



Data State Inspectorate  
Republic of Latvia

Data State Inspectorate

Activity Report  
2018

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## Preface

Dear readers of this activity report!



I would like to reach out to you looking back not only to the year of Latvia's centennial anniversary, but also to the year, when special attention was focused on the area of personal data protection and the role of the Data State Inspectorate (hereinafter referred to as the Inspectorate), and personal data protection has evolved rather than revolved not only in our free Latvia, but also in other European Union Member States and all over the world, and to inform you what has been accomplished. This year was symbolic and full of change.

This is the first activity report of such kind, which reveals the most important information about the operating results of the Inspectorate in the area of personal data protection, and the eighteenth public report since the institution was established – 1 January 2001.

On the eighteenth anniversary of the Inspectorate we received a gift, which we have earned mostly through our own efforts – as the awareness of individuals about their right to the protection of their personal data and the purposes of its processing, legal basis and types and means of processing, the role of the Inspectorate has also increased in everyday life in Latvia. Along with growing opportunities and powers, the responsibility of the Inspectorate towards Latvia and international cooperation partners has grown as well.

Personal data protection is nothing new in Latvia or elsewhere in the world. The right to the protection of personal data is part of the right to respect for private life enshrined at both national and European level. Article 8 of the Charter of Fundamental Rights of the European Union provides that everyone has the right to the protection of personal data concerning him or her. On the other hand, Section 96 of the Constitution of the Republic of Latvia provides for the right of a person to respect for private life<sup>1</sup>.

The European Parliament resolution of 6 July 2011<sup>2</sup> on a comprehensive approach on personal data protection in the European Union provides that due to technological developments a thorough evaluation of the current data protection rules is required in order to ensure that the rules still provide a high level of protection and do not unnecessarily hinder everyday processing of personal data (hereinafter referred to as processing). Means of exercising, and awareness of, the rights of access, of rectification, of erasure and blocking of data should be improved. Information on processing must be provided in clear, plain language and in a manner that is easily understandable and accessible. The general data protection rules should also be applied to the areas of police and judicial cooperation. In 2011, the Council of Europe and the European Parliament agreed on the need to review the existing regulatory framework for the protection of personal data.

On 25 January 2012, the European Commission proposed a reform of the 1995 European Union personal data protection rules to strengthen the right to respect for private life and promote European digital economy. The European Commission published a proposal – a general data protection regulation on the protection of natural persons with regard to the processing of personal data and on the free movement of such data. The European Commission updated its proposal and modernised the principles included in Directive 95/46/EC of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data (hereinafter referred to as Directive 95/46/EC), adapting them to the digital era and ensuring a high level of data protection. Such a single European-level law eliminated the existing fragmentation in data protection, which resulted from different data protection standards in each Member State.

<sup>1</sup> Constitution of the Republic of Latvia: adopted on 15 February 1922 (effective from 07.11.1922). Collection of laws and regulations, 1922, No 12; *Latvijas Vēstnesis*, 1 July 1993, No.43.

<sup>2</sup> European Parliament resolution of 6 July 2011 on a comprehensive approach on personal data protection in the European Union <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2011-0323+0+DOC+XML+V0/LV>.

It was the Latvian Presidency, which succeeded in reaching an agreement between Member States on a common position of the Council of Europe on a data protection regulation. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (hereinafter referred to as the General Data Protection Regulation) was adopted on 27 April 2016 within the framework of the reform of data protection in the European Union and its direct application started on 25 May 2018.

With the introduction of the General Data Protection Regulation, Latvia is fully in line with the European Data Protection Authorities and secures its integral phase in this overall path to secure and transparent processing of personal data in the digital era.

It should be emphasised that the protection of personal data in the modern era of information technology and the development of the Internet should only be ensured if each of us makes a more critical assessment of our own activities involving the processing of personal data, and works with the controller, the data protection officer and the personal data protection supervisory authority to prevent personal data breaches and their potential consequences. An equally important aspect are the legal justifications and objectives for the processing of personal data by controllers and processors, which must be consistent with the principles of data protection and comply with the regulatory framework, which means that authorities and organisations process personal data only if the processing of data is necessary and legitimate in order to enable authorities and organisations to comply with their statutory obligations.

The General Data Protection Regulation provides for a significant increase in rights directly to natural persons in terms of obtaining control over their personal data. A number of rights (such as the right to be forgotten, the right to data portability, the right to object to the processing of personal data, etc.), the application of which needs to make the daily life of individuals easier, are now well-defined in an external legislative act binding on Latvia.

2018 (hereinafter referred to as the reporting year) was historical and exemplary for the global personal data protection community through the new legislative act, the General Data Protection Regulation. It should be noted that despite the activities of the Inspectorate in 2016 and 2017, informing the private and public sector (controllers) of the need to review internal laws and processes relating to the processing of personal data, in the reporting year the huge interest in data protection, the “hotline” of the Inspectorate and the high number of requests for information confirmed that the “last-minute syndrome” is alive and well, resulting in a disproportionate increase in workload of the employees of the Inspectorate. The increased workload and the time taken away from families and children, as well as the uncompetitive remuneration made many employees of the Inspectorate reassess the values of life and future work at the Inspectorate.

Although the Inspectorate had to operate in an intensified working regime and in fact, under a double legal framework, because the previous legal framework (the Personal Data Protection Law and Directive 95/46/EC) had to be applied, and after 25 May 2018 it was necessary to be ready for the direct application and supervision of the General Data Protection Regulation, the numbers and funding for positions in the Inspectorate had still remained unchanged since 2016.

Looking at what has been done in the reporting year, I conclude that our Latvia is not that small, especially when it comes to an area that affects everyone. The Inspectorate protects the rights of **1.95 million Latvian residents** by monitoring more than **193,600 commercial companies registered in Latvia**, more than **4,000 medical institutions**, **13** ministries, more than **2,800** national regulatory authorities, educational institutions, libraries and local governments, and many others.<sup>3</sup>

The reporting year was spent under the sign of the General Data Protection Regulation, as demonstrated not only by international conferences and seminars, activities and operational results

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<sup>3</sup> Database of the Central Statistical Bureau. Available at: <https://www.csb.gov.lv/lv/statistika> .

of the Inspectorate<sup>4</sup>, numerous publications in mass media<sup>5</sup>, but also by an increase in the level of public awareness of data protection matters, as well as information summarised by the Latvian Association of Local and Regional Governments on videoconferences broadcast in 2018, where all three videoconferences of the Inspectorate are in the TOP 10 list of most viewed videoconferences of the Latvian Association of Local and Regional Governments<sup>6</sup>.

Looking at the above, I ask myself: how was it possible to do the amount of work indicated in the report with such a small Inspectorate? The answer is simple: the people making up our professional team worked responsibly, in good faith, selflessly, skilfully, tirelessly, shoulder to shoulder, day by day at the very small Latvian supervisory authority, to ensure that, despite insufficient resources and the intense amount of work, the rapid pace of work, the increased attention of society and mass media, the General Data Protection Regulation would start to be applied in our home country and to ensure every person's right to the protection of their personal data.

A great deal has been done in the reporting year and in previous years to fully and qualitatively fulfil the tasks set out in the General Data Protection Regulation, but the ongoing work needs to be continued and the capacity of the Inspectorate should be strengthened. In the coming years, the Inspectorate has also set out one of the tasks – to provide all necessary technical capabilities and technical solutions that meet today's requirements to be as strong as other data protection authorities in the European Union and globally, including ensuring the secure functioning of the system for the notification of offences committed by persons. Additional financial and human resources will inevitably be needed to ensure effective monitoring of personal data protection in Latvia.

The one-stop-shop principle has been successfully made operational in Latvia in the reporting year along with the need for a consistent application of the General Data Protection Regulation. The Inspectorate does not intend to stop at what has already been achieved and has set the objective of developing and strengthening the one-stop-shop principle.

I am convinced that the work carried out by the Inspectorate during the reporting year would not have been possible without the involvement of certified individual data protection officers and support for public awareness measures, with the "Digital Era 2018" forum, organised jointly on 25 May 2018 as excellent confirmation of this.

I would like to thank my colleagues for their contribution to the achievement of objectives of the Inspectorate and the stressful hours spent together during the reporting year. I would also like to express my thanks to the whole team of the Ministry of Justice, particularly the former Minister of Justice Dzintars Rasnačs, the State Secretary of the Ministry of Justice Raivis Kronbergs, the Deputy State Secretary Lila Medina, the Advisor to the Ministry of Justice on data protection Jekaterina Macuka, the representatives of the Association of Certified Data Protection Officers of Latvia Agnese Bobovičā, Ivo Krievs, Arnis Puksts for their support, cooperation, explanations to the public, joint conferences, seminars and exchange of opinions with the Inspectorate, as a data supervisory authority, in the tense but interesting, educational year of development of the data processing and protection area detailed in this activity report. Cooperation partners in Europe and Latvia are also one of the cornerstones of successful operations of the Inspectorate. I give my words of appreciation to the representatives of the European Commission, members of the European Data Protection Board, to the Austrian Data Protection Authority and to other colleagues, as well as to the state joint stock company "Tiesu namu aģentūra", and to the public limited liability company "Latvijas Vēstnesis".

Let cooperation and public awareness in the field of data protection serve us as an excellent and secure start on this path in the digital era!

Yours faithfully,  
Director of the Data State  
Inspectorate  
Daiga Avdejanova

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<sup>4</sup> See Section 2.1 of the activity report.

<sup>5</sup> See Section 4.1 of the activity report.

<sup>6</sup> See Section 4.2 of the activity report.

## 1. Basic information

The activity report has been prepared in accordance with the provisions of Section 13 of the Personal Data Processing Law stating that the Inspectorate shall submit an activity report to the Saeima, the Cabinet of Ministers, the Supreme Court, the European Commission and the European Data Protection Board once a year by 1 March, as well as posting it on its website, and it is also based on the provisions of Article 59<sup>7</sup> of the General Data Protection Regulation.

### 1.1. Legal status of the Inspectorate

In accordance with Section 3 of the Personal Data Processing Law (hereinafter referred to as the PDPL), the Data State Inspectorate (hereinafter referred to as the Inspectorate) is a direct regulatory authority supervised by the Ministry of Justice, which is a data protection supervisory authority within the meaning of the General Data Protection Regulation and fulfils the tasks specified in the General Data Protection Regulation and other regulatory enactments in the field of data processing.

The Inspectorate is acting as a functionally independent authority. The independent status of the Inspectorate is provided for by Article 52 of the General Data Protection Regulation. The status of an independent supervisory authority is an essential component of the protection of personal data and the performance of effective functions.

The Cabinet of Ministers shall implement institutional supervision through the Minister for Justice. Supervision shall not apply to the implementation of the tasks and rights set for the Inspectorate, as well as to the matters of internal organisation of the Inspectorate, including the issuing of internal regulatory enactments, preparation of a reference and decisions relating to employees of the Inspectorate (for example, decisions regarding recruitment and dismissal, transfer of employees and related coordination tasks, secondment, initiation, examination of disciplinary cases, and imposition of disciplinary measures).

The Inspectorate shall ensure the implementation of a constitutional law policy in the field of the law regarding the processing of personal data.

### 1.2. Functions of the Inspectorate

In accordance with Section 4(1) of the PDPL, the Inspectorate shall carry out the tasks laid down in Article 57 of the General Data Protection Regulation, as well as the following tasks:

1. To supervise the conformity of data processing with the requirements of regulatory enactments, also in cases where the controller is prohibited by law from providing information to the data subject and a relevant application has been received from the data subject;
2. To promote the effectiveness of data protection;
3. To ensure the data protection certification procedure;
4. To ensure the examination of qualifications of data protection officers and maintain a list of data protection officers who have passed a qualification examination;
5. Within the limits of its competence, to provide recommendations to the Saeima, the Cabinet of Ministers, local governments and other authorities regarding the issuance or amendment of regulatory enactments, as well as participating in the development of draft legislative and development planning documents and providing its opinion regarding drafts of regulatory enactments and development planning documents prepared by other

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<sup>7</sup> Article 59 of the General Data Protection Regulation: **Activity reports.** Each supervisory authority shall draw up an annual report on its activities, which may include a list of types of breaches notified and types of measures taken in accordance with Article 58(2). Those reports shall be transmitted to the national parliament, the government and other authorities as designated by Member State law. They shall be made available to the public, to the Commission and to the Board.

authorities;

6. To provide opinions regarding the conformity of data processing systems to be created by national regulatory authorities with the requirements of regulatory enactments;
7. To give an opinion to the national accreditation body on the compliance of the certifying authority with the requirements of Article 43(2) of the General Data Protection Regulation and the requirements and criteria of the Inspectorate established in accordance with Article 43(3) of the General Data Protection Regulation;
8. To cooperate with foreign authorities supervising data protection, freedom and accessibility of information, and the prohibition to send commercial communication;
9. To ensure that any data subject's request for personal information is transmitted to the European Judicial Cooperation Unit (Eurojust) and the European Police Office (Europol);
10. To represent the Republic of Latvia in international organisations and at international events in the field of data protection;
11. To carry out studies, analyse the situation, provide recommendations and opinions, and inform the public of topical matters within its area of competence;
12. To perform the tasks specified in other regulatory enactments.

The Inspectorate shall ensure the fulfilment of the tasks set out in regulatory enactments, European Union regulatory enactments and international treaties governing personal data protection, information society services, electronic communications, biometric data processing, activities of the Schengen Information System, human genome research, information technology security, extrajudicial debt collection and operations of credit information bureaus, European Union legislation and international agreements, execution, as well as representing the Republic of Latvia in international organisations and at international events in the field of data protection.

By exercising its rights in the field of personal data protection, the Inspectorate shall monitor the compliance of the processing of personal data with the General Data Protection Regulation both on the basis of the applications received and by proposing initiatives on matters of personal data protection topical to society.

In accordance with Article 58 of the General Data Protection Regulation, the Inspectorate has been given the following powers:

1. investigative powers;
2. corrective powers;
3. authorisation and advisory powers.

Prior to starting the direct application of the General Data Protection Regulation, the Inspectorate identified the areas of risk in the processing of personal data, assessing the risks associated with the processing of personal data, the number of breaches in the defined personal data processing area, as well as foreign experience and information provided on the material risks of certain areas. Since 25 May 2018, this function has been partly replaced by a data protection impact assessment.

The Inspectorate shall also ensure supervision of the processing of personal data provided for in the Law On Operation of the Schengen Information System and shall represent the Republic of Latvia in the Schengen Information System Joint Supervisory Authority, the Europol Joint Supervisory Authority, the Europol Appeals Committee and the Joint Supervisory Authority of the Customs Information System, the European Data Protection Board<sup>8</sup> (a new European Union institution) and the Advisory Committee of the Council of Europe on the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data, as well as at other events of the European Union and international personal data protection authorities.

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<sup>8</sup> Pursuant to Article 94(2) of the General Data Protection Regulation, references to the Working Party on the Protection of Individuals with regard to the Processing of Personal Data established by Article 29 of Directive 95/46/EC shall be construed as references to the European Data Protection Board established by this Regulation.

### 1.3. Main objectives of the activities of the Inspectorate

1. To ensure effective protection and supervision of personal data;
2. To ensure international cooperation in the field of personal data protection and exchange of information with European Union Member States;
3. To ensure supervision and licensing of credit information bureaus.

