

PwC: More time needed to comply with PDPA

by **Levina Lim**

FD@bizedge.com

KUALA LUMPUR: Large organisations that come under the purview of the Personal Data Protection Act 2010 (PDPA), which regulates the processing of personal data for commercial transactions, still need more time to comply with the new law which came into force on Nov 15 last year.

"Depending on the size of the organisation, there are the information technology enhancement activities, development of policies and procedures as well as the change-management and training activities that need to be put in place. (As such), it will take several months for an organisation to fully comply with the PDPA," PricewaterhouseCoopers (PwC) senior executive director Ong Ai Lin told *The Edge Financial Daily* in an interview.

"The challenge is in understanding the Act and how it affects your business, figuring out what your current gaps are and what you need to put in place to close those gaps and comply with the Act," she said,

pointing out that compliance with the PDPA entails more than simply sending out privacy statements to customers.

"Companies will also need to send a privacy notice to their employees, explaining their rights as employees, the nature of personal data collected, why they are collecting [such data], how they plan to use it, [and] whether they are disclosing their personal data to third parties," she said.

Ong also noted that necessary policies have to be embedded in, and translated into, detailed procedures for compliance, and that training and awareness programmes need to be in place in an organisation.

"The greatest impact [of the PDPA would be] on complex organisations with a big customer base, extensive direct marketing and cross-selling, and several decentralised databases [that require] technology updates [data management issues]."

"A bank, for instance, will have to educate their employees, especially those who deal with customers, on what the Act is about and what



Ong: The greatest impact [of the PDPA would be] on complex organisations.

internal processes and procedures they need to follow to comply with the Act," said Ong.

"Recently, the Personal Data Protection Department came up with [several] proposed guidelines on certain aspects of the Act," she said, adding that if a company outsources ... personal data to a data processor, the [latter] also has to

comply with the PDPA.

The PDPA was gazetted in June 2010 and originally scheduled to be enforced in June 2012. However, the June deadline was postponed due to the need to finalise the regulations and rules related to the PDPA's enforcement, such as the registration process companies needed to undergo.

Businesses and data users governed under the Act, however, were given a three-month grace period to register and comply with the PDPA by Feb 15, failing which they would be fined or jailed, or both.

According to a federal government gazette on the PDPA, data users include banking and financial institutions, communication firms, as well as insurance, healthcare and transportation providers. It does not apply to federal and state governments. On whether compliance with the PDPA would pose a heavy cost to businesses, Ong said compliance costs would vary according to the size of the organisation and how the Act is complied with.

"The PDPA is a principle-based rather than a rule-based law," she said.

LEE LAY KIN