

# IAPP UK Intensive 2026

Privacy | AI governance | Cybersecurity law

Training 23-24 February

Workshops 24 February

**Conference 25-26 February**

**LONDON**

**#IAPPIntensive26**

# UNPACKING THE EU DIGITAL SIMPLIFICATION OMNIBUS



**#IAPPIntensive26**

# WELCOME AND INTRODUCTIONS



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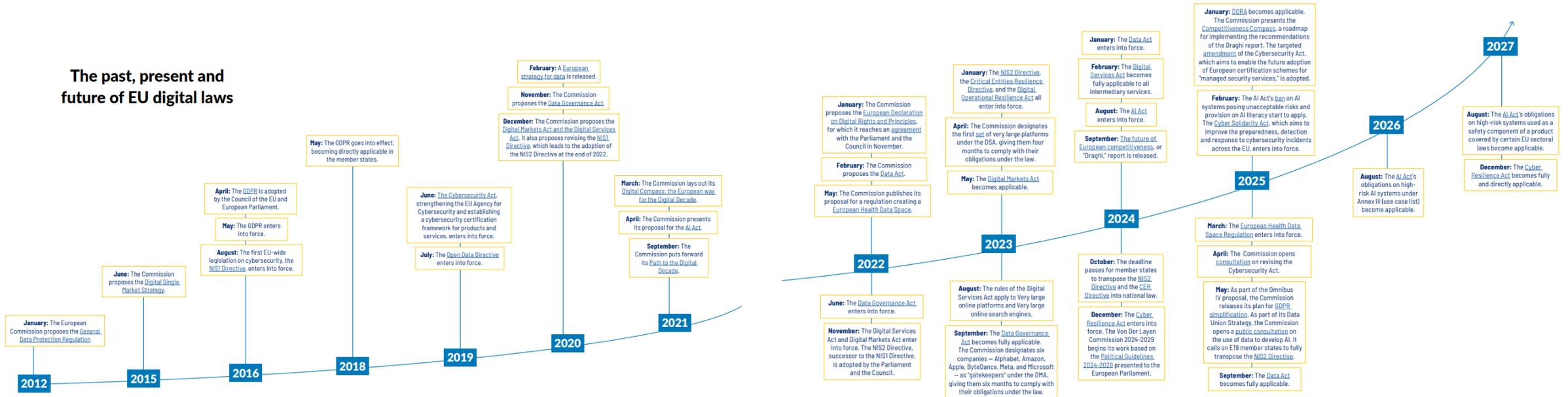
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IAPP

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# The Lay of the Land

## The past, present and future of EU digital laws



# “An agile Digital Rulebook for the EU”

## Objectives:

- Increase Europe’s competitiveness and innovation capacity (Draghi report)
- Streamline rules on AI, cybersecurity and data; reduce legal uncertainty; reduce “regulatory clutter”
- Save up to €5 billion in administrative costs by 2029 for businesses
  - Est. €66 million savings for EU companies from ROPA exceptions (Omnibus IV)

Digital Omnibus covering data, cybersecurity and privacy rules (Regulation)

> set of *‘technical’ amendments* to a large corpus of digital legislation

Accompanying Staff Working Document

Digital Omnibus on AI (Regulation)

> targeted simplification measures to ensure timely, smooth, and proportionate implementation of certain of the AI Act’s provisions

Accompanying Staff Working Document

Data Union Strategy (Communication)

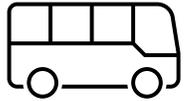
> to improve access to first-rate data

European Business Wallets (Regulation)

> to simplify paperwork and make it easier to do business across EU Member States



