

REGULATORY CHANGE: ASSESSING THE IMPACT OF GDPR

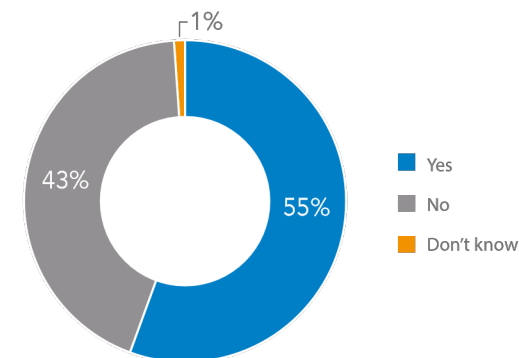
In May 2018 the European Union's General Data Protection Regulation (GDPR) came into effect. As well as containing stringent provisions on the sharing of personal data and the threat of substantial fines for companies that breach the new rules, GDPR has sharply focused attention on data protection issues in M&A.

Indeed nearly two-thirds (66%) of respondents across EMEA overall expect that GDPR will increase acquirers' scrutiny of the data protection policies and processes of target companies, and more than half (54%) said they had already worked on transactions that did not progress because of concerns around a target's data protection policies and compliance with GDPR.

However, while most do believe GDPR will have an impact on M&A due diligence, some 22% of respondents overall believe it will have no impact at all, including 25% of Europe and Middle East based respondents – the highest percentage of the four key regions.

"Data security and privacy are a real issue. We take it very, very seriously. On the vast majority of deals we sign up to confidentiality clauses, non-disclosure agreements and our engagement letters have very clear wording around use of data, which we've updated to capture GDPR rules. We recognise that there are very serious reputational risk around data," says Matt Henderson, transaction services partner at Deloitte.

Q12. Have you worked on M&A transactions that have not progressed because of concerns around a target company's data/privacy protections and compliance with GDPR?



Q11. In the next five years what impact do you expect the EU's General Data Protection Regulation (GDPR) to have on M&A due diligence?