### 1.4. Main tasks of the reporting year

The main priorities of the reporting year were:

1. Participation in the drafting, coordination of the Personal Data Processing Law and related consultation process in the Saeima, as well as in the drafting of regulatory enactments arising from the PDPL;
2. Drafting of regulatory enactments directly arising from the General Data Protection Regulation (such as the list of areas where the data protection impact assessment is mandatory (pursuant to Article 35(4) of the General Data Protection Regulation);
3. Cooperation with industry representatives in drawing up recommendations for the application of the requirements of the General Data Protection Regulation;
4. Ensuring the processing of personal data by the supervisory authority for the needs of the General Data Protection Regulation;
5. Supervision of the processing of personal data;
6. Carrying out pre-registration checks in the identified risk areas<sup>9</sup>:
  - 6.1. Information on the processing of personal health data;
  - 6.2. Video surveillance with retention of personal data;
  - 6.3. The processing of personal data within the framework of personal data transferred to a country other than that of the European Union or of the European Economic Area, except where the European Commission has established that the third country provides an adequate level of protection in accordance with Article 25(6) of Directive 95/46/EC;
  - 6.4. The processing of genetic data;
7. Supervision of the operation of credit information bureaus;
8. Registration of personal data protection officers;
9. The promotion of international cooperation between European Union supervisory authorities, including the provision of support for a Schengen evaluation visit in the field of data protection in accordance with Regulation 1053/2013 of the European Commission<sup>10</sup>;
10. In strengthening the “consult first” principle in the activity of the Inspectorate, in the light of the Memorandum signed on 15 June 2017, to promote the type of activity of a “customer-friendly authority”. In order to achieve this, to ensure:
  - 10.1. The introduction of an easily perceived flow of information – a simple and comprehensible language for communicating with customers on matters within the authority’s competence;
  - 10.2. Adaptation of internal processes and the control system to apply that principle;
  - 10.3. Strengthening that principle in daily practices of the authority;
11. The implementation of projects co-financed by the European Commission;
12. To further strengthen the capacity of supervisory functions of the Inspectorate in the

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<sup>9</sup> Until 25 May 2018.

<sup>10</sup> Council Regulation (EU) No 1053/2013 of 7 October 2013 *establishing an evaluation and monitoring mechanism to verify the application of the Schengen acquis and repealing the Decision of the Executive Committee of 16 September 1998 setting up a Standing Committee on the evaluation and implementation of Schengen.*

field of control measures, to increase quality control measures by implementing structural reforms to ensure the fulfilment of the tasks set out in Article 57 of the General Data Protection Regulation.

13. Communication with the public:

- 13.1. Informing and educating the public and potential controllers (entrepreneurs, national and local authorities, other institutions) on the data protection reform;
- 13.2. To continue cooperation with means of mass communication providing necessary information, raising public awareness of the processing and protection of personal data, taking into account the existing framework before 25 May 2018 and after the application of the requirements of the General Data Protection Regulation;
- 13.3. To organise a cycle of videoconferences in cooperation with the Latvian Association of Local and Regional Governments in order to promote the awareness of employees of local government authorities of topical issues in the protection of personal data and, in cooperation with other public authorities, to further promote public sector awareness of the processing and protection of personal data;
- 13.4. To inform the public about the application of the requirements of the General Data Protection Regulation by organising informative seminars, publicly available events and participation in the LAMPA festival;
- 13.5. Organisation of an international conference on 25 May 2018 in celebration of the application of the requirements of the General Data Protection Regulation.

The report gives an insight into the progress made towards the priorities set for the reporting year.

#### **1.4.1. Development of national legislation**

The Inspectorate, in cooperation with the Ministry of Justice, in order to ensure the introduction of the requirements of the General Data Protection Regulation at national level, developed and took part in the discussion and updating of the draft Personal Data Processing Law in the Saeima, which enters into force on 5 July 2018.

With the entry into force of the PDPL, the Personal Data Protection Law (hereinafter referred to as the Data Law) was repealed. However, in accordance with Paragraph 2 of the transitional provisions of the PDPL, individual provisions of the Data Law<sup>11</sup> shall apply until the entry into force of the law introducing the requirements of the Directive in Latvia<sup>12</sup>.

The Inspectorate developed draft Regulations of the Cabinet of Ministers' "Rules of Maintenance of the List of Data Protection Officer Qualification and Data Protection Officers", which was submitted to the public consultation in December 2018. The Inspectorate established a working party, the task of which is to develop the Regulations of the Cabinet of Ministers referred to in Section 22 of the PDPL regarding the requirements for obtaining a licence from the authority for supervision of the code of conduct, as well as the procedures for and cases of issuing, suspending and revoking the licence.

The Inspectorate participated in the process of drafting and coordination of the draft law

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<sup>11</sup> Directive (EU) 2016/680 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties, and on the free movement of such data, and repealing Council Framework Decision 2008/977/JHA

<sup>12</sup> Sections 2, 3(1) and 3(4), 4, 6, 7, 8 and 9, 10(1), 10(2), 10(3) and 10(4), 11(3), 11(6), 11(10) and 11(11), 12, 13 and 14, 15(1) and 15(2), 15(3)(1), 15(3)(2), 15(3)(3), 15(3)(4) and 15(3)(6), 15(4) and 15(5), 16 and 20, 21.1(1), 21.1(3) and 21.1(4), 21.2(1), 25(1), 27, 28(1), 28(2)(3) and 28(2)(4), 29(1), 29(3)(1), 29(3)(2) and 29(3)(4), 29(4)(1), 29(4)(2), 29(4)(3), 29(4)(6), 29(4)(7) and 29(4)(8), 30(1) and 31

implementing Directive (EU) 2016/680 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties, and on the free movement of such data, and repealing Council Framework Decision 2008/977/JHA in Latvia.

#### **1.4.2. Data protection impact assessment**

The Data Law that was in force in Latvia before 25 May 2018 laid down the procedures for the registration of personal data processing, which may result in a special risk for the processing of personal data. In the General Data Protection Regulation, the registration obligation, for the purposes of reducing administrative burden, has been replaced by a self-control mechanism of the person responsible for the processing of personal data – data protection impact assessment. A data protection impact assessment is a process designed to describe the processing, assess its necessity and proportionality and help manage risks to the rights and freedoms of persons resulting from the processing of personal data, assessing them and identifying measures to prevent them. A data protection impact assessment is a set of important accountability tools, because they help *controllers* not only to ensure compliance with the requirements of the General Data Protection Regulation, but also to demonstrate that appropriate measures have been taken to comply with the General Data Protection Regulation.

Registration of the processing of personal data is equivalent to a data protection impact assessment and controllers who previously registered the processing of personal data do not have to carry out a data protection impact assessment until their processing of personal data changes.

In view of the fact that the draft of fields of the data protection impact assessment was agreed with the European Data Protection Board, the Inspectorate had to contribute a considerable amount of work in its preparation, including evaluating and listing the recommendations made by the European Data Protection Board.

When drawing up the list, the Inspectorate took into account the guidelines prepared by the European Data Protection Board and the criteria for carrying out a data protection impact assessment that are included in them. The list therefore covers the fields of processing of personal data<sup>13</sup>, in which the processing of personal data could pose the greatest risks to the rights and freedoms of a person.

#### **1.4.3. Cooperation with industry representatives and institutions in the application of the requirements of the General Data Protection Regulation**

In the reporting period, the Inspectorate ensured cooperation with industry representatives in drawing up recommendations for the application of the requirements of the General Data Protection Regulation in data protection matters in the following areas:

1. The financial sector;
2. Lawyers;
3. The insurance sector;
4. Personnel management;
5. Information and communication technologies;
6. Drafting of binding regulations for local governments;
7. The health sector.

In addition to all educational activities for the population and institutions, by Resolution No. 1.1.1/10 of the Prime Minister of 22 May 2018 the Ministry of Justice was instructed to set up an independent working party to provide methodological assistance in implementing the General

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<sup>13</sup> Data protection impact assessment available at: <https://www.dvi.gov.lv/lv/datuaizsardziba/organizacijam/ieteikumi/>.

Data Protection Regulation, as well as to coordinate public awareness measures on this Regulation. This working group included representatives from the Ministry of Economics, the Ministry of Culture, the Ministry of Health, the Ministry of Welfare, the Ministry of Education and Science, the Ministry of Transport, the Ministry of Environmental Protection and Regional Development, the Ombudsman of the Republic of Latvia, the State Revenue Service, the Inspectorate, the Legal Commission of the Saeima, the Latvian Association of Local and Regional Governments, the Employers' Confederation of Latvia, the Latvian Association of Journalists, the Association of Healthcare Employers, the Association of Certified Data Protection Officers of Latvia and other sectors and ministries.

Three (3) working party meetings were held during the reporting year (on 21 June, 12 September and 8 November) considering various matters, including:

1. The results of the survey on preparedness to meet the requirements of the General Data Protection Regulation were discussed;
2. Requests of data subjects to controllers. Replies were provided, deadlines, enforcement problems;
3. Privacy policy, its implementation;
4. Adaptation of regulatory enactments to the requirements of the General Data Protection Regulation and related solutions, as well as the involvement of the Inspectorate in the process;
5. Most frequent errors in draft legislation regarding the adaptation of the regulatory framework to the requirements of the General Data Protection Regulation;
6. Implementation of the requirements of the Regulation in regulatory enactments, etc.

#### **1.4.4. Provision of opinions to the Constitutional Court of the Republic of Latvia**

During the reporting year, the Inspectorate, within the scope of its competence, also provided opinions to the Constitutional Court of the Republic of Latvia as an outside person in matters regarding:

1. Compliance of Section 3(9.<sup>2</sup>) (1) and (2), Section 9 of the Law On Remuneration of Officials and Employees of State and Self-Government Authorities with Section 96 of the Constitution of the Republic of Latvia.

The contested provisions state: "In order to ensure observation and effective implementation in a way potentially convenient for individuals of the human right to freedom of expression enshrined in Section 100 of the Constitution, the remuneration of all employees of the State and local governments shall be fully disclosed to the public in accordance with the following procedure:

- 1.1. Institutions shall publish the remuneration calculated for all officials and all employees and other amounts of money due to them every month on the website of the institution, indicating the name, surname, position and calculated amount, unless the law provides otherwise;
- 1.2. Information regarding the remuneration calculated for officials and employees of the institution and the amounts of money due to them shall be available on the website of the institution for a period of no less than eight years. If the institution is dissolved, such published information shall still be available on the website of a higher institution until the end of the specified term.";
2. Compliance of Section 14<sup>1</sup>(2) of the Road Traffic Law with Section 96 of the Constitution of the Republic of Latvia.

The applicant requests the Constitutional Court to request that Section 14.<sup>1</sup>(2), Paragraph two of the Road Traffic Law, insofar as it determines that information regarding penalties of the person, which have been applied regarding road traffic violations, not paid within a time period prescribed by the law, as well as other information present in the State Register of Vehicles and Drivers is generally accessible information, does not comply with the Section 96 of the

Constitution of the Republic of Latvia.

Section 14.<sup>1</sup>(2) of the Road Traffic Law provides that information regarding a vehicle owned by a legal person, with the exception of the information referred to in Paragraph 1 of this Section, regarding the rights of a person to drive a vehicle, regarding penalties of the person, which have been applied regarding road traffic violations, not paid within a time period prescribed by the law, as well as other information present in the State Register of Vehicles and Drivers is generally accessible information.

The Inspectorate has already expressed its opinion in the legislative process regarding the conformity of the above-mentioned provisions with the Constitution of the Republic of Latvia, including by asking the President of Latvia in 2017 not to declare amendments to the Law On Remuneration of Officials and Employees of State and Self-Government Authorities.<sup>14</sup>

#### **1.4.5. Satisfaction of inquiries of individuals about their rights**

In the reporting year, 23 inquiries of individuals were satisfied in accordance with the procedures defined in the Administrative Procedure Law, where 7 inquiries were satisfied before 25 May 2018 and 16 inquiries – after 25 May 2018, which is clearly related to the initiation of application of the General Data Protection Regulation. In particular, inquiries in the reporting year were related to:

1. The introduction of the requirements of the General Data Protection Regulation in companies;
2. The protection of customer data of companies (e.g., when issuing invoices, etc.);
3. The involvement of a data protection officer;
4. The determination of the status of a controller/processor or clarification of further course of action.

#### **1.4.6. Provisions of opinions on draft legislation**

213 opinions of the Inspectorate on draft legislation were provided in the reporting year. During the reporting year, the Inspectorate ensured participation in 35 Saeima commission meetings, including the Saeima Human Rights and Public Affairs Commission, the Legal Commission, the Budget and Finance (Tax) Commission, the Economic, Agricultural, Environmental and Regional Policy Commission, the Education, Culture and Science Commission and the Public Administration and Local Government Commission, providing the opinion of the Inspectorate (to be noted, in 6 cases, participation in Saeima commission meetings on draft legislation was ensured at two and even three Saeima commission meetings at the same time), for example:

1. On 30 January 2018 participation was ensured:
  - 1.1. Regarding the draft law “On the Disclosure of Documents of the Former State Security Committee (KGB) and Exposure of the USSR/LSSR Occupation Regime Power System”;
  - 1.2. Regarding the draft law “Amendments to the Law On Credit Bureaus”.
2. On 5 September 2018 participation was ensured:
  - 2.1. Regarding the draft law “Amendments to the Road Traffic Law”;
  - 2.2. Regarding the draft law “Amendments to the Law “On Preservation, Use of the Documents of the Former State Security Committee (KGB) and the Identification of the Fact of Cooperation of Persons with the KGB””.
3. On 12 September 2018:
  - 3.1. Regarding the draft law “Amendments to the Law “On Preservation, Use of the

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<sup>14</sup> Inspectorate’s Letter No. 1-4.1/426-N of 30 June 2017 to the President of Latvia Raimonds Vējonis “Opinion regarding amendments to Section 92 of the State Administration Structure Law”.

Documents of the Former State Security Committee (KGB) and the Identification of the Fact of Cooperation of Persons with the KGB””;

- 3.2. Regarding the draft law “On the Disclosure of Documents of the Former State Security Committee (KGB) and Exposure of the USSR/LSSR Occupation Regime Power System”.
4. On 18 September 2018:
  - 4.1. Regarding the draft law “Amendment to the Criminal Procedure Law”;
  - 4.2. Regarding the draft law “Amendments to the Consumer Rights Protection Law”.
5. On 2 October 2018:
  - 5.1. Regarding the draft law “Amendments to the Credit Institutions Law”;
  - 5.2. Regarding the draft law “Law on Personal Data to be Processed for Law Enforcement Purposes”.

In cases where several meetings were to be attended on one day, it was difficult for the Inspectorate, taking into account its limited resources, to ensure that its role in the legislative process was fulfilled.