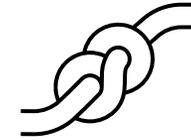
## Brussels' context



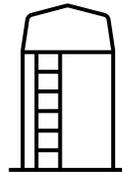
Not just digital



One year on –  
mounting  
pressure



Simplification, not  
deregulation



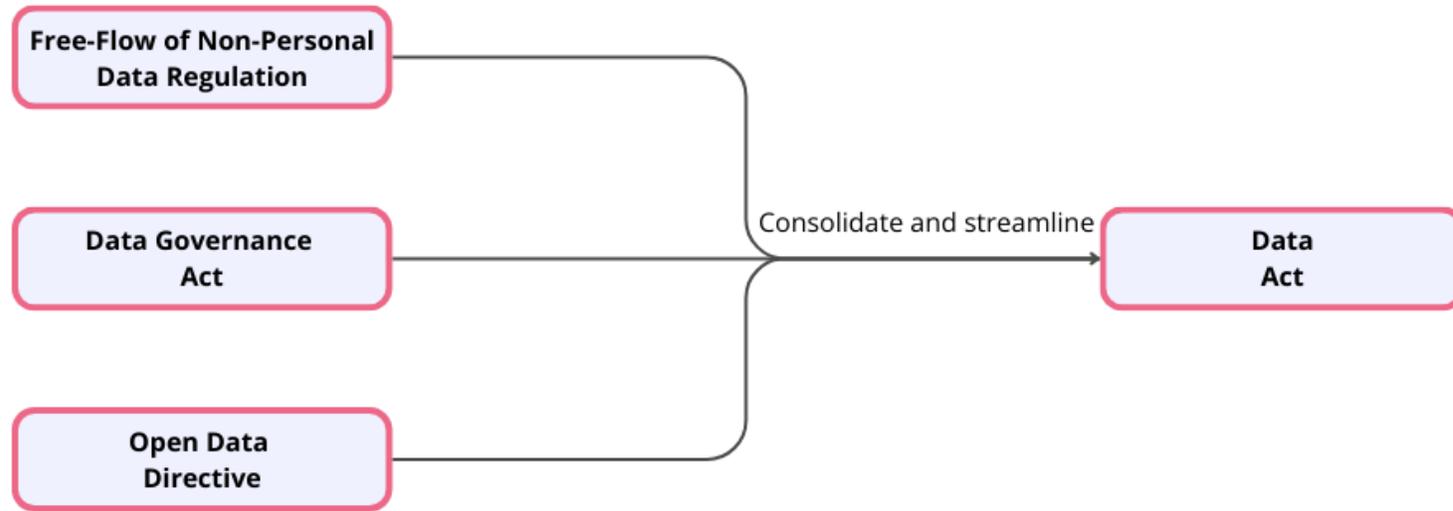
Political & technical  
alignment?  
Silos



“Targeted and  
technical  
changes”...only?



# The Digital Omnibus Impacts to... Data Regulation



# The Digital Omnibus Impacts to... GDPR



## Personal Data



- Subjective test
- SCD exemptions:
  - AI development/use
  - Biometric verification

## Transparency



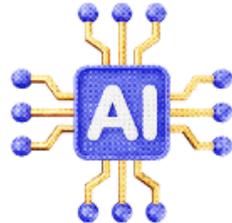
- Exemption if:
  - Clear and circumscribed relationship
  - Not data-intensive activity, and
  - Reasonable grounds to assume data subject has the info
- But not if transfers, ADM, or high risk

## Automated Decisions



- Contractual necessity even if non-automated means for decision

## Artificial Intelligence



- Legitimate interest to process PD in development/use of AI
- Minimisation, non-disclosure and opt-out requirements

