## Client Update: Malaysia

2022 FEBRUARY



Technology, Media and Telecommunications & Data Protection

# Proposed Amendments to the Personal Data Protection Act 2010 (PDPA): Latest Updates

#### Introduction

In 2018, the Malaysian Government, through the then Communications and Multimedia Minister, announced its intention to carry out a comprehensive review and update the Personal Data Protection Act 2010 ("PDPA"), with a view to aligning the PDPA with international standards and in particular the European Union's General Data Protection Regulation ("GDPR").

Following the announcement, the Department of Personal Data Protection (*Jabatan Perlindungan Data Peribadi*) ("**JPDP**") carried out a review of the PDPA in 2019, which resulted in the issuance of a public consultation paper in February 2020 titled "Public Consultation Paper No. 01/2020 on Review of the PDPA" ("Public Consultation Paper"). In the Public Consultation Paper, the Personal Data Protection Commissioner ("Commissioner") identified 22 general areas within the PDPA which may be subject to amendment, together with brief points explaining the proposed amendments for the purpose of soliciting public feedback.

In February 2021, pursuant to the <u>Malaysian Digital Economy Blueprint</u>, the Malaysian Government acknowledged the importance of facilitating seamless and secure data flows for the development of Malaysia's digital economy, and announced its aim to review and amend the PDPA by 2025. This was again reiterated in the <u>Twelfth Malaysia Plan (2021-2025)</u> tabled by the Prime Minister in September 2021.

As of the date of this Update, no draft amendment bill has been tabled in the Malaysian Parliament.

However, in a recent conference organised and conducted by JPDP, further insights on the possible amendments to the PDPA were indicated by JPDP.

This article seeks to provide a quick update on the status of the proposed amendment bill, as well as further details regarding the proposed changes that will be included in the amendment bill as recently indicated by JPDP.

<sup>&</sup>lt;sup>1</sup> Gobind: Malaysia to update data protection laws | The Star

## Client Update: Malaysia

2022 FEBRUARY



Technology, Media and Telecommunications & Data Protection

#### **Public Consultation Paper and Status of Proposed Amendment Bill**

Pursuant to the Public Consultation Paper issued in February 2020, the Commissioner had indicated several areas to be considered for the purpose of amendments to the PDPA, including proposals to: (i) impose direct obligations on data processors; (ii) introduce a right to data portability; (iii) impose criteria and requirements to appoint data protection officers within organisations; (iv) introduce a mandatory data breach notification requirement; (v) establish a do-not-call registry; and (vi) introduce civil remedies for aggrieved data subjects.

As of the date of this Update, apart from the Public Consultation Paper, no exposure draft of the amendment bill has been made public. Notwithstanding this, JPDP has indicated that an amendment bill has been prepared by the Attorney General's Chambers and it is the intention of JPDP that the amendment bill will be tabled before the Malaysian Parliament sometime later this year. Whether this will happen remains to be seen bearing in mind the legislative backlog of Parliament.

#### **Latest Updates on the Proposed Amendments**

The following is a list of some of the key amendments sought to be made to the PDPA together with more recent information which, taken together, serves to give an indication of the scope of changes being contemplated by the Commissioner:

#### (1) Appointment of Data Protection Officer

Currently, it is not a mandatory requirement under the PDPA for data users to appoint data protection officers ("**DPO**"). Pursuant to the Public Consultation Paper, the Commissioner has proposed to make it mandatory for data users to appoint DPOs, as well as to issue guidelines on the relevant criteria for the appointment of DPOs (e.g. the categories of data users which are required to appoint DPOs).

Recently, JPDP has further indicated that the amendment bill will likely include an obligation on data users to appoint at least one DPO for their organisation.

#### (2) Mandatory Data Breach Notification

There is currently no mandatory requirement under the PDPA for data users to notify the Commissioner of any data breach incident involving personal data. Data breach notifications to the Commissioner are currently made by the data users on a voluntary basis, if at all.

JPDP has recently confirmed that a mandatory data breach notification regime will be introduced in the amendment bill, and that data users will be required to report data breach

## Client Update: Malaysia

2022 FEBRUARY



Technology, Media and Telecommunications & Data Protection

incidents to the Commissioner within 72 hours from the detection of the data breach incident, based on the template data breach notification form provided by the Commissioner. JPDP however did not provide further details as to the conditions and criteria for such notification to be made (e.g. number of affected data subjects, whether only confirmed data breach incidents meeting a certain threshold must be notified to the Commissioner, etc).