#### **1.4.7. Measures for the introduction of the requirements of the General Data Protection Regulation**

The Inspectorate, as the responsible controller, must also ensure compliance with the requirements of the General Data Protection Regulation. For the purpose of this task, the Inspectorate implemented a number of measures:

1. An audit of compliance of internal processes with the requirements of the General Data Protection Regulation has been carried out. The audit assessed the information systems used by the Inspectorate and the compliance of internal documentation with the provisions of the General Data Protection Regulation, and all the personal data processing processes carried out by the Inspectorate were evaluated;
2. Measures have been taken to improve internal organisational measures, including by supplementing the Inspectorate’s privacy policy, ensuring the development of necessary internal documents. The measures mentioned above also include the improvement of the Inspectorate’s notice about the use of cookies on the website of the Inspectorate to ensure compliance with the requirements of the General Data Protection Regulation and regulatory enactments on e-privacy. The Inspectorate identified the necessary improvements and, in cooperation with those who maintain the information system, implemented the audit recommendations for the compliance of technical measures;
3. A personal data protection officer was appointed, and the role of this officer in the internal hierarchy of the Inspectorate was ensured, making the necessary additions to the job description of the officer.

#### **1.4.8. Supervision of the processing of personal data**

During the reporting year, the Inspectorate carried out 306 inspection cases (927 – in the previous reporting period), which include administrative violation cases, administrative proceedings and initiative cases. The reduction in the number of inspection cases compared to the previous reporting period (a drop of 66.9%) is due to changes in the legal framework for the processing of personal data (entry into force of the General Data Protection Regulation), which provides for significantly greater possibilities for the data subjects to exercise their rights without the interference of the Inspectorate.

The inspections were carried out in the areas like:

1. Video surveillance in public places, private properties and institutions;
2. Processing of biometric personal data in sports clubs;
3. Placement of information on apartment debts in common-use premises;

4. Processing of personal data by mass media;
5. Processing of personal data on websites;
6. Processing of personal data in workplaces using official job authorisations;
7. Processing of special categories of personal data (medical data);
8. Processing of data in education institutions.

The Inspectorate received 1206 complaints and applications relating to alleged breaches in the processing of personal data. The applications and complaints under Article 57 of the General Data Protection Regulation were submitted by both data subjects and other public authorities (most often law enforcement authorities), as well as organisations and associations.

With the application of the General Data Protection Regulation, in the case of a personal data breach, the controller shall without undue delay and, where feasible, not later than 72 hours after having become aware of it, notify the breach to the supervisory authority (Inspectorate), unless the personal data breach is unlikely to result in a risk to the rights and freedoms of natural persons. In light of the foregoing and in accordance with Article 33 of the General Data Protection Regulation, the Inspectorate received 46 reports about personal data breaches. Some reports contained several types of breaches. The reports were submitted by credit institutions, public authorities, legal persons. Information on reported personal data breaches is available in Figures 1 and 2.

*Figure 1*  
Reported personal data breaches

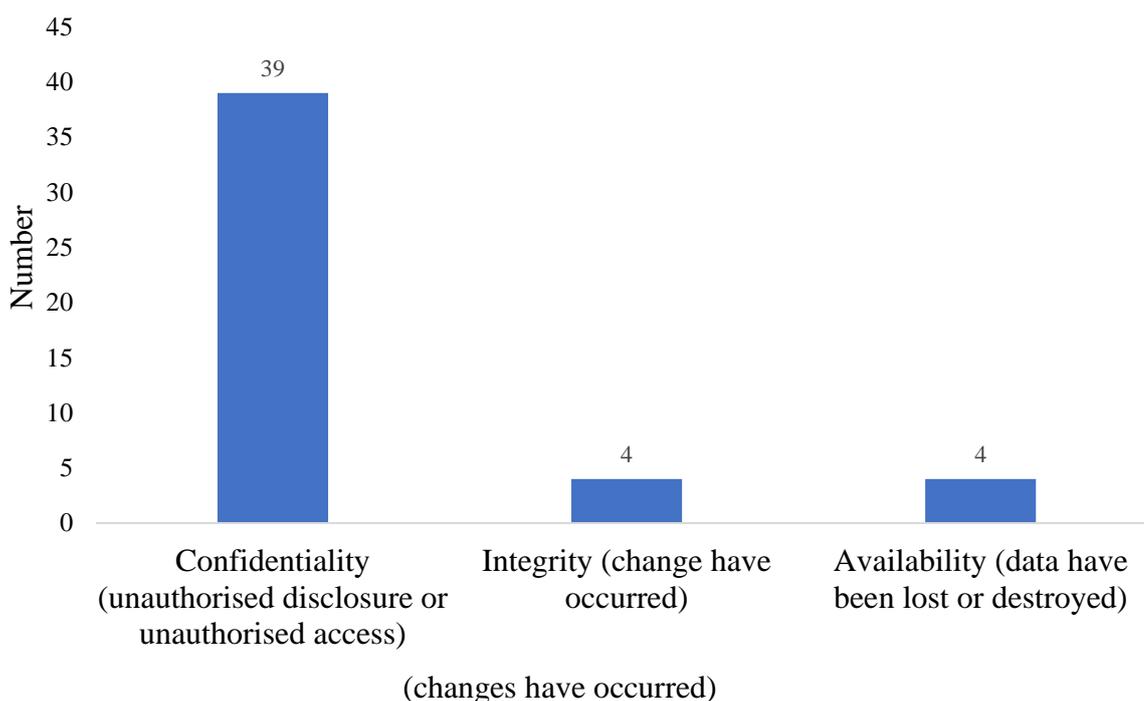
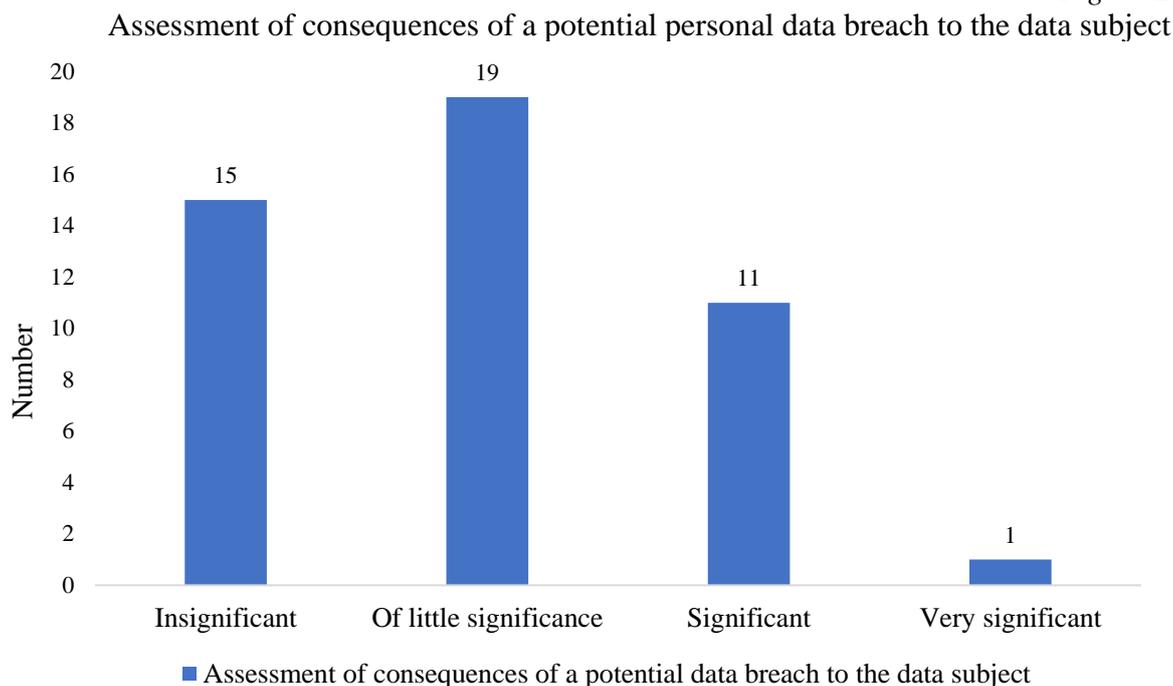


Figure 2



In the reporting year, in 32 cases the controller, pursuant to Article 58(2)(a) of the General Data Protection Regulation, was called upon to fulfil the obligations of the controller as defined in the General Data Protection Regulation (e.g. to comply with the data subject's requests to exercise his or her rights pursuant to the General Data Protection Regulation, implement appropriate technical and organisational measures to ensure and to be able to demonstrate that processing is performed in accordance with the General Data Protection Regulation, to designate a representative in the European Union, to process personal data pursuant to the General Data Protection Regulation and the PDPL, etc.), of which 25 have been satisfied.

97 decisions have been taken in administrative violation cases. In 26 administrative violation cases, the infringer was punished by a penalty, of which a fine was imposed in 12 cases and a warning was issued in 14 cases. The fines applied in administrative violation cases range from EUR 70 to EUR 2000. The number of decisions taken in administrative violation cases compared to 2017 is shown in Table 1.

Table 1  
Decisions taken in administrative violation cases

Year	Decisions taken (number)	Decisions on termination of a case (number)	Penalty applied (number)	including		Total amount of fines (in euro)
				fine imposed (number)	warning issued (number)	
2017	151	86	65	35	30	46,593
2018	97	71	26	12	14	10,230

Penalties were applied for violations for which responsibility is provided for by Article 83(5)(a) of the General Data Protection Regulation (Section 204.<sup>7</sup> of the Latvian Administrative Violations Code) (Illegal handling of personal data) – in 17 cases, by Article 83(5)(b) (Section 204.<sup>8</sup> (Failure to provide information to the data subject) – in 6 cases and by Article 83(5)(e) of the General Data Protection Regulation (Section 204.<sup>10</sup> (Failure to provide information to the Inspectorate)) – in 3 cases. Proceedings in 71 administrative violation cases were terminated stating that the conditions provided for by Section 239(1) of the Latvian Administrative Violations

Code (if there has not been an event or the elements of an administrative violations are not present in it) and Section 239(7) (if the periods of time specified in Section 37 of the Code have elapsed).

### **Use of access rights to databases/information systems for the performance of duties by State and local government officials**

Since the entry into force of the General Data Protection Regulation the rights of data subjects to obtain information from the controller have significantly increased, data subjects have expressed particular interest in the existence of their data in different corporate and national databases, and have often expressed concerns about the actions of employees or officials who, in their opinion, accessed personal data, using their official job authorisations.

The Inspectorate examined an administrative violation case in relation to the content of a similar breach type, when a police officer accessed data of other persons and transferred them to a third party, using official job authorisations. As part of the administrative violation case, it was found that the officer, had access to the database for exercising official job authorisations and the officer used that access to obtain information on other persons and later use this information for personal purposes. During the inspection, it was not stated that the data subjects had suffered material or other damage, moreover, the breach was discovered by another competent authority (the Internal Security Bureau) that transferred it to the Inspectorate to be examined according to jurisdiction. In that case, the officer was found guilty and was punished.

### **Unconscious activities of persons, including minors, with personal data on social networks**

As the importance of social networking sites increases in the daily lives of the Latvian population, the number of complaints received by the Inspectorate from data subjects regarding the processing of personal data has also increased. For example, the Inspectorate examined a case where a minor, without being aware of the consequences of his/her own actions, posted publications using personal data of schoolmates on the Internet. It should be noted that the personal data were used together with other types of information which, in general, was an indication of the use of personal data in an offensive manner. However, in this case (as in the majority of similar cases), the Inspectorate assessed the processing of data and distinguished the unlawful processing of data from the context in which they were used. It should be acknowledged that most of the complaints received by the Inspectorate posed a similar problem – to separate the use and the type of personal data and the way in which they are used, however that assessment and separation is essential, since the competence of the Inspectorate is limited to the processing of personal data as such, while the context in which they are used is the responsibility of the State Police or the court.

### **Challenging of administrative violation cases**

In the reporting year, 20 decisions of the officials of the Inspectorate of 97 decisions taken by the Inspectorate officials in administrative violation cases were challenged before the Director of the Inspectorate, constituting only 21% of all decisions taken by the officials.

On the other hand, at the stage of challenging, the Director of the Inspectorate, who considered complaints submitted by individuals concerning these 20 decisions, adopted 20 decisions of the Inspectorate, deciding:

1. To leave unchanged 14 initial decisions of Inspectorate officials, recognising them as justified;
2. To partially amend 1 decision of the official, namely, partially satisfying the individual's claim;
3. To refuse to accept/examine a complaint, including compensating for damages (in respect of 5 initial decisions taken by the official).

Accordingly, in the 14 decisions taken by the Director of Inspectorate in administrative violation cases, by which initial decisions of Inspectorate officials were left unchanged:

1. In 5 cases a fine was imposed for an administrative violation for which administrative responsibility is provided for in accordance with Section 204.<sup>7</sup> (Illegal handling of personal data) of the Latvian Administrative Violations Code (hereinafter referred to as the Code);
2. In 1 case a fine was imposed for an administrative violation for which administrative responsibility is provided for in accordance with 204.<sup>8</sup> (failure to provide information to the data subject) of the Code;
3. A warning was issued in 2 cases (for illegal handling of personal data);
4. In 1 case the administrative violation was found to be of low significance;
5. In 4 cases – the initial decision of the official of the Inspectorate terminating the proceedings without establishing the elements of an administrative violation was left unchanged;
6. In 1 case the initial decision of the official refusing to initiate proceedings was left unchanged.

In the reporting year from the 20 challenged decisions of the Inspectorate officials in administrative violation, 12 decisions have been appealed to the court. In most cases, in 10 cases out of 12, the decisions taken by the Inspectorate, by which the guilty person was called to administrative responsibility and an administrative fine was imposed, most frequently about illegal handling personal data, were appealed to the court. Only in a few cases the decision of the Inspectorate was appealed to the court by a victim in connection with the termination of proceedings in the administrative violation case.

24 court proceedings in total were initiated in the reporting year. If we compare this with the Inspectorate decisions in administrative violations cases appealed to the court in the previous reporting year, it can be concluded that the number of cases appealed to the court in the reporting year decreased, namely, as 3 fewer challenged Inspectorate decisions were appealed than in 2017.

Out of the proceedings ongoing in the reporting year, 10 court proceedings were in the appellate instance, 4 court proceedings were in cassation proceedings, where proceedings in one of which were suspended due to the Supreme Court asking prejudicial questions to the European Court of Justice (on the processing of personal data and freedom of expression when recording videos for journalism purposes).

#### **1.4.9. Pre-registration checks in the identified risk areas**

The Inspectorate registered the processing of personal data until 25 May 2018, because, pursuant to recital 89 of the General Data Protection Regulation the obligation to register the processing of personal data no longer exists after the General Data Protection Regulation is allied directly.

Before 25 May 2018, in accordance with Section 21 of the Data Law, prior to the commencement of the processing of personal data, the controller was obliged to register the processing of personal data in the Inspectorate or to designate a natural person – a data protection officer, if the controller:

1. Intended to transfer personal data to a country, which is not a Member State of the European Union or the European Economic Area;
2. Intended to process personal data by providing financial or insurance services, by organising lotteries, market or public opinion polls, recruitment of personnel or assessment of personnel as a type of commercial activity, providing debt recovery services and credit information processing services as a commercial activity;
3. Processed sensitive personal data, except where the processing of that data was carried out for accounting, personnel registration (legal employment relationships) or was carried out by religious organisations;
4. Processed personal data relating to criminal offences, criminal convictions and

penalties in administrative violation cases;

5. Organised video surveillance with maintaining personal data;

6. Processed genetic data.

In light of the foregoing, before 25 May 2018 the Inspectorate had taken 327 decisions on registration of the processing of personal data, 23 of which were conditional, 162 decisions concerning registration of changes in the processing of personal data (685 personal data processings and 226 changes in registration of personal data processing in the previous reporting period), 38 decisions on refusal to register the processing of personal data, 70 decisions on registration of personal data controllers. Compared to the previous reporting period, the number of registered personal data processings has decreased. This is due to the initiation of direct application of the General Data Protection Regulation.