## DSARs



- Limitations for abusive DSARs
  - Reasonable fee, or
  - Refuse to act

## Breach reporting

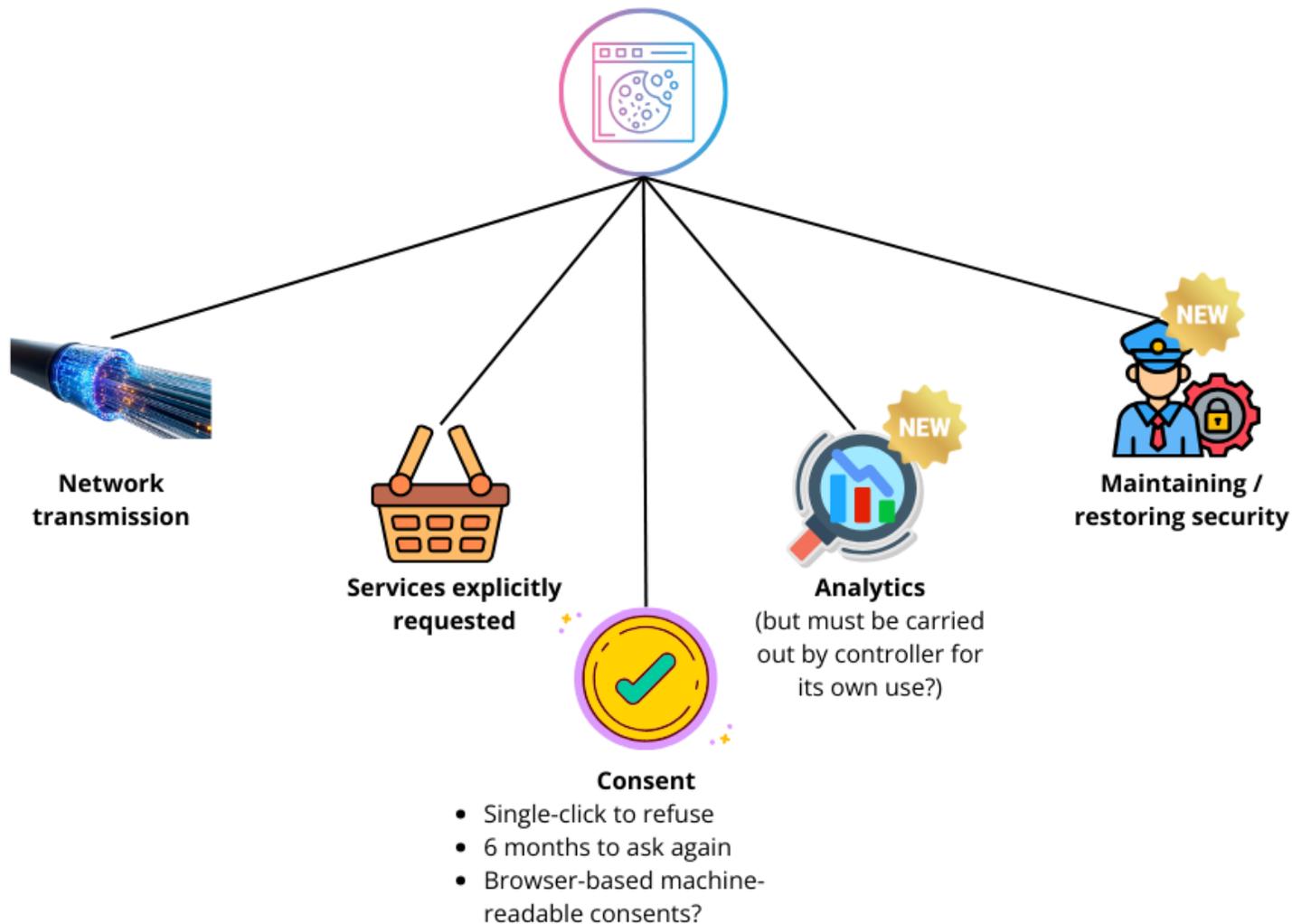


- 96 hour reporting timeline
- Report only 'high risk' breaches
- Common reporting template
- Reports though Single Entry Point

# The Digital Omnibus Impacts to... ePrivacy



**Cookies and other trackers**  
(if PD = GDPR, if not PD = ePrivacy)



# The Digital Omnibus Impacts to... Incident Reporting



## The AI Omnibus Impacts to... AI literacy

### Before:

*Providers and deployers of AI systems shall take measures to ensure, to their best extent, a sufficient level of AI literacy of their staff and other persons dealing with the operation and use of AI systems on their behalf, taking into account their technical knowledge, experience, education and training and the context the AI systems are to be used in, and considering the persons or groups of persons on whom the AI systems are to be used.*