#### (3) Direct Obligation on Data Processors to Comply with the Security Principle

Under the current PDPA, data processors do not have any direct obligation to comply with the requirements of the PDPA. Non-compliance with any of the PDPA provisions by the data processors would be the responsibility of the data users.

Pursuant to the Public Consultation Paper, and in view of the increasing frequency of data breach incidents involving data processors, the Commissioner has proposed to introduce provisions in the PDPA to directly regulate data processors as well.

In particular, JPDP has recently confirmed that the proposed amendment bill will impose a direct obligation on data processors to comply specifically with the Security Principle provided under section 9 of the PDPA.

#### (4) Right to Data Portability

Data portability provides individuals with the right to obtain and reuse their personal data for other purposes across different service providers. It is also the right of data subjects to obtain access to their personal data in a structured, machine-readable format which can be transferred from one data user to another in order to obtain services.

In this regard, JPDP has recently confirmed that a new provision will be introduced in the amendment bill to grant data subjects the right to data portability under the PDPA.

#### (5) Removal of White-List Regime for Cross-Border Transfer of Personal Data

In respect of cross-border transfers of personal data, section 129(1) of the PDPA currently prohibits the transfer of any personal data outside of Malaysia, unless the recipient countries have been whitelisted by the Communications and Multimedia Minister ("Minister") in the Federal Gazette.

Pursuant to the Public Consultation Paper, the Commissioner has proposed to revise the provision in the PDPA relating to transfer of personal data outside of Malaysia, in order to provide further clarity on the conditions for cross-border data transfers.

## Client Update: Malaysia

2022 FEBRUARY



Technology, Media and Telecommunications & Data Protection

In this regard, JPDP has recently indicated that the "white-list" regime under section 129 of the PDPA will be replaced with a "black-list" regime. Under the black-listing regime, data users will generally be allowed to transfer personal data overseas, save and except for jurisdictions which have been black-listed by the Minister.

(6) Extension of the Application of PDPA to both Federal Government and State Governments

Both the Federal Government and the State Governments are currently excluded from the application of the PDPA pursuant to section 3(1) of the PDPA.

In view of increasing reports of data breach incidents involving the Government, JPDP has indicated that the amendment bill will extend the application of the PDPA to require both the Federal Government and the State Governments to comply with the requirements under the PDPA, when carrying out personal data processing activities. JPDP has further stated that should this proposal be implemented, there will be a need for JPDP to be an independent commission in order to be able to effectively carry out its regulatory powers under the PDPA.

The proposed changes highlighted above should be welcomed as it would bring the PDPA more aligned with international standards such as the GDPR. Organisations will need to take note of these proposed changes, and in the event that the amendment bill is passed by the Malaysian Parliament during the course of this year, organisations will need to review and update their data protection policies and practices to ensure continued compliance with the PDPA.

We trust the above provides you with a quick update on the proposed amendments to the PDPA. Should you require any assistance or clarification regarding the Public Consultation Paper and the updates provided by JPDP as mentioned above, or about any other matter pertaining to personal data protection, please feel free to get in touch with us at your convenience.

# Client Update: Malaysia

2022 FEBRUARY



### **Contacts**



Deepak Pillai Head Technology, Media & Telecommunications; Data Protection

T +60 3 2275 2675 F +60 3 2273 8310 deepak.pillai@christopherleeon g.com



Intan Haryati Binti Mohd Zulkifli Partner Technology, Media & Telecommunications; Data Protection

T +60 3 2675 2674 F +60 3 2273 8310 intan.haryati@christopherleeong. com



Anissa Maria Anis Partner Technology, Media & Telecommunications; Media & Entertainment

