

## **Adequacy to LGPD: the scenario for small businesses.**

The General Data Protection Law (LGPD) recently came into force in Brazil as a regulation for issues related to personal data and data protection rights, regulation for companies, treatment relationships with customer and user data provides for sanctions for breach of the law. This is a major advance in Brazilian legislation because represents, in addition to consumer rights, that companies can develop safe technological solutions and optimize their processes, whether in the banking area or not.

### **Understanding the law**

The law establishes principles for the use, storage, and disposal of data. It defines how and where this data can be stored, under what circumstances and it should be deleted, what are the rights of the producer of the data and what are the duties of the companies that own it, and for what purposes they are kept stored.

In practice, this dynamic works as follows: a person must authorize and give consent that their data can be used, knowing for what purpose of use. The moment it requests the elimination, it is the company's obligation to deleted.

The LGPD has as its main objective the protection of personal data, and some types such as: sensitive data, need special treatment, as they refer to racial, ethnic origin, political opinion, health, among others. Data of children and adolescents, who must have parental consent and anonymized data, which cannot be identified and is outside the law and in this case can only be treated by the law from its identification.

Each company has the freedom to adapt in its own way, using software capable of storing and managing information. The Data Protection Officer (DPO) figure is important in this process. This is a position created from the functions of the LGPD to ensure that all data management is safe and efficient for companies and for those who granted the data.

### **Suitability for small businesses**

It cannot be thought that only large corporations, multinational companies must conform to the new rules of the LGPD. In Brazil, the law applies even to individual micro entrepreneurs, which are the smallest type of company in the country.

Data issues are related to the universe of banks and the security of transactions involving money. However, companies that any segment must pay attention to the new rules and seek to invest in systems and specialized labour in the treatment of this information, to maintain good practices and avoid the application of sanctions.

Still, the issue of banks, the law has many benefits: it is they who can highlight the development of modern and automated systems, which recognize customers and are able to offer products and services more efficiently, especially with regard to credit and the financial institution's risk. And especially in the case of Brazil, all this progress contributes to the reduction of the high banking concentration in the country, increasing the competitiveness between the institutions.

The law requires companies to ensure a different type of care with personal data, but on the positive side, this represents an advance in the quality of care, products, and services and in the consumer's reliability with the company.