

What kind of responsibility can arise in the event of a data leak or hack of your web and email servers, as well as the loss of customer data for your company?

Thank you for your interest,

we would like to point out that this is an important and current issue, and the handling of data today must be extremely serious and responsible.

In the case of a data leak or hack, legal responsibility may arise:

- 1. The company can be held civilly liable to customers, partners, and other parties whose personal information was compromised by the data leak or hack. This could include claims for damages due to the loss of data.
- 2. The company can be held liable for violations of data protection laws, such as the General Data Protection Regulation (GDPR) and supplementary laws like the Law on Data Protection and Privacy in Telecommunications and Telemedia (TTDSG) in Germany. The failure to take sufficient measures to protect data can increase the company's liability.

For particularly serious violations under Art. 83(5) GDPR, a fine of up to 20 million euros or 4% of the total worldwide annual turnover of the preceding financial year may be imposed.

Source: https://dsgvo-gesetz.de

Violations of the confidentiality of communication can be punished with imprisonment for up to two years or fines, and violations of other provisions of the TTDSG can result in fines of up to EUR 300,000. It should be noted that violations of the telecommunications secrecy are subject to the General Penal Code (StGB) and can be punished with imprisonment for up to five years or fines according to § 206 StGB. Source: https://www.taylorwessing.com

- 3. In regulated industries such as finance, healthcare, or critical infrastructure, the company may face regulatory sanctions from the respective supervisory authorities and additional penalties.
- 4. The company may suffer reputational damage due to a hacker attack, data leak, or negligent handling of data, leading to a loss of trust from customers and partners and potential financial losses. Recovery after such an incident can result in temporary business interruptions and productivity losses, as well as significant financial expenses for improving security systems and data recovery.

To prevent such incidents, you need highly qualified and specialized solutions.

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Please contact us, and we will be pleased to assist you.

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