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CLIENT UPDATE



Amendment 13 to the Privacy Protection Law Approved by the Knesset - Major Points of the Amendment and Its ImplicationsEU-US Data Privacy Framework

August 7, 2024

Following a yearslong legislative process, Amendment No. 13 to the Privacy Protection Law, 5741-1981, has been recently approved and enacted by the Knesset.

Although the main purpose of the Amendment is to bridge the gaps in current legal status and prepare the ground for a more substantial amendment to the Privacy Protection Law expected in the future (as part of Amendment 14), the latest Amendment already includes a number of changes directly and substantially affecting the conduct of companies and organizations in terms of their compliance with the Privacy Protection Law ("**Law**") provisions.

Major Changes

Definitions – the distinction existing so far in the Privacy Protection Law between "Information" entitled to partial protection under the Privacy Protection Law and "Personal Data" entitled to broader protection, has been eliminated. This change reflects the technological developments in the era of big data and AI, where the information perceived as less "personal", such as a phone number, can also be used to draw conclusions and retrieve sensitive information, and is therefore also entitled of protection provided to personal data under the Law. Moreover, to align them with the privacy protection terminology accepted worldwide, the definitions of terms such as "Controller", "Processing", "Use", "Highly Sensitive Data" and "System Data", which were not previously prescribed by Law, have been added. Furthermore, various definitions have been updated, such as the definition of "Personal Data",

"Database" and the definition of the term "Holder". The changes to the definitions would result in substantial changes to the obligations and restrictions that will apply under the Law to various organizations.

Establishing the Status of the Privacy Protection Authority – the status of the Privacy Protection Authority, which prior to the Amendment was established and acts pursuant to a government decisions, will now act pursuant to its authorities provided under the Law. As part of the establishment of its status, the authorities of the Authority's investigators and the provisions for outsourcing as part of an investigation or supervision process have been formalized. Concurrently with establishing its status, the Authority will now be required to provide in writing its position (pre-ruling) on issues pertaining to the implementation of the provisions of the Law, should such a position be required by a database holder or a controller, subject to certain qualifications.

Imposition of Financial Sanctions – one of the major changes of the Amendment is the imposition of financial sanctions for violation of the Law and its Regulations. Prior to the Amendment, the Law only provided criminal sanctions, some of which were converted into fixed administrative fines. Moreover, no sanctions for violation of secondary legislation enacted under the Law (such as violation of its Regulations, mainly the Data Security Regulations) could be imposed. Furthermore, the fines that could be imposed by the Authority were minor, amounting only to a few thousand shekels. The Amendment will enable the Authority to impose substantial financial sanctions of up to NIS 320,000, for various violations of the Law, including data security violations, which, as mentioned above, have not been subject to penalties so far. Thus, following the Amendment, an organization that does not comply with the Law and the Regulations requirements would be subject to significant financial sanctions.

Appointment of a Privacy Protection Officer – Pursuant to the Amendment, the Law provides a new obligation that was not covered under the Law, and stipulates that public bodies, banks, direct mailing services providers and entities processing significant amounts of personal data must appoint a Privacy Protection Officer. Moreover, the Law sets the role and competency requirements of a Data Protection Officer.

Reducing the Registration Requirement – pursuant to the Amendment, the registration requirement for the vast majority of the databases, will be eliminated and will applying only to direct mailing services databases containing information on at least 10,000 individuals and to public bodies. In addition, organizations processing particularly sensitive information on more than 100,000 individuals will be subject to a reporting obligation to the Authority which will include the details of the controller.

Entry into Force

The Amendment will take effect on August 6, 2025.

Preliminary Recommendations

To ensure that your organization is prepared to the Amendment and its implications and to avoid potential sanctions on your organization, we suggest that you take, at minimum, the following steps:

- Conduct a comprehensive mapping of personal data within your systems, including data previously not considered as personal information.
- Examine the current registrations of the organization's databases with the Database Registry, and additional personal data maintained by the organization to determine whether such are subject to a registration obligation under the Amendment.

- Determine if a Data Protection Officer needs to be appointed.
- Review the data security protocols of the organization, making sure they fully comply with the provisions of the Privacy Protection Regulations (Information Security), 5777-2017.

Meitar's privacy team is at your service, should you require assistance with any of the above. We are also happy to assist you in tailoring the optimal solution for your organization.

You are also invited to register to the seminar we are holding on 18/9/2024 in which we will review the main aspects of Amendment 13 and their implications.

Registration

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