu/justice\\_home/fsj/privacy/workinggroup/wpdocs/2007\\_en.htm](http://ec.europa.eu/justice_home/fsj/privacy/workinggroup/wpdocs/2007_en.htm)

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