T +60 3 2267 2750 F +60 3 2273 8310 anissa.anis@christopherleeong. com



Yong Shih Han Partner Technology, Media & Telecommunications; Data Protection

T +60 3 2273 1919 F +60 3 2273 8310 shih.han.yong@christopherleeon g.com

## Client Update: Malaysia

2022 FEBRUARY



## **Our Regional Contacts**

RAJAH & TANN | Singapore

Rajah & Tann Singapore LLP

T +65 6535 3600 sg.rajahtannasia.com

R&T SOK & HENG | Cambodia

R&T Sok & Heng Law Office

T +855 23 963 112 / 113 F +855 23 963 116 kh.rajahtannasia.com

RAJAH & TANN 立杰上海

SHANGHAI REPRESENTATIVE OFFICE | China

Rajah & Tann Singapore LLP **Shanghai Representative Office** 

T +86 21 6120 8818 F +86 21 6120 8820 cn.rajahtannasia.com

ASSEGAF HAMZAH & PARTNERS | Indonesia

**Assegaf Hamzah & Partners** 

**Jakarta Office** 

T +62 21 2555 7800 F +62 21 2555 7899

**Surabaya Office** 

T +62 31 5116 4550 F +62 31 5116 4560 www.ahp.co.id

RAJAH & TANN | Lao PDRRajah & Tann (Laos) Co., Ltd.

T +856 21 454 239 F +856 21 285 261 la.rajahtannasia.com

T +84 24 3267 6127 F +84 24 3267 6128

Rajah & Tann Asia is a network of legal practices based in Asia.

Member firms are independently constituted and regulated in accordance with relevant local legal requirements. Services provided by a member firm are governed by the terms of engagement between the member firm and the client.

This Update is solely intended to provide general information and does not provide any advice or create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on this Update.

#### CHRISTOPHER & LEE ONG | Malaysia

Christopher & Lee Ong

T +60 3 2273 1919 F +60 3 2273 8310 www.christopherleeong.com

RAJAH & TANN | Myanmar

Rajah & Tann Myanmar Company Limited

T +95 1 9345 343 / +95 1 9345 346 F +95 1 9345 348

mm.rajahtannasia.com

GATMAYTAN YAP PATACSIL GUTIERREZ & PROTACIO (C&G LAW) | Philippines

Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)

T +632 8894 0377 to 79 / +632 8894 4931 to 32

F +632 8552 1977 to 78 www.cagatlaw.com

RAJAH & TANN | Thailand **R&T Asia (Thailand) Limited** 

T +66 2 656 1991 F +66 2 656 0833 th.rajahtannasia.com

RAJAH & TANN LCT LAWYERS | Vietnam

Rajah & Tann LCT Lawyers

Ho Chi Minh City Office

T +84 28 3821 2382 / +84 28 3821 2673 F +84 28 3520 8206

**Hanoi Office** 

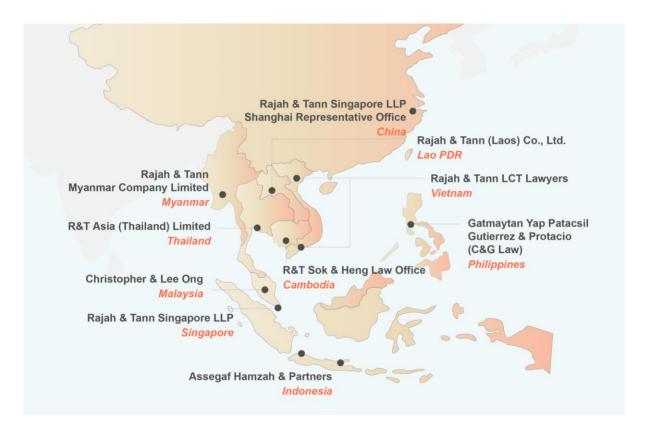
www.rajahtannlct.com

## Client Update: Malaysia

2022 FEBRUARY



## Our Regional Presence



Christopher & Lee Ong is a full service Malaysian law firm with offices in Kuala Lumpur. It is strategically positioned to service clients in a range of contentious and non-contentious practice areas. The partners of Christopher & Lee Ong, who are Malaysian-qualified, have accumulated considerable experience over the years in the Malaysian market. They have a profound understanding of the local business culture and the legal system and are able to provide clients with an insightful and dynamic brand of legal advice.

Christopher & Lee Ong is part of Rajah & Tann Asia, a network of local law firms in Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Our Asian network also includes regional desks focused on Brunei, Japan and South Asia.

The contents of this Update are owned by Christopher & Lee Ong and subject to copyright protection under the laws of Malaysia and, through international treaties, other countries. No part of this Update may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Christopher & Lee Ong.

Please note also that whilst the information in this Update is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as a substitute for specific professional advice for any particular course of action as such information may not suit your specific business or operational requirements. It is to your advantage to seek legal advice for your specific situation. In this regard, you may call the lawyer you normally deal with in Christopher & Lee Ong.