Upon receipt of a controller's application, the Inspectorate examined the information provided, requesting additional information if necessary and performing a pre-registration check.

When taking a decision regarding registration of the processing of personal data, the Inspectorate issued a decision regarding registration of the processing of personal data to the controller and made an entry in the publicly available personal data processing register.

In accordance with Section 22(9) of the Data Law, for each registration of the processing of personal data, a State fee had to be paid before the submission of the relevant application to the Inspectorate in accordance with the procedure defined by the Cabinet of Ministers and in the amount, which, in accordance with Paragraph 2 of Regulations of the Cabinet of Ministers No. 813 of 27 November 2007 "Regulations Regarding the State Fee for Registration of the Processing of Personal Data and Registration of Changes to the Processing of Personal Data defined in the Personal Data Protection Law" amounted to EUR 28.46 or EUR 56.91. State and local government institutions did not pay the State fee for the registration of processing or changes.

In order to ensure effective supervision of personal data protection, the Inspectorate, similar to how it is done in other European Union Member State, carried out pre-registration checks. Section 22(2) of the Data Law provided that the Inspectorate shall identify the processing of those personal data where risks to the rights and freedoms of the data subject are possible. Such processing of personal data shall be subject to a pre-registration check. Every year, the Inspectorate determined risk areas in the processing of personal data assessing the risks associated with the processing of personal data, the number of breaches in certain areas of personal data processing, as well as experience of foreign countries and the information provided on essential matters in the specific area.

In the reporting year, the following risk areas were identified in the processing of personal data:

1. The processing of personal health information;
2. The processing of personal data within the framework of personal data transferred to a country other than that of the European Union or of the European Economic Area, except where the European Commission has established that the third country provides an adequate level of protection in accordance with Article 25(6) of Directive 95/46/EC;
3. Video surveillance with maintaining personal data;
4. The processing of genetic data.

In the reporting year (until 25 May 2018) 297 pre-registration checks were carried out and commenced (773 pre-registration checks during the previous reporting period). The risk areas in the process of personal data in the reporting period and the pre-registration checks carried out in the risk areas, as compared to the previous reporting period, are shown in Table 2.

Table 2

Risk areas in the process of personal data in the reporting period and pre-registration checks carried out in the risk areas, as compared to the previous reporting period

No.	Risk area of the processing of personal data	Number of pre-registration checks carried out (until the initiation of application of the General Data Protection Regulation on 25.05.2018.)	Pre-registration checks carried out in 2017
1.	Processing of personal health information	87	167
2.	Video surveillance	207	576
3.	Processing of personal data, where personal data are transferred outside Europe	3	30
4.	Processing of genetic data	-	-

In the previous reporting period, most pre-registration checks were carried out in connection with the processing of personal data involving video surveillance. Follow-up checks were carried out with regard to video surveillance, which revealed that the controller had not rectified deficiencies in the processing of personal data (particularly in the context of video surveillance, it was stated that the controller did not provide information to data subjects or did not provide it in accordance with the requirements of the Data Law). The matter of periods of storage of the personal data processing carried out within the framework of video surveillance was topical and was assessed on a case-by-case basis. Compared to the previous reporting period, the number of those controllers has increased, who, following re-assessment, reduced the period of storage of personal data and assessed much more carefully the overall processing of personal data carried out or planned.

One of the challenges of recent years has been to identify who the personal data controller is and who the processor (operator) is, taking into account the specifics of different cases, where personal data are processed. The matter of a joint controller and therefore the distribution of responsibility remains topical.

In several cases, the adequacy of the information submitted by controllers was verified by carrying out checks at personal data processing sites. The pre-registration check resulted in a decision on registration or non-registration by the Inspectorate of the processing of personal data, or in a request for additional information from the controller to prevent and eliminate the non-compliances with the requirements of the Data Law, which were stated during the on-site check. As a result of the pre-registration checks, the controller often chose to improve the knowledge of their employees in the requirements of the Data Law by attending seminars organised by the Inspectorate, as well as by analysing the information provided in the recommendations drafted by the Inspectorate.

#### **1.4.10. Checks for the processing of sensitive<sup>15</sup> personal data, where personal health information is processed**

The Inspectorate designed standard questions for its pre-registration checks, which are intended for additional assessment of the processing of sensitive personal data with regard to observation of the rights of the data subject, as well as the compliance of technical and organisational processing solutions with regulatory enactments. Pre-registration checks were carried out in private practices of medical doctors and in medical institutions – in health centres and several hospitals. The checks also included the processing of personal data by providers of social services, as well as providers of recruitment services, who were planning to obtain sensitive personal data.

The legal basis for healthcare institutions and private practices of medical doctors, providers of sailor recruitment services, performers of clinical studies and providers of social services who registered their processing of personal data with the Inspectorate, was provided by special regulatory enactments – the Medical Treatment Law, the Law On the Rights of Patients, the Law on Social Services and Social Assistance, Regulations with Respect to Health and Safety Protection Requirements and Medical Treatment Onboard Vessels, etc.

The main shortcomings identified by the Inspectorate in the processing of personal data by controllers relating to this risk area:

1. No internal data processing protection rules;
2. Failure to provide adequate information to the data subject on the processing of personal data;
3. Training of employees on the security of the system and procedures and the protection of personal data not guaranteed;
4. The distribution of access rights according to the competence of the employees not respected;
5. No access right control;
6. Information to data subjects on their right to rectify and erase their data not provided.

The Inspectorate requested that the controllers eliminate these breaches informing the Inspectorate accordingly.

#### **1.4.11. Video surveillance checks**

Pre-registration checks in the area of video surveillance continued to show that most controllers did not provide data subjects with information about the controller and the intended purpose of the data processing, as well as storing video surveillance records for a disproportionately long period of time.

Compared to the previous reporting period, the share of cases where video surveillance is widely used in private and multi-apartment houses, as well as in the vehicle using dashboard cameras, decreased proportionally. Similarly, during the reporting period, the number of cases where video surveillance was registered by individuals increased. This is due to the fact that the Inspectorate received many complaints about video surveillance carried out by neighbours.

During the reporting period, the Inspectorate indicated to a number of controllers the need to reduce the size of the video surveillance territory.

The processing of personal data carried out within the framework of video surveillance needs special attention, taking into account the development of information technologies (including the possibilities of transferring and synchronising data) and the possibilities of services offered on the Internet (e.g. observation of employees online, profiling, face recognition software, etc.).

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<sup>15</sup> The term is used in Directive 95/46/EC (1995), while the Regulation uses the term “special categories of personal data” (Article 9(1) of the General Data Protection Regulation).

#### **1.4.12. Checks regarding the processing of personal data relating to the transfer of data outside the Member States of the European Union and the European Economic Area**

The Inspectorate designed standard questions for its pre-registration check, which are intended for additional assessment of the processing of personal data relating to the transfer of data outside the Member States of the European Union and the European Economic Area, as well as the compliance of technical and organisational processing solutions with regulatory enactments. These checks were carried out to ascertain that the controller supervises the performance of the relevant protection measures. If the controller did not certify compliance with the said requirements, the Inspectorate requested it to submit copies of agreements related to the transfer of personal data in order to assess their compliance with Regulations of the Cabinet of Ministers No. 634 of 16 August 2011 “Regulations regarding the Conditions that Must be Included in Personal Data Transfer Agreements” or standard contractual clauses approved by the European Commission for the transfer of personal data to a country which is not a Member State of the European Union or the European Economic Area.

Like in the previous reporting period, part of pre-registration checks carried out in this risk area assessed whether the controller provided information to the data subject on the transfer of data to a country other than a Member State of the European Union or the European Economic Area, as well as the right to access personal information, and the right of the Inspectorate to carry out checks relating to the processing of personal data carried out in third countries. The checks revealed that controllers often did not indicate that they intended to transfer personal data to sub-processors (or processors of processors) and therefore controllers did not impose adequate data security and protection requirements on the sub-processors.

#### **1.4.13. Supervision of the operations of credit information bureaus**

Following the procedure specified in the Law on Credit Information Bureaus and Regulations of the Cabinet of Ministers No. 267 of 2 June 2015 “Regulations Regarding Licensing and Supervision of Credit Bureaus”, two credit information bureaus are registered in Latvia – Joint Stock Company “Kredītinformācijas birojs” and Joint Stock Company “CREFO birojs”. The statutory purpose of operations of credit information bureaus is to contribute to the promotion of responsible crediting and responsible and fair borrowing by fostering the creation of the credit histories of persons, as well as to ensure the protection of the rights of individuals, so that true and complete information is available when assessing creditworthiness. Credit information bureaus are licensed and their operations are supervised by the Inspectorate.

During the reporting year, the Inspectorate performed this supervisory function by carrying out an analysis of the audit reports obtained in accordance with Section 9 of Regulations of the Cabinet of Ministers No. 267 of 2 June 2015 “Regulations Regarding Licensing and Supervision of Credit Bureaus”, as well as by making necessary improvements to the operation of systems identified in the previous audit period.

The Inspectorate also assessed the information received from credit information bureaus within the scope of Section 7(4) of the Law on Credit Information Bureaus regarding the performance of licensable activities.

In addition to the aforementioned, the Inspectorate communicated with credit information bureaus regarding the necessary changes to regulatory enactments in order to improve the achievement of the objective set in the Law on Credit Information Bureaus.

#### **1.4.14. Registration of data protection officers**

As a result of globalisation processes, economic processes today have no geographical borders restricting the application of relevant regulatory enactments, including with regard to the protection of personal data, as there are no general international standards on the processing and

protection of personal data that are binding on all countries. Therefore, a self-regulatory approach to personal data protection may help to eliminate these potential inaccuracies in order to jointly apply personal data protection and privacy requirements. One such self-regulatory mechanism is a personal data protection officer in each particular company or institution. The first institution of a personal data officer was introduced in Germany in 1977 for the private sector as an additional self-regulatory mechanism to help those responsible for the protection of personal data (i.e. controllers) to ensure that their activities complied with legislative requirements.

The main task of a data protection officer is to provide support and advice to the management of an institution or company on personal data processing and protection matters, including tackling challenges in this area.

Article 37(1) of the General Data Protection Regulation lays down the criteria, when a personal data protection officer should be designated by the controller and the processor. In particular, a data protection officer should be designated if:

1. The processing is carried out by a public authority or body (regardless of the data being processed);
2. The core activities of the controller or the processor consist of processing operations which require regular and systematic monitoring of data subjects on a large scale;
3. The core activities of the controller or the processor consist of the processing on a large scale of special categories of data and personal data relating to criminal convictions and offences.

Section 17 of the PDPL provides that duties of a data protection officer may be fulfilled by a person meeting the criteria set out in Article 37(5) of the General Data Protection Regulation. The controller or the processor may designate as a data protection officer a person who is included on the List of Data Protection Officers of the Inspectorate in accordance with the procedure specified in this law or another person.

Therefore, the controller may choose – to designate a data protection officer who is included on the List of Data Protection Officers of the Inspectorate in accordance with the procedure specified in this law, or a person who has not passed the qualification examination of a data protection specialist or obtained the qualification of a data protection officer.

Before 25 May 2018, in accordance with the Data Law that was in force, a natural person can be designated as a data protection officer, who has higher education in the field of law, information technology or similar area, and who has been trained in accordance with the procedure set out by the Cabinet of Ministers and has passed an examination at the Inspectorate after completing the training course.

Before 25 May 2018, 46 data protection officers were registered (97 data protection specialists were registered in 2017). Following the initiation of application of the General Data Protection Regulation on 25 May 2018, information on the designation of data protection officers pursuant to Article 37(7) of the General Data Protection Regulation has been provided to the Inspectorate by 497 controllers.

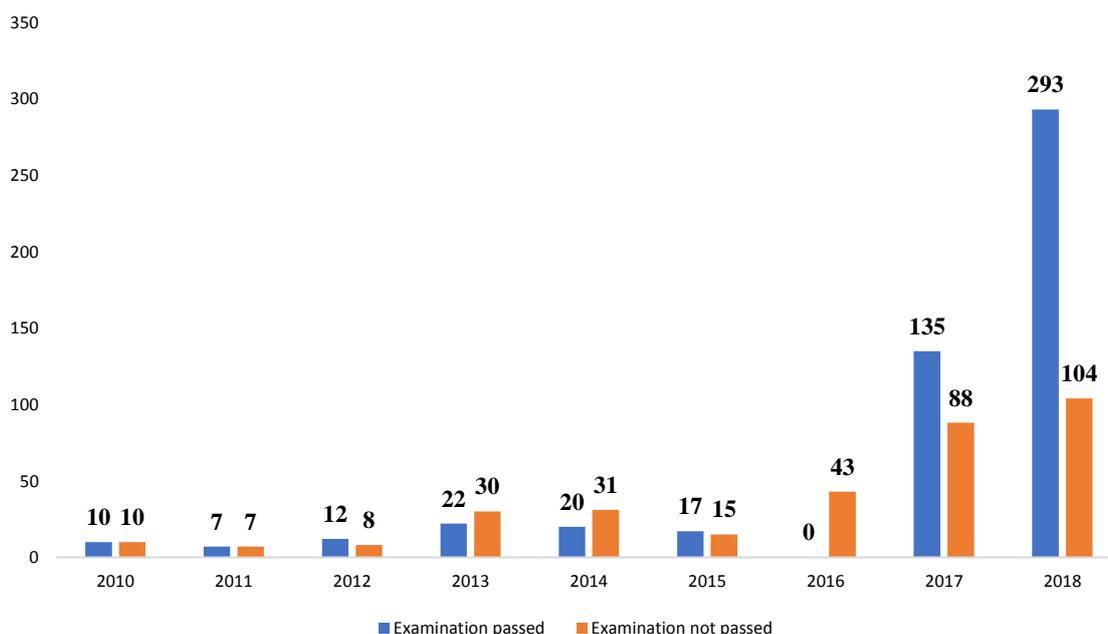
In the reporting year the Inspectorate organised five qualification examinations for data protection officers: on 30 January; on 20 February, on 15 March, on 12 April, and on 8 May.

In general, in the reporting year, 397 applicants participated in qualification examinations for data protection officers – 293 persons were granted the qualification of a data protection officer. 104 applicants did not pass the qualification examination for data protection officers.

The results of the qualification examinations for data protection officers in 2010-2018 are provided in Figure 3.

Figure 3

Results of qualification examinations for data protection officers by years



#### 1.4.15. International cooperation

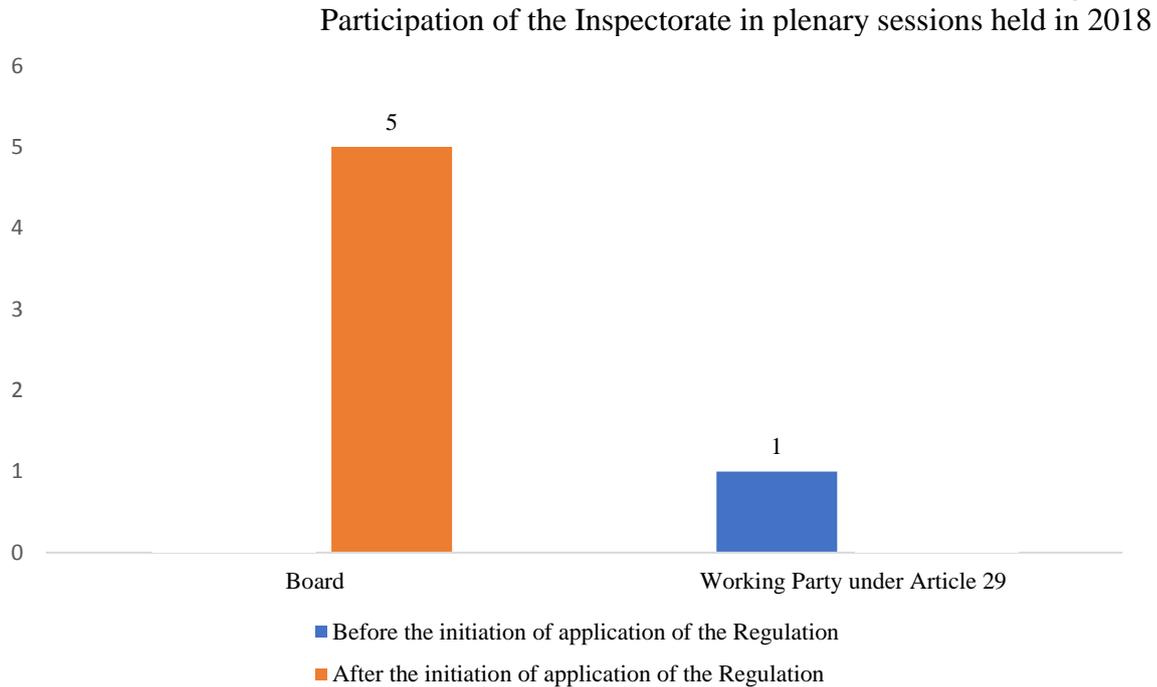
Tasks of the Inspectorate in the field of international cooperation may be broken down into five major categories.

##### European Data Protection Supervisor

Chapter VII of the General Data Protection Regulation sets a clear framework for cooperation and consistency among supervisory authorities of the Member States, partly by establishing the European Data Protection Supervisor. Conceptually, this task is not new. Article 29 of Directive 95/46/EC, which established the scope of personal data protection prior to the direct application of the General Data Protection Regulation, provided for the creation of a collegial (the working party under Article 29 consisted of a representative of the supervisory authority or authorities designated by each Member State and a representative of the authority established for the Community institutions and bodies, as well as a representative of the European Commission) advisory body which was referred to as the Working Party in Article 29. The European Data Protection Supervisor, the establishment of which is provided for in Article 3 of Chapter VII of the General Data Protection Regulation, shall be a body of the European Union and shall be a body entitled to issue binding decisions. The two authorities mentioned (the European Data Protection Board and the Working Party under Article 29) mostly take decisions at plenary sessions requiring the presence of members. Before the plenary session, the matters to be discussed are discussed in the expert working parties. The Working Party under Article 29 convened plenary sessions on a quarterly basis for decision-making purposes, while the Board is expected to hold scheduled plenary sessions once a month, where necessary, and at least four times a year in the form of extraordinary plenary sessions. The resource of the Inspectorate shall be invested to prepare and ensure full participation in the work of the European Data Protection Board. Preparations for each meeting of the European Data Protection Board include the collection and analysis of large documents and opinion forming on a wide variety of issues. Participation in all planning sessions of the European Data Protection Board has been ensured since September 2018. The Inspectorate shall also participate in the internal meetings of public relations staff related to the planned reflection of the plenary sessions of the European Data Protection Board. The

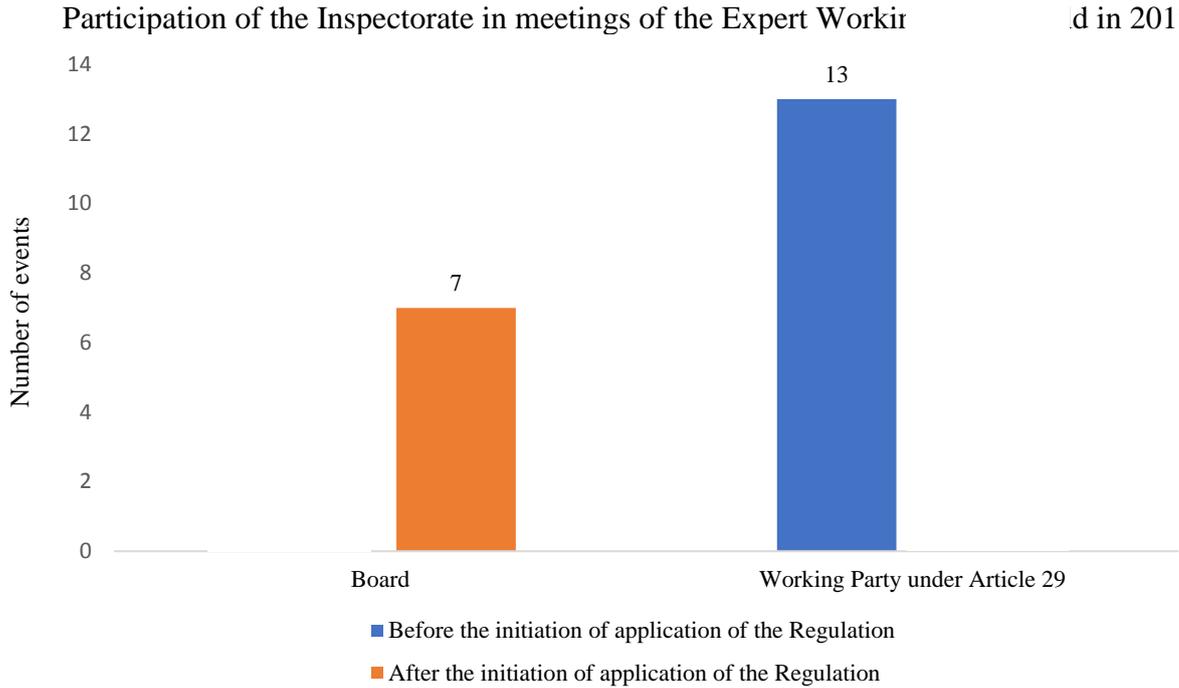
participation of the Inspectorate in plenary sessions in the reporting year is shown in Figure 4.

*Figure 4*



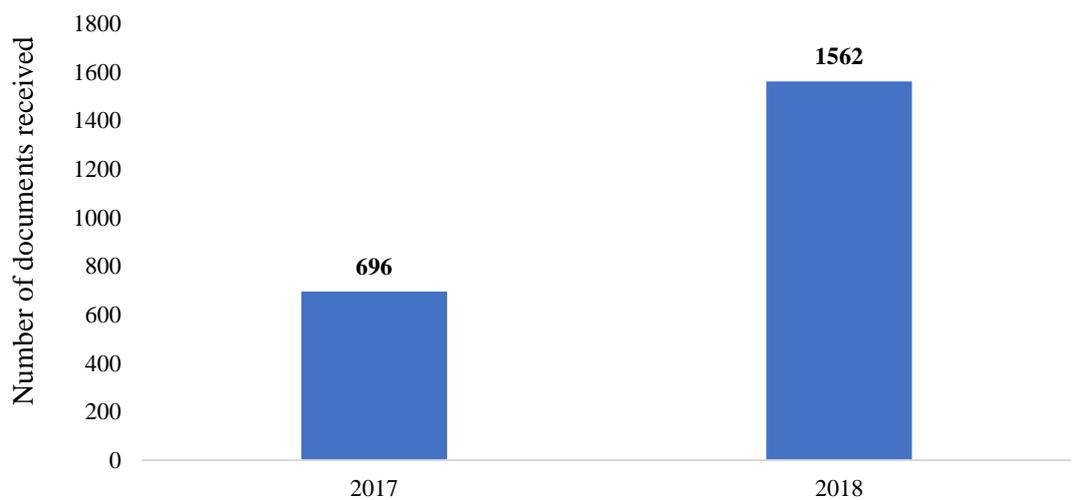
Two new expert working parties have also been set up for the performance of the tasks of the European Data Protection Board as compared to the Working Party under Article 29. The expert working parties shall carry out the tasks assigned by the European Data Protection Board's plenary, which may be related to both the assessment of aspects of interpretation of the General Data Protection Regulation and examination of other data protection matters. Due to the hectic schedule and the considerable increase in the number of documents received, the Inspectorate was unable to ensure participation in all expert working parties of the European Data Protection Board, while, as far as possible, the Inspectorate delegated staff to participate in the meetings which contribute to some clarification of the aspects of the application of the General Data Protection Regulation and provide experiences of the Member States. The documents prepared by the expert working parties are subsequently approved at the plenary sessions of the European Data Protection Board. The participation of the Inspectorate in meetings of the Expert Working Parties held during the reporting year is shown in Figure 5.

Figure 5  
d in 2018



Apart from preparation and participation in meetings, the Inspectorate also needs to ensure increased compliance checks of the translation of documents related to these meetings and decisions taken within them into the Latvian language. The overall increase in work is also illustrated by the volume of documents received by the Division of European Union and International Cooperation of the Inspectorate. Documents received within the framework of international cooperation of the Inspectorate from 1 March 2017 to 31 December 2018 are shown in Figure 6.

Figure 6  
Documents received within the framework of international cooperation of the Inspectorate from 1 March 2017 to 31 December 2018<sup>16</sup>



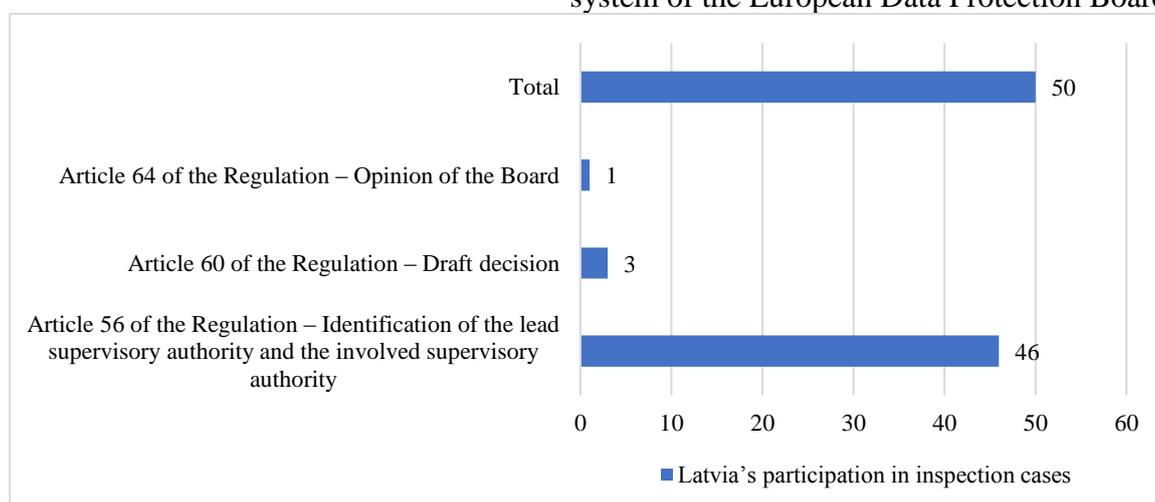
<sup>16</sup> The date of creation of the Division of European Union and International Cooperation was 1 March 2017.

## Internal record-keeping system of the Board

In order to ensure the effective functioning of the Board, the European Data Protection Board introduced an internal record-keeping system. This system is designed to fulfil the tasks set out in Chapter VII of the General Data Protection Regulation in order to make it more efficient to implement the “one-stop-shop” principle and to promote the consistent application of the General Data Protection Regulation among Member States. The compatibility of the record-keeping system established for the fulfilment of the new role within the framework of international cooperation with the record-keeping system of the Inspectorate is currently not ensured. Consequently, in order to be able to ensure the full performance of the tasks of the Inspectorate both as the Latvian direct national regulatory authority and as an active member of the European Data Protection Board, the Inspectorate staff, who are working with this system, must currently perform work using two record-keeping systems. Since the launch of the Internal Information System of the European Data Protection Board, this system includes a larger number of new, initiated cases every month. The Inspectorate believes that the increase in the number of cases is related to the fact that better understanding of the nature of the various investigation cases can lead to a more frequent existence of a component of international cooperation. In the case of Latvia, the majority of cases included in the system do not directly affect Latvia’s interests, but it is the end of the reporting year that marked an increase in the cases included in the system that directly affect Latvian nationals, and the processing of personal data carried out by companies registered in Latvia. The Internal Information Circulation System of the European Data Protection Board is also a tool for harmonising internal decisions and for exchanging information on various issues related to the protection of personal data. The description of Latvia’s participation in inspection cases in the internal record-keeping system of the European Data Protection Board is shown in Figure 7.

*Figure 7*

Description of Latvia’s participation in inspection cases in the internal record-keeping system of the European Data Protection Board



The use of the cooperation and consistency mechanism provided for in the General Data Protection Regulation is a tool providing for a more effective investigation of potential breaches of interests of Latvian data subjects by a company active in another European Union Member State. However, it can be used, for example, in compliance with the “one-stop-shop” principle, by passing the complaint received to the relevant supervisory authority of another Member State of the European Union, as well as by carrying out investigations where a company registered in Latvia has breached the requirements of the General Data Protection Regulation with regard to the protection of personal data of residents of other Member States of the European Union. Last year, the Inspectorate launched an inspection after receiving an application from a European Union

Member State for alleged breaches committed by a Latvian company (the company did not ensure that the information specified in the General Data Protection Regulation was provided to its customers, and the company had not developed a privacy policy), which affected data subjects in at least 12 other European Union Member States.

Within the framework of international cooperation, an inspection of the use of special categories of personal data was also launched to ensure access to premises.

### **Bilateral cooperation activities**

In addition to cooperation within the Board and participation in international conferences, the Inspectorate has also organised an experience exchange activity with the Austrian data protection supervisory authority. Within the framework of the experience exchange, an insight into the methods used in investigation of the experts of the Austrian authority, as well as information on the methods of carrying out inspections was provided.

The Inspectorate welcomed representatives of the Moldovan data protection authority. As part of the visit, information on the activities of the Inspectorate, data protection matters and measures taken to promote personal data protection in Latvia was provided throughout the day.

### **International cooperation beyond the tasks set out in the General Data Protection Regulation**

Duties of the Inspectorate in the field of international cooperation are not limited to those provided for under the Regulation, a number of duties of the Inspectorate are provided for by the Convention and special regulatory enactments of the European Union in the supervision of the European Union's information systems.

### **Supervision of European information systems**

As part of its international cooperation, the Inspectorate continued to fulfil the obligations laid down in other (in addition to the General Data Protection Regulation) regulatory enactments, including examining and providing answers to requests made by data subjects regarding the protection of personal data within the framework of the Schengen Information System and Europol Information System. During the reporting year there was another evaluation of Latvia within Council Regulation (EU) No 1053/2013 of 7 October 2013 establishing an evaluation and monitoring mechanism to verify the application of the Schengen acquis and repealing the Decision of the Executive Committee of 16 September 1998 setting up a Standing Committee on the evaluation and implementation of Schengen. The Inspectorate, receiving the support of the Ministry of Justice, ensured the admission of the commission of evaluation experts, the provision of information to them, as well as ensured support for on-site inspections.

### **Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data (Convention 108)**

In addition to the above, in the reporting year, the Inspectorate continued to participate in the work of the Advisory Committee of the Council of Europe for the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data (Convention 108) by actually participating in meetings, providing the required statistical information and commenting on the working documents prepared.

#### **1.4.16. Consult First**

On 15 June 2017, the Inspectorate signed a memorandum of cooperation on the

introduction of the “Consult First” principle, promoting customer-oriented activities of national regulatory authorities.

The “Consult First” principle requires national regulatory supervisory authorities to cooperate with economic operators and work on the principle that the main idea is not to punish, but to be a trusted assistant and cooperation partner of the entrepreneur in order to improve the business environment in Latvia, including promoting the economic development of the objectives set out in the Government Declaration.

In applying the “Consult First” principle, in 32 cases the Inspectorate has encouraged the controller to fulfil their duties as laid down in the General Data Protection Regulation. In compliance with the requirements of the General Data Protection Regulation, in 25 cases (78%), the controller has complied with the Inspectorate’s encouragement.

As regards the direct application of the General Data Protection Regulation, when assessing data protection breaches, the Inspectorate will continue to apply the “Consult First” principle, ensuring that entrepreneurs have a clear understanding of the applicable requirements. The Inspectorate will continue the internal process and the adaptation of the control system, the assessment of effectiveness, so that the application of this principle continues to be strengthened in daily practices of the Inspectorate, finding the necessary balance between the application of corrective functions of the Inspectorate and consulting of the controller.

The General Data Protection Regulation attaches great importance to self-regulatory measures by businesses involved in data processing, including the development of codes of conduct referred to in Article 40 of the General Data Protection Regulation. Consequently, the Inspectorate has, as far as possible, supported the development of guidelines for the protection of personal data applicable to associations of different sectors within the sector or area concerned. For example, during the reporting year, work on the development of guidelines of the Finance Latvia Association (before 24 July 2018 the Latvian Association of Commercial Banks) was also concluded, the Inspectorate has also worked on guidelines of the Latvian Association for People Management in the field of personal data protection. Work is ongoing on the development of guidelines for the Latvian Information and Communications Technology Association for the processing of personal data. The Inspectorate has also provided advisory support to the Latvian Council of Sworn Advocates in the preparation of personal data protection guidelines.

#### **1.4.17. Implementation of projects co-financed by the European Commission**

In the reporting year, the Inspectorate commenced the implementation of two projects co-financed by the European Commission.

The Inspectorate shall participate as one of the partners in the implementation of the European Commission’s Framework Programme for Research and Innovation Horizon 2020, implementing project No. 786741 “GDPR Compliance Cloud Platform for Micro Enterprises” (abbreviated as SMOOTH) under the Work Programme 2016-2017. As part of the SMOOTH project, work was started on the development of the SMOOTH cloud platform. The project to integrate a number of tools into the platform to ensure its functioning, the development of which is also envisaged within the framework of this project. It includes the development of SMOOK SOOTHTEXT, SMOOTHDATA, SMONLINE Web, SMONLINE App SMOOKIT tools. These include solutions that will allow an automatic analysis of privacy-related text documents, which could provide future multi-lingual text-mining and high-complexity machine learning research and technological solutions, to carry out a storage analysis of personal data that could provide future research and technological solutions for data integration and analysis methods in databases, carry out an analysis of personal data on websites and mobile apps that could provide research and technological solutions for online direct marketing and data leakage in the future. In addition, the project provides that the platform user will be able to use easily readable materials on matters related to the application of the General Data Protection Regulation applying directly to that audience. However, the main objective of the platform under the Grant Agreement is to provide

microenterprises with the possibility of obtaining an automatically generated compliance report on the compliance of these enterprises with the General Data Protection Regulation but in the event of any non-compliance, to obtain recommendations for their elimination.

The implementation period of the SMOOTH project is from May 2018 to November 2020 with foreign funding of 61,875 euros, and total funding of 64,474 euros. In 2018, 8,483 euros were spent within the SMOOTH project.

Project implementation is divided into 10 job packages broken down into related task sets. Since the launch of the project to the end of the reporting year, initial tasks had been carried out in all work packages, and a temporary version of the platform had been developed, and preparations for the algorithm learning process under the platform, and work on the implementation of information dissemination activities in accordance with the information dissemination strategy developed by the responsible project partners was also started.

The Inspectorate is the leading partner in the project “General Data Protection Regulation – Opportunities and Liability for Small and Medium-Sized Enterprises (SMEs); Rights and Risks to Minors” (hereinafter – DPSME), project 814774 within the Rights, Equality and Citizenship Financial Programme 2014-2020 of the European Commission’s Directorate-General for Justice.

The project will be implemented in all regions of Latvia (the cities of Riga, Jelgava, Cēsis, Jēkabpils, Ventspils, Valmiera, Daugavpils, Liepāja, Ludza). The project aims to target minors aged 13-17 and small and medium-sized entrepreneurs. On the other hand, the organisational measures related to its implementation were launched at the end of the reporting year.

The implementation period of the DPSME project is from December 2018 to November 2020 with foreign funding of 96,000 euros, and total funding of 142,029 euros.

## 2. Financial resources and operational results of the institution

The budget of the Inspectorate for the reporting year consisted of sub-programmes 09.02.00 “Protection of personal data” and 70.10.00 “Implementation of projects and measures of other EU policy instruments (2014-2020)”.

The financing of the inspection includes three sources of revenues:

1. A grant from general revenues;
2. Paid services and other own revenues;
3. Foreign financial assistance.

### 2.1. State budget funding and its spending

In the reporting year, additional funding of 50,000 euros was granted for the organisation of the international conference (forum) on progress in the implementation of the General Data Protection Regulation in the EU.

The use of funding and the performance of the indicators in the reporting year and their comparison with 2017 are reflected in Table 3 “State budget funding and its spending in 2018”.

*Table 3*  
State budget funding and its spending in 2018

No.	Financial indicators	Previous year (actual performance), euros	reporting year, euros	
			approved by law	actual performance
1.	Financial resources to cover expenditure (total)	690,140	700,898	782,894
1.1.	grants	614,929	666,665	654,478
1.2.	paid services and other	75,211	24,333	119,933

	own revenues			
1.3.	foreign financial assistance	0	9,900	8,483
2.	Expenditure (total)	620,093	742,645	705,996
2.1.	maintenance expenses (total)	612,115	728,587	699,479
2.1.1.	current expenses	612,115	728,342	699,265
2.1.3.	subsidies, grants and social benefits	0	245	214
2.2.	capital investment expenses	7,978	11,033	6,517

705,996 euros or 95.1% of the planned expenditure has been spent within the budgetary programme:

1. 697,513 euros or 95.2% was spent in sub-programme 09.02.00. “Protection of personal data”;

2. 8,483 euros or 85.7% was spent in sub-programme 70.10.00 “Implementation of projects and measures of other EU policy instruments (2014-2020)”.

Revenues from paid services and other own revenue has increased by 95,600 euros or 392.9% compared to projected revenues. In view of the role of data protection officers as defined in the General Data Protection Regulation, the number of persons who wanted to pass a personal data protection expert’s examination also increased significantly during the reporting year (see section 2.2.4 of the Report).

In line with the use of resources, in the reporting year, a recommendation “Recommendations of the Data State Inspectorate for the Data Protection Impact Assessment” was developed to inform the public in the field of personal data protection.

The fulfilment of the planned results of the budgetary sub-programme 09.02.00 “Protection of personal data” is summarised in Table 4 “Analysis of fulfilment of results and their performance indicators in 2018”.

*Table 4*  
Analysis of fulfilment of results and their performance indicators in 2018

Indicator name	Projected value	Fulfilment	Explanation
Share of personal data breaches detected (% in the total number of checks carried out)	15	2.4	The share (%) of personal data breaches detected in the total number of checks carried out is 84.0% lower than planned. The performance indicator has not been achieved because of the overhaul in data protection in 2018, the Inspectorate received a large number of applications from the population which, although related to data processing, did not contain any signs of breach. In the opinion of the Inspectorate, the large number of applications is considered to be a positive trend, as this demonstrates that Latvian residents have been informed about the field of personal data protection, and controllers are able to organise data processing processes in accordance with the scope of regulatory enactments.
Number of checks on the processing of	580	1,206	The number of actually registered personal data processing checks increased compared to the planned number of registered personal data

personal data			processing checks by 107.9%. The number of personal data processing checks tends to increase as citizens become more knowledgeable in the matters of processing of personal data and exercise their right to the protection of their personal data.
Number of recommendations developed	1	1	A recommendation "Recommendations of the Data State Inspectorate for the Data Protection Impact Assessment" has been developed
Conference organised, count	1	1	Conference organised on 25 May (Forum) "Digital era 2018. GDPR"
Conference on the implementation of the General Data Protection Regulation, euros	50,000	35,232	The conference (forum) expenses were spent in the amount of 70.5%. In planning the costs of organising the conference, all expenses were planned to be covered from the budget of the Inspectorate. On the other hand, the conference was organised in cooperation with the Ministry of Justice, which resulted in costs being covered both by the Ministry of Justice and from budget of the Inspectorate.
The fee of the Credit Information Bureau and the fee for registration of the processing of personal data or the making of changes to be registered under the Data Law, euros	65,734	45,003	In 2018, fee revenues were 31.5% lower compared to the planned fee revenues, because no registration of personal data processing is required under the General Data Protection Regulation as of 25 May.
Fines imposed by the Inspectorate, euros	14,940	30,454	The total amount of fines collected exceeds the plan by 103.8%. Compared to the expected increase in revenue, it is partly due to the collection of fines imposed during the previous reporting period which were in the appeal process. After the termination of the appeal proceedings, leaving unchanged the inspection decisions, the fines were collected in 2018.

In 2018, the estimated value of performance indicators was partially achieved by the Inspectorate. The main circumstances affecting the implementation of the budget of the Inspectorate in the reporting year were:

1. The application of the General Data Protection Regulation from 25 May;
2. The disproportionately increased amount of work generated by the overhaul due to the initiation of application of the General Data Protection Regulation;
3. The Inspectorate does not have sufficient capacity to perform these functions.

In order to ensure the application of the General Data Protection Regulation and the performance of the new functions, the Inspectorate requested 15 additional positions and funding

for their provision.<sup>17</sup> During the advancement of the draft law “Personal Data Processing Law” a decision was taken that the issue of granting additional funding for 2019 and subsequent years should be considered as a priority measure in the process of preparing the draft State budget.<sup>18</sup>

Additional funding was requested to strengthen the capacity of the Inspectorate in 2019 and subsequent years.

No additional positions and funding were allocated during the process of preparing the State budget for 2019.

## **2.2. Paid services provided**

The Inspectorate provided paid services in accordance with its price list approved by Regulation of the Cabinet of Ministers No. 992 of 24 September 2013, “Price List of Paid Services of the Data State Inspectorate”.

In the reporting year, the Inspectorate provided paid services amounting to EUR 119,933. Compared to 2017, revenue from paid services increased by EUR 44,722 or 59.5%.

The provision of certain paid services offered by the Inspectorate has been discontinued in the light of the initiation of direct application of the General Data Protection Regulation, for example, registration certificates for the processing of personal data are no longer issued, since the General Data Protection Regulation does not provide for the obligation to register processing of personal data.

### **2.2.1. Issuance of a personal data processing registration certificate**

In accordance with Section 22(3) of the Data Law, when registering the processing of personal data, the Inspectorate shall issue the controller or its authorised person with a decision regarding the registration of data processing.

The Inspectorate shall issue a personal data processing registration certificate for the fee in accordance with the price list of paid services approved by the Cabinet of Ministers upon receipt of the request of the persons referred to in Section 21 of the Data Law.

The fee for issuing a personal data processing registration certificate is EUR 14.23. 18 personal data processing registration certificates were issued during the reporting year (40 personal data processing registration certificates were issued in 2017).

### **2.2.2. Completing and printing an application for registration of the processing of personal data**

The Inspectorate advised controllers regarding the completion of an application for registration of the processing of personal data, meeting in person and printing the application for the registration of the processing of personal data. In the reporting year, this fee service was provided to 15 controllers or their representatives (40 application for registration of the processing of personal data were completed in 2017). The service fee is 30.15 euros.

### **2.2.3. Organised seminars in the areas of protection of personal data**

The Inspectorate organised informative seminars on the protection of personal data – the implementation of the General Data Protection Regulation applicable from 25 May 2018, registration of personal data processing, personal data protection audit, video surveillance, etc. personal data protection matters. In the reporting year, the Inspectorate organised one paid seminar

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<sup>17</sup> Annotation of the draft law “Personal Data Protection Law”.

<sup>18</sup> Paragraph 2 of Cabinet of Ministers meeting No. 14 §40 of 6 March 2018 Draft Law “Personal Data Processing Law”.

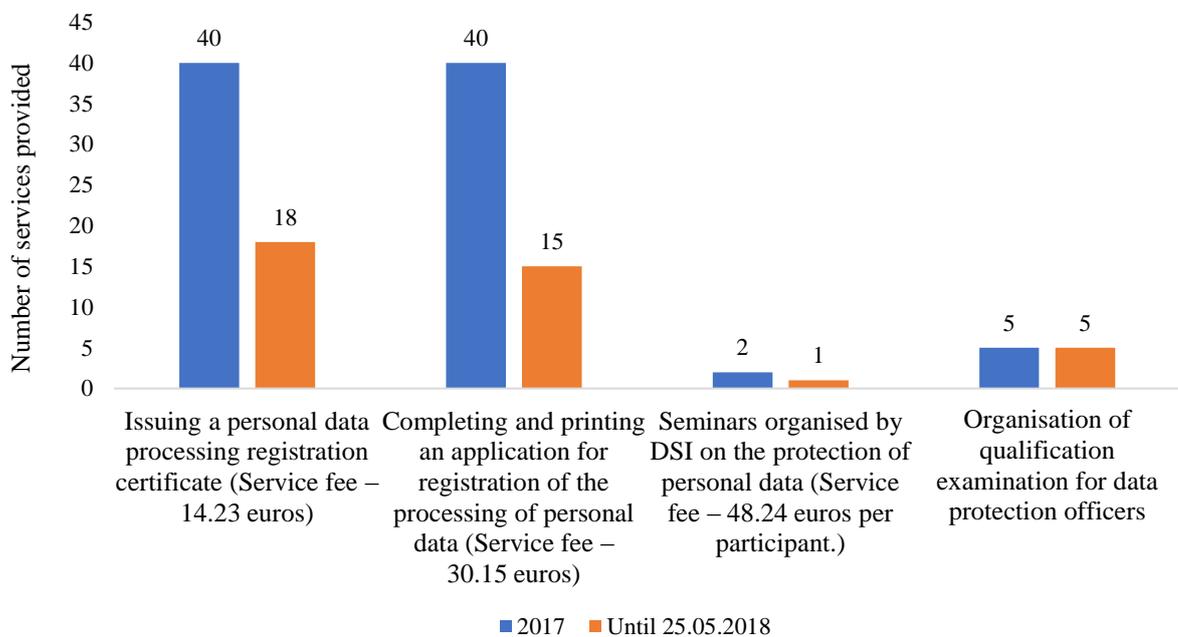
for 118 listeners (two workshops were organised in 2017 for 68 listeners). Service fee – 48.24 euros per participant.

#### 2.2.4. Organisation of qualification examination for data protection officers

The Inspectorate organised five examinations for data protection officers during the reporting year, which were attended by 397 applicants (five examinations for 208 applicants were organised in 2017). The service includes the preparation of examination questions and tasks, the preparation of individual response forms, the organisation of the examination and the evaluation of the results by a commission consisting of three persons, as well as the preparation of a decision on the results of the examination and the issuance of certificates. Service fee – EUR 293.01 per applicant.

The results of the paid services by years are shown in Figure 8.

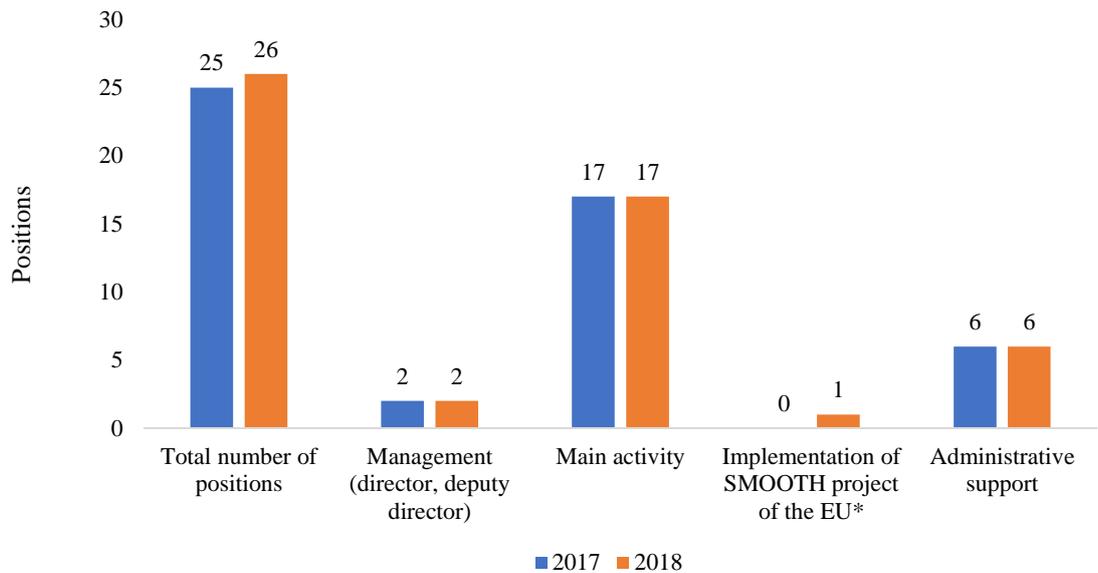
Figure 8  
Paid services provided



### 3. Staff

During the reporting period, 25 positions were approved within the Inspectorate and 1 (one) position was approved for a specified period for the implementation of the SMOOTH project of the European Union from 6 August 2018 to 31 October 2020. On the other hand, with the initiation of application of the General Data Protection Regulation, the number of positions in the Inspectorate remained unchanged despite the fact that the direct application of the General Data Protection Regulation results in an extension of the functions and tasks to be carried out by the Inspectorate. The distribution of positions is shown in Figure 9.

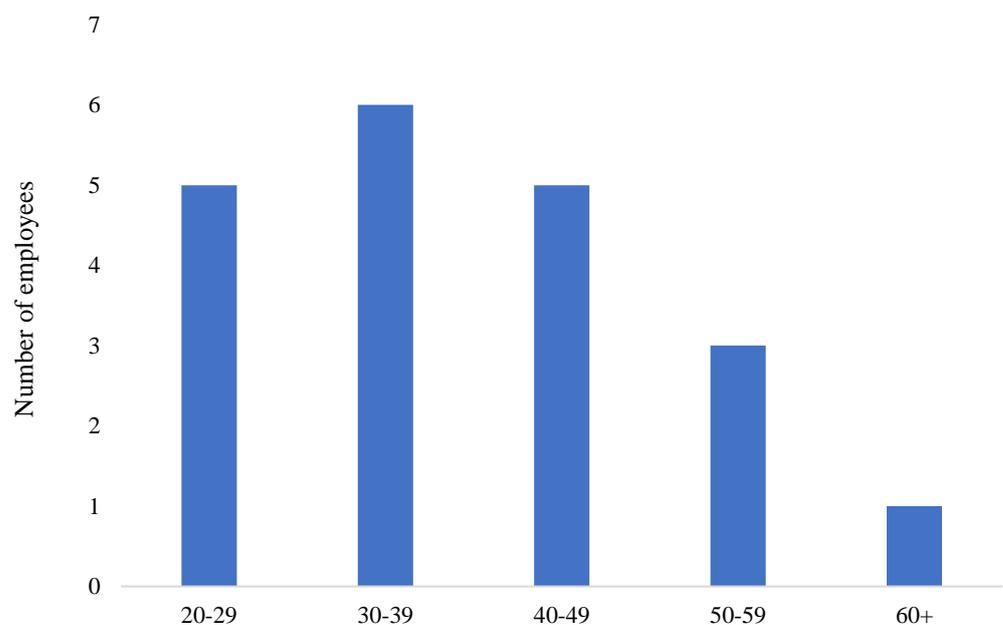
*Figure 9*  
Distribution of positions



\*Position for a specific period of time for the implementation of the SMOOTH project of the EU from 06.08.2018. to 31.10.2020.

20 officials and employees (hereinafter – employees) on average were employed in the reporting year, of which 15 were women and 5 were men. The average age of the employees was 33. The average age of the employees of the Inspectorate was almost the same in the previous reporting year. The breakdown of the employees of the Inspectorate by age groups is summarised in Figure 10.

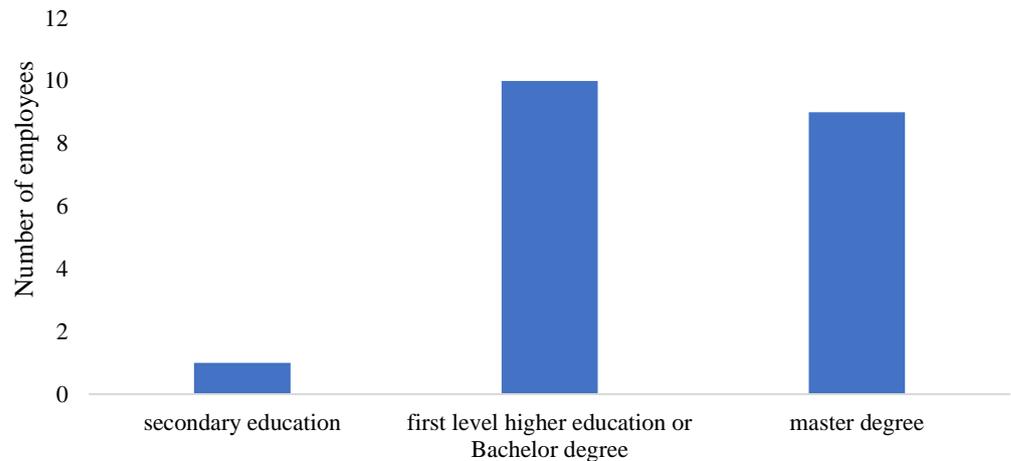
*Figure 10*  
Breakdown of employees by age groups in 2018



99% of the employees have higher education. The breakdown of the employees by the Inspectorate by educational levels is shown in Figure 11.

Figure 11

## Breakdown of employees by education in 2018

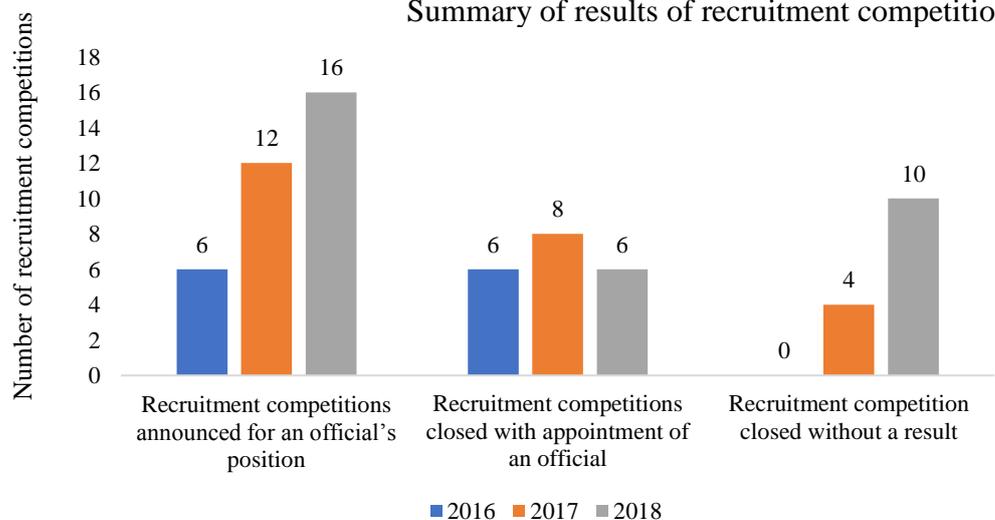


In the reporting year, the civil service relationship with 10 officials and the employment relationship with 2 employees was terminated. During the reporting year, 12 employees representing 48% of all the positions in the Inspectorate, terminated their employment. On the other hand, 8 civil servants were appointed and employment relationships with 3 employees were established. The employees of the Inspectorate indicated that they were tempted to change their job due to the level of remuneration offered by the private sector, the scope of their work and responsibilities being too high, which resulted in mental and physical overload and continued burn-out syndrome.

In the reporting year, recruitment competitions for 16 vacant civil servant positions were announced. However, 10 of these recruitment competitions closed without result, while 6 recruitment competitions ended with the appointment of an official. Information on recruitment competitions during the previous three-year period (before the period of implementation of the General Data Protection Regulation and the implementation and application period of the Regulation) is summarised in Figure 12.

Figure 12

## Summary of results of recruitment competitions



During the reporting period, the average number of filled positions was 20 employees or 76% of twenty-six positions. With the initiation of direct application of the General Data Protection

Regulation, the Inspectorate increased the number of vacant positions in the Inspectorate. The statistics on filled employee positions in the Inspectorate in the reporting year are summarised in Figure 13 and Figure 14.

Figure 13  
Filled employee positions

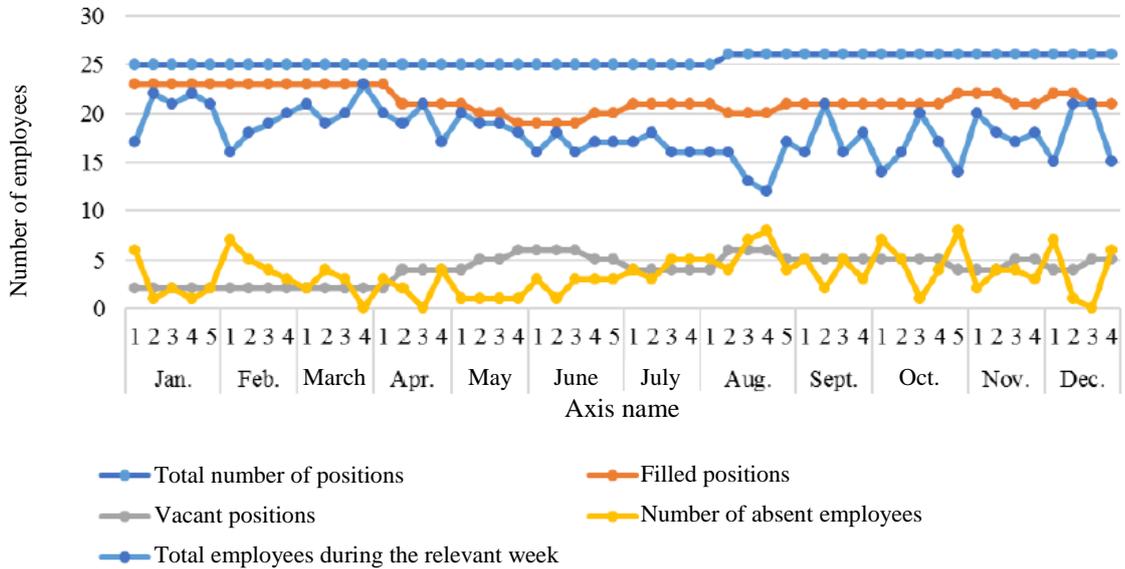
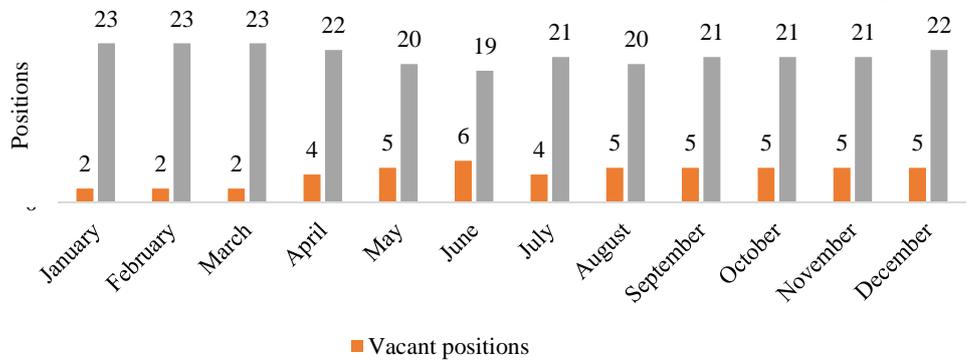


Figure 14  
Statistics on vacant and filled positions



### Awards of employees of the Inspectorate

On 3 May 2018, three employees of the Inspectorate were awarded a Grade II distinction and a “silver” feather at the awards ceremony of the Ministry of Justice and the judiciary system. Two employees of the Inspectorate were recognised for their significant contribution to the development of the legal system and the promotion of international cooperation in the field of law and one employee for significant contribution to the development of the legal system and exemplary and creative fulfilment of job duties. This proves that the employees of the Inspectorate are qualified and professional, capable of providing added value in the field of personal data protection.

## Acknowledgements and appreciations of the Inspectorate



The Inspectorate is proud of the many acknowledgements received during the reporting year from industry representatives for organised seminars and ensuring participation in the events organised by other authorities on the processing of personal data.

The Inspectorate has also received appreciations from other national regulatory authorities for its contribution to the preparation of the national position in legal proceedings and participation in drafting of regulatory enactments.

### 4. Communication with the public

In the reporting year, the Inspectorate, in cooperation with the Ministry of Justice and mass media, ensured public information and awareness of the protection of personal data.

Communication with the public is essential and an important part of the daily work of the Inspectorate, since the entry into force of the General Data Protection Regulation, which has been applied since 25 May 2018. One of the main tasks of the Inspectorate as a supervisory authority is to promote public awareness of the protection of personal data.