## The AI Omnibus Impacts to... AI literacy

### Before:

*Providers and deployers of AI systems shall take measures to ensure, **to their best extent**, a sufficient level of AI literacy of their staff and other persons dealing with the operation and use of AI systems on their behalf, taking into account their technical knowledge, experience, education and training and the context the AI systems are to be used in, and considering the persons or groups of persons on whom the AI systems are to be used.*



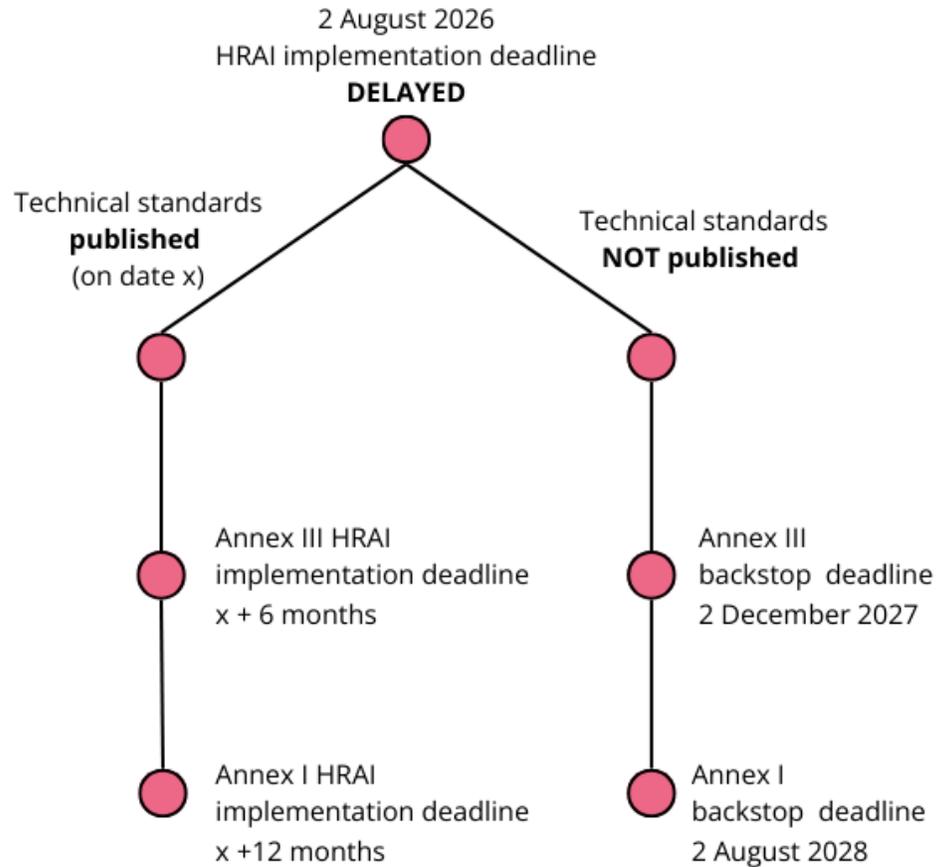
### After:

*The Commission and Member States shall encourage providers and deployers of AI systems to take measures to ensure a sufficient level of AI literacy of their staff and other persons dealing with the operation and use of AI systems on their behalf, taking into account their technical knowledge, experience, level of education and training and the context the AI systems are to be used in, and considering the persons or groups of persons on whom the AI systems are to be used.*



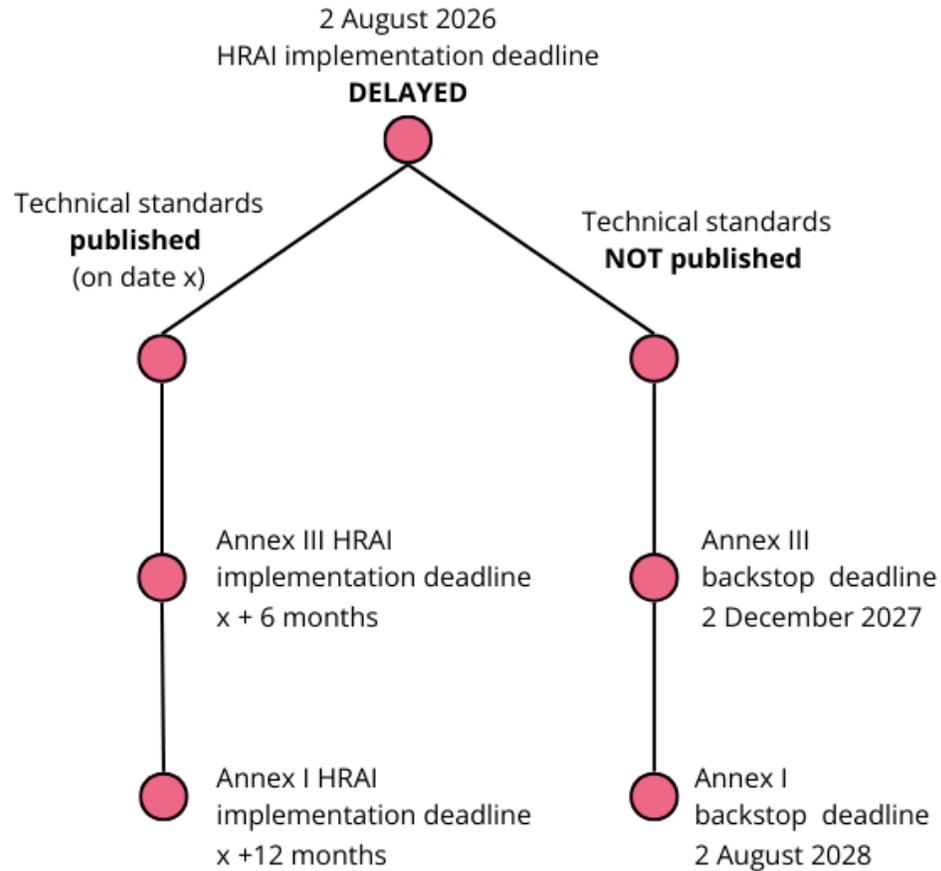
# The AI Omnibus Impacts to... implementation

## High Risk AI Systems

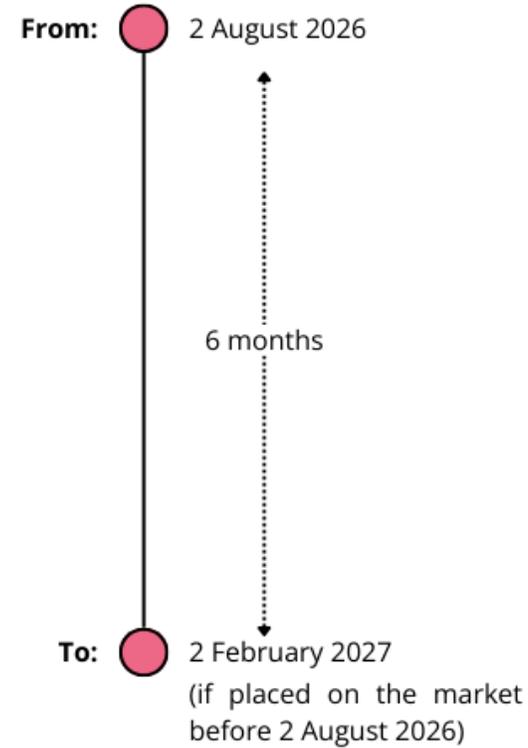


# The AI Omnibus Impacts to... implementation

## High Risk AI Systems



## AI with Transparency Requirements



## The AI Omnibus Impacts to... SCD processing



### Before:

- SCD for bias detection and correction
- High-risk AI systems only
- Providers only
- Only where “strictly” necessary
- Conditions / safeguards apply

## The AI Omnibus Impacts to... SCD processing



### Before:

