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How can compliance sandboxes help the industry?

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Commissioner

Commission nationale pour la protection des données (LU)

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12. Münchner Datenschutz-Tag*

Agenda



1. Presentation of the **CNPD** (Commission Nationale pour la Protection des Données)
2. '**Sandkëscht**' – A regulatory sandbox initiative (under the GDPR)
3. The future: AI Act, regulatory sandbox & innovation support

The CNPD

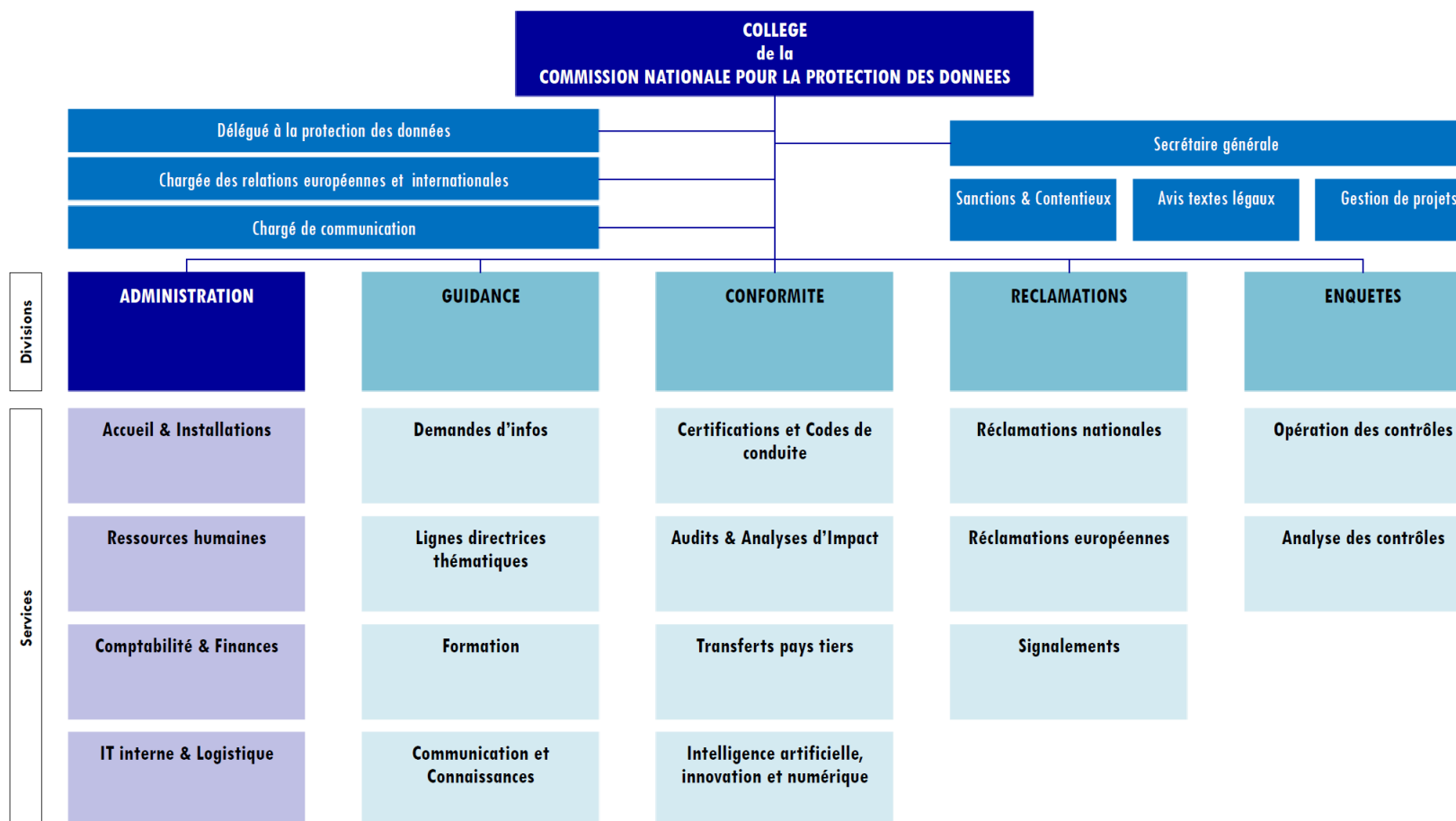
Commission Nationale pour la Protection des Données

Status and organization



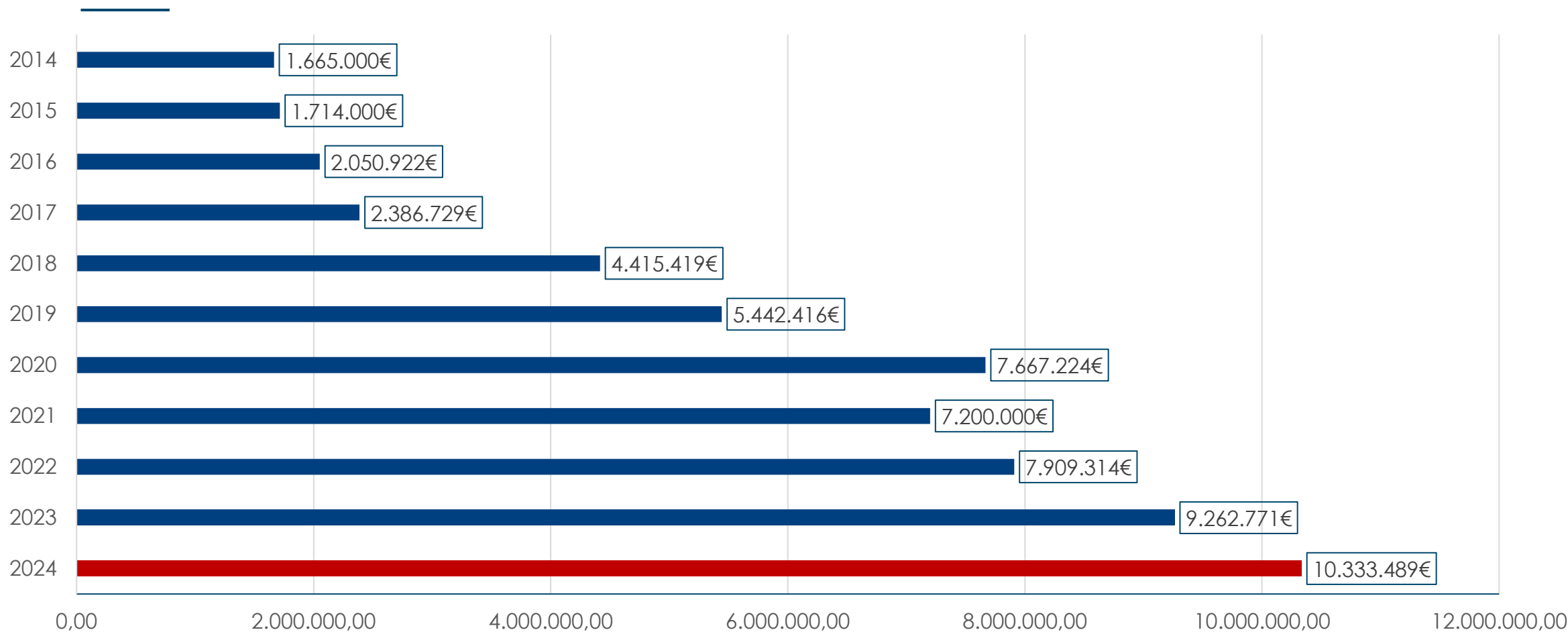
- Status
 - **Independent** public body
 - endowed with **legal personality**
 - with **financial and administrative autonomy**
- Organization
 - established by the repealed law of August 2, 2002 and
 - organized by the **law of August 1, 2018**

Organization chart



Version 19.04.2024

Budgetary means



Human resources

- Staff
 - 67 in 2024 (30.10.2024)
- Average age
 - 38,8 years
- Average length of service with the CNPD
 - 4,3 years
- Nationalities
 - Luxembourgish, French, Belgian, German, Austrian, Spanish, Romanian, Greek, Portuguese.



Regulatory Sandbox – Compliance Sandbox

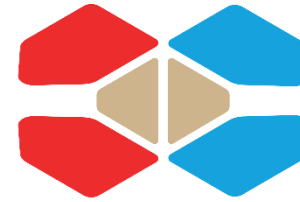
An initiative within the framework of the GDPR, not yet within that of the AI Act, but still with an eye towards the latter.

Introduction & the context



- **The hype of AI:** With the enthusiasm for artificial intelligence in recent years, the issue of data protection has become exacerbated.
- **AI and data:** AI needs large amounts of data to function effectively, which raises new questions about how these data are protected.
- A contextualized **guidance** that can help navigate the complex landscape of data protection in the era of AI.

The regulatory sandbox



S[A]NDKËSCHT



- The "Regulatory Sandbox" program aims to provide a **dedicated space** to test and assess **the legal implications** of new technologies and **personal data** use, especially in **artificial intelligence**, in collaboration with innovation players in Luxembourg.

The evolutive approach

- The “Sandkëscht” regulatory sandbox designed to evolve:
 - by enabling skill development as a supervisory authority,
 - and by fostering practical experience in managing the Sandbox.
 - **Regulatory**: supporting innovation actors in their compliance with the GDPR (currently the only effective regulation).
 - **Artificial Intelligence**: Implementing a sandbox dedicated to artificial intelligence, focused on personal data protection, follows a specific plan over a set period.
- A measure of support for effective innovation **IA act**:
 - Operational AI regulatory sandbox (**horizon 2026**).



Entry Mechanism



■ Entry into the Sandbox

Participating Organisation:

- Any entity registered in Luxembourg, regardless of its size, sector of activity, or status.

Innovation :

- Projects can focus on the development, integration, or use of new technologies, particularly artificial intelligence systems.

Benefits for individuals or society in general :

- This includes products or services that provide benefits to consumers or optimize the use of resources such as digital transformation, ecological transition, and more.

The Participation mechanism

Focused on personal data protection :

- A specific plan defined in collaboration with the participating organization.
- Project monitoring in the sandbox adjusted based on the challenges encountered and issues to be resolved during the experimentation.
- A determined duration ranging from **9 to 18 months**, divided into three phases of three to six months each.
- **The 5 Guiding principles:**



The mechanism at a glance



Phase I

Exploring GDPR
compliance
issues

Define the action
plan and
RoadMap



Phase II

Implement the
mitigation plan
and follow up the
measures



Phase III

Gap Analysis

Results
assessment

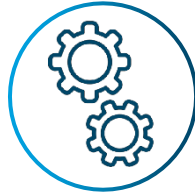
Exit reporting

The benefits



Safe Space

Support data protection in the era of AI complexity



Experiment

Address new processing activities



Compliance

Strengthen the foundations for upcoming regulations



Open discussion

Direct collaboration with the data protection authority



Trusted innovation

Respectful of data subjects rights



Reduce the costs

Prevent corrective actions and remediation costs

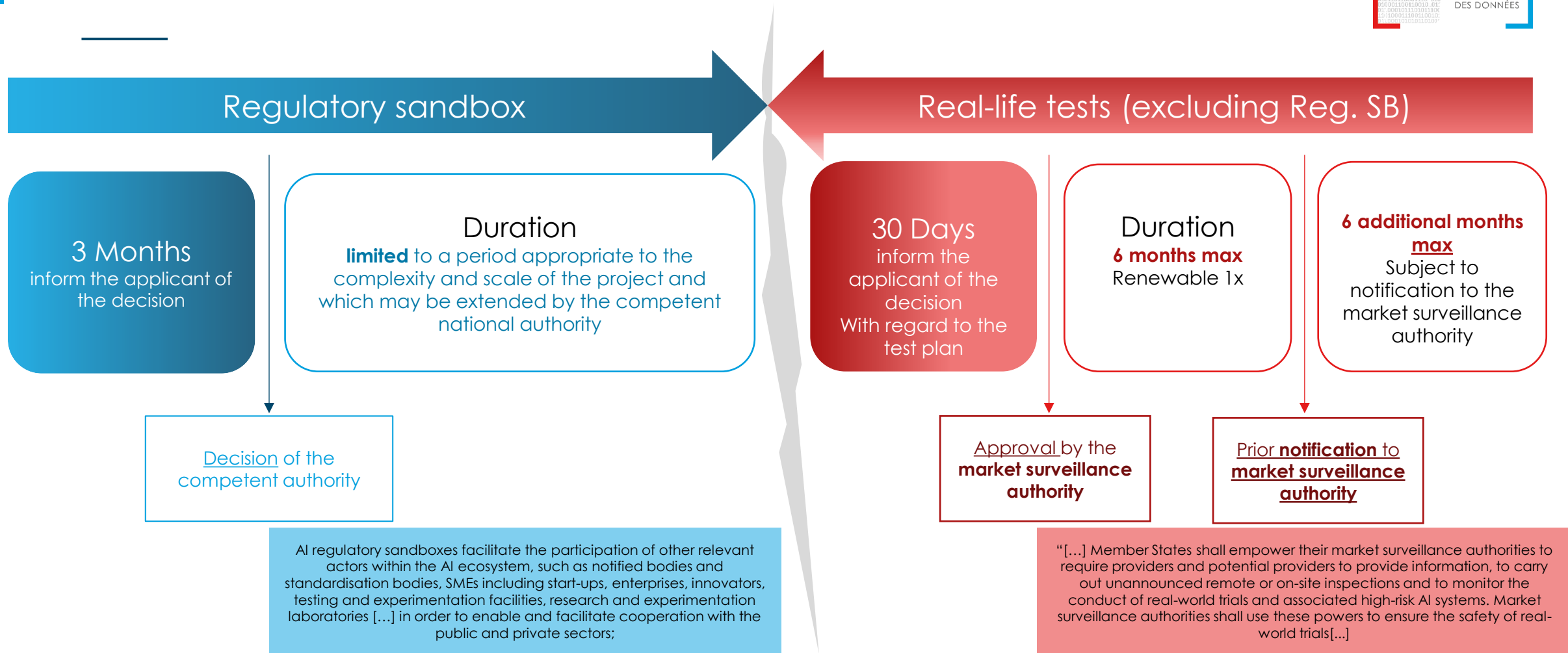
The future

AI Act – New missions for the CNPD (draft law)



- Market surveillance authority (by default)
- Notified body (scope: law enforcement, immigration and asylum)
- Fundamental Rights Authority (with 2 other bodies)
- National Coordinator
- **Responsible for implementing a regulatory sandbox in Luxembourg** (mandatory)

Innovation support measures – Chap. VI IA act



The diagram illustrates the structure of the Luxembourg ecosystem for fundamental rights surveillance, organized into three main components:

- Fundamental rights authorities:** This group includes CNPD, ALIA, and ITM, represented by blue circles of varying sizes.
- Single point of contact:** This group consists of Market surveillance authorities and Notifying authorities, represented by two overlapping blue circles.
- Experts forum:** This group is represented by a large blue circle labeled "Actors in the Luxembourg ecosystem".

Large blue curved lines separate these three main components, indicating a structured flow or relationship between them.

[illegible]

Conclusion



Regulate and support innovation while respecting fundamental rights

Focus on "by design"

Any question ?



MERCI! THANK YOU! DANKE!

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