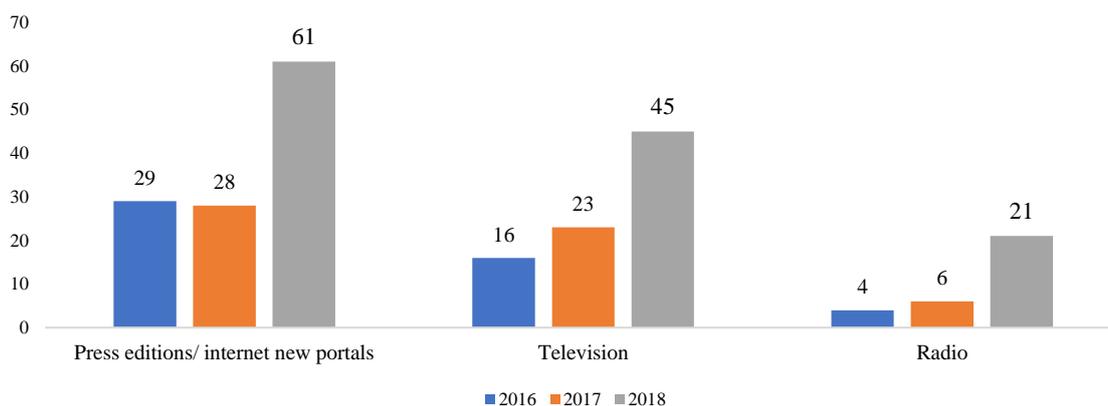
#### 4.1. Public information measures

The public receive information in the field of processing and protection of personal data from the Inspectorate using mass communication tools:

1. Press releases;
2. Television and radio broadcasts;
3. Press publications (printed and electronic);
4. Social networking sites (Facebook.com, Twitter);
5. Conferences, seminars, informative lectures.

During the reporting year, representatives of the Inspectorate, in cooperation with mass media, gave interviews in 127 cases in writing and orally explaining the processing and protection of personal data in accordance with the applicable regulatory framework and the requirements of the General Data Protection Regulation, for the purposes of informing the public. Explanations to mass media are provided for individual personal data protection breaches, including the legality of the processing of personal data using audio and video recording, copying, preservation of personal identification documents, processing of personal data on social networking sites, receiving commercial communications, clarifying the rules of the General Data Protection Regulation, designation of data protection officers, cancellation of the registration of the processing of personal data at the Inspectorate as of 25 May 2018. Cooperation with mass media is shown in Figure 15.

Figure 15  
Cooperation with mass media



#### 4.2. Informative educational activities

Every day the new expression ‘General Data Protection Regulation’, which is well-known to professionals, but is foreign for many people, was heard in shopping centres, preschool education institutions, secondary schools, universities, mass media, ministries and public administration and local government institutions, as well as at official events. In order to explain the myths developed in society about the application of the General Data Protection Regulation, the Inspectorate, in cooperation with the Ministry of Justice, explained to citizens their rights, the duties of controllers and data processors having developed information materials for society “Myths and Truth”<sup>19</sup>.

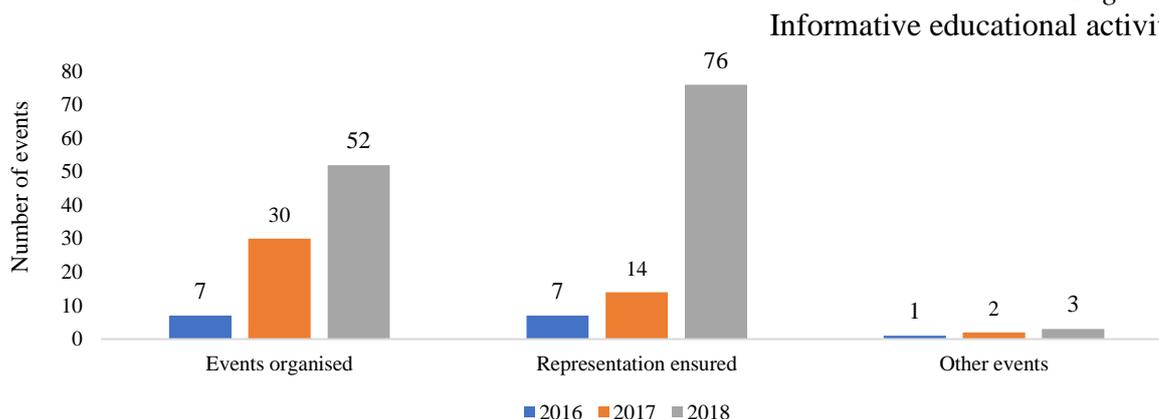
In the reporting year, the Inspectorate:

1. Organised 52 (fifty-two) informative lectures and seminars on the protection of personal data and on the application of the Regulation to representatives of the public and private sector;
2. Ensured the representation of experts in 76 (seventy-six) seminars, discussions and conferences, meetings and working parties organised by other institutions and economic operators;
3. Organised other events:
  - 3.1. On 26 January 2018, an open-door event in honour of the European Data Protection Day (28 January), in which pupils took part. Pupils were informed of the basic principles of personal data protection, their rights as data subjects and the risks to the protection of their personal data were explained to them;
  - 3.2. On 29 June 2018 Participation in the annual “LAMP” festival on the most pressing topics in the protection of personal data following the entry into force of the General Data Protection Regulation;
  - 3.3. The Ministry of Justice organised the “Themis Run”, where pupils attended the Data State Inspectorate and were informed about basic principles of personal data protection, the structure of the institution and the goals of its activity (29.09).

Informative educational activities are presented in Figure 16.

<sup>19</sup> The information material “Myths and Truth” is available at: <https://www.dvi.gov.lv/lv/zinas/miti-un-patiesibaspariga-datu-aizsardzibas-regula/>

Figure 16



### Videoconferences

In informing the public, the Inspectorate in cooperation with the Latvian Association of Local and Regional Governments, organised three videoconferences on latest news.<sup>20</sup>

The videoconferences were divided into three parts:

1. The process introduction and application of the requirements of the General Data Protection Regulation, the appointment of a data protection officer and practical aspects of the preparation of a data processing compliance assessment (23 February 2018);
2. The processing of personal data in local government authorities, the publication of personal data in local government editions and on websites, the processing of personal data during City Council meetings and technical solutions for ensuring the fulfilment of data protection requirements (28 February 2018);
3. The processing and protection of personal data in State and local government single customer service centres, education institutions, libraries. How to ensure the processing of personal data in conformity with the requirements of regulatory enactments. What conditions should be met to prepare for the changes of 25 May 2018 (16 March 2018).

All three videoconferences are TOP 10 videoconferences on the list of the Latvian Association of Local and Regional Governments, and that is why the Latvian Association of Local and Regional Governments states that the reporting year was spent under the sign of the new General Data Protection Regulation.<sup>21</sup>

### International forum Digital Era 2018

The fifth data security forum Digital Era 2018: GDPR and Data Security Forum 2018, which marked the initiation of direction application of the General Data Protection Regulation in EU Member States in the reporting year, was organised on 25 May 2018.

In 2018, the International Forum was organised by the Ministry of Justice in cooperation with the Inspectorate, the IT company “Data Security Solutions” and the Association of Certified Data Protection Officers of Latvia. The International Forum took place at the National Library of Latvia. The International Forum was attended by 820 visitors in person and 4634 interested persons followed the International Forum online. 67 rapporteurs spoke at the international forum making presentations in Latvian (32), English (16), organising panel discussions in Latvian (2) and English (1), 2 panel discussions and 10 presentations in both languages.<sup>22</sup>

<sup>20</sup> Materials of these videoconferences are available at: <https://www.dvi.gov.lv/lv/video/>

<sup>21</sup> The information is available here <https://www.lps.lv/lv/zinas/lps/4546-desmit-popularakas-latvijas-pasvaldibasvieniibas-videokonferences-2018-gada>.

<sup>22</sup> Information about the international forum is available at: <https://www.digitalaera.lv/lv> .  
Video materials of the International Forum are available at <https://bit.ly/2UvGjRt> .

The event was nominated as one of the candidates for the prestigious WSIS Prizes in 2018 under the heading “Building confidence and security in the use of ICTs”.

*Figure 17*  
Press conference before the International Forum Digital Era 2018: GDPR and Data Security Forum on 25 May 2018  
*/photo/*

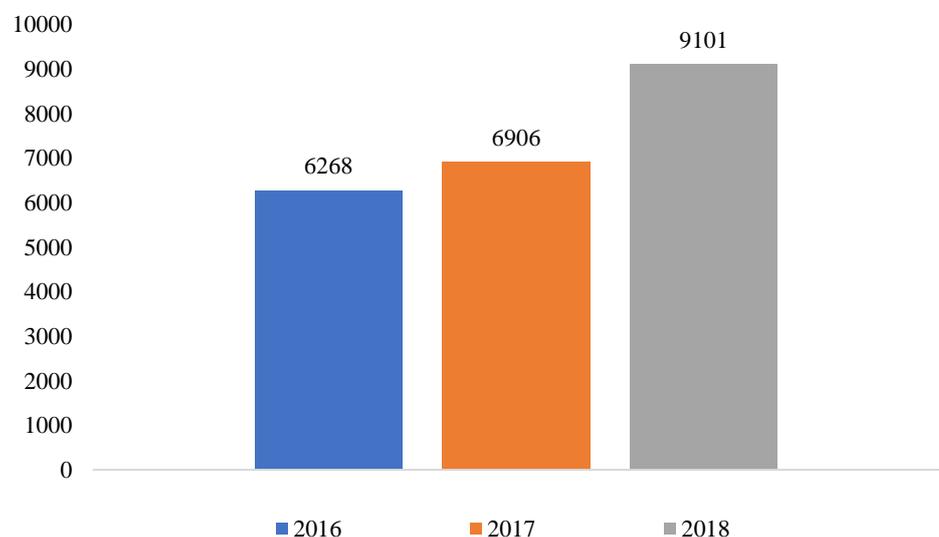
Photo: Ministry of Justice

### Other informative activities

*/Simbol/* Every working day from 13.00 to 15.00, but from 3 December 2018 on Mondays and Wednesdays from 14.30 to 16.30 and on Fridays from 13.00 to 15.00, employees of the Inspectorate provide telephone consultations on matters within the competence of the Inspectorate explaining the application of the provisions of the PDPL and the General Data Protection Regulation to the processing and protection of personal data. In 2018, a total of 2035 telephone consultations were provided, 170 telephone consultations per month on average. In view of the fact that with the direct application of the General Data Protection Regulation (25 May 2018) public interest in the application of the General Data Protection Regulation has increased, from 12 April 2018 the Inspectorate made changes to the times of telephone consultations extending the time period for the provision of telephone consultations by one hour (Monday to Thursday 13.00 to 16.00).

*/Simbol/* 9101 documents were received in the record-keeping system of the Inspectorate during the reporting period, which is 32% more compared to the previous reporting year. With direct application of the General Data Protection Regulation, the public interest in the application of the General Data Protection Regulation increased, resulting in a significant increase in activities of the Inspectorate explaining the application of the General Data Protection Regulation, the number of documents received by the Inspectorate increased considerably. The number of documents received is shown in Figure 18.

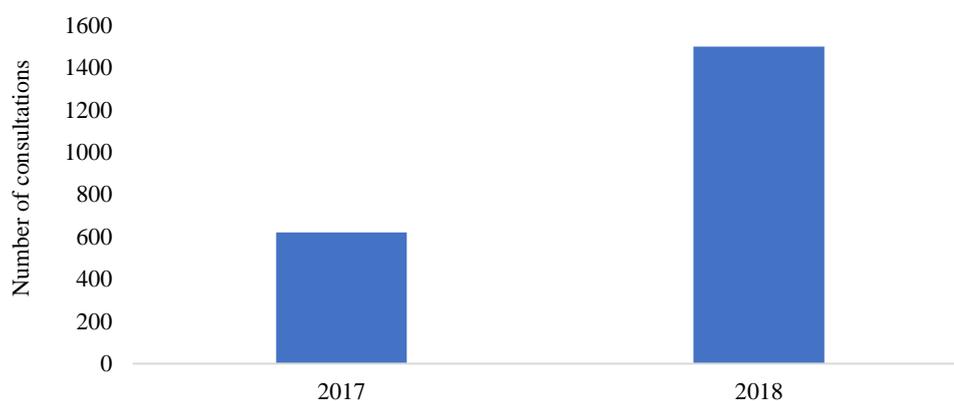
*Figure 18*  
Flow of documents received



/Simbol/ In 1499 cases, employees of the Inspectorate provided written consultations on the processing and protection of personal data, the application of the requirements of the General Data Protection Regulation. The Inspectorate also provided replies with regard to the need to appoint a data protection officer, the cancellation of the registration of personal data processing from 25 May 2018, the receipt of commercial communications, etc. Compared to the previous reporting year, with the initiation of direct application of the General Data Protection Regulation the number of written consultations grew significantly. The consultation statistics before the period of implementation of the General Data Protection Regulation and the implementation and application period of the Regulation are summarised in Figure 19.

*Figure 19*

Written consultations on the application of the requirements of the Regulation



/Simbol/ In 166 cases, the employees of the Inspectorate provided on-sight consultations, including to employees of State and local government authorities, legal persons on the application of best practices for the processing and protection of personal data, the application of the requirements of the General Data Protection Regulation, according to the controller's specific personal data processing conditions, the rights of data subjects (persons) in the context of the General Data Protection Regulation.

## 5. Measures planned for 2019

1. To ensure compliance with the recommendations made in the Commission Guidance on the application of Union data protection law in the electoral context of 12 September 2018, as well as the recommendations of the European Commission on election cooperation networks of 12 September 2018, online transparency and protection against cybersecurity incidents and fighting disinformation campaigns in the context of elections”.
2. To draft Regulations of the Cabinet of Ministers related to the Personal Data Processing Law.
3. To ensure representation in the European Data Protection Board and to strengthen international cooperation with the European Union Data Protection Supervisory Authorities.
4. To inform the public about the application of the requirements of the General Data Protection Regulation, to organise informative seminars, publicly available events, to continue cooperation with means of mass communication by providing the necessary information, to raise public awareness of the processing and protection of personal data.
5. To continue the implementation of the project “General Data Protection Regulation – Opportunities and Liability for Small and Medium-Sized Enterprises (SMEs); Rights and Risks to Minors”, project 814774 within the Rights, Equality and Citizenship Financial

Programme of the European Commission's Directorate-General for Justice.

6. To continue the implementation of the project "GDPR (General Data Protection Regulation) Compliance Cloud Platform for Micro Enterprises", project 78671, partner in the European Commission Framework Programme for Research and Innovation Horizon 2020.
7. To exercise the powers laid down in Article 58 of the General Data Protection Regulation by applying corrective measures to ensure compliance with the requirements of the General Data Protection Regulation.
8. To promote the development of recommendations and guidelines for the application of the General Data Protection Regulation within industries.
9. To further strengthen the capacity of the Inspectorate by implementing structural reforms to ensure the fulfilment of the tasks set out in the General Data Protection Regulation.
10. To ensure that the data protection framework corresponding to the General Data Protection Regulation is maintained in the case of "No-deal" Brexit, as regards the transfer of personal data to the United Kingdom.
11. Following the entry into force of the draft Regulations of the Cabinet of Ministers "Rules of Maintenance of the List of Data Protection Officer Qualification and Data Protection Officer", to organise the qualification examination for data protection officers.
12. To continue to reinforce the "Consult First" principle in the activity of the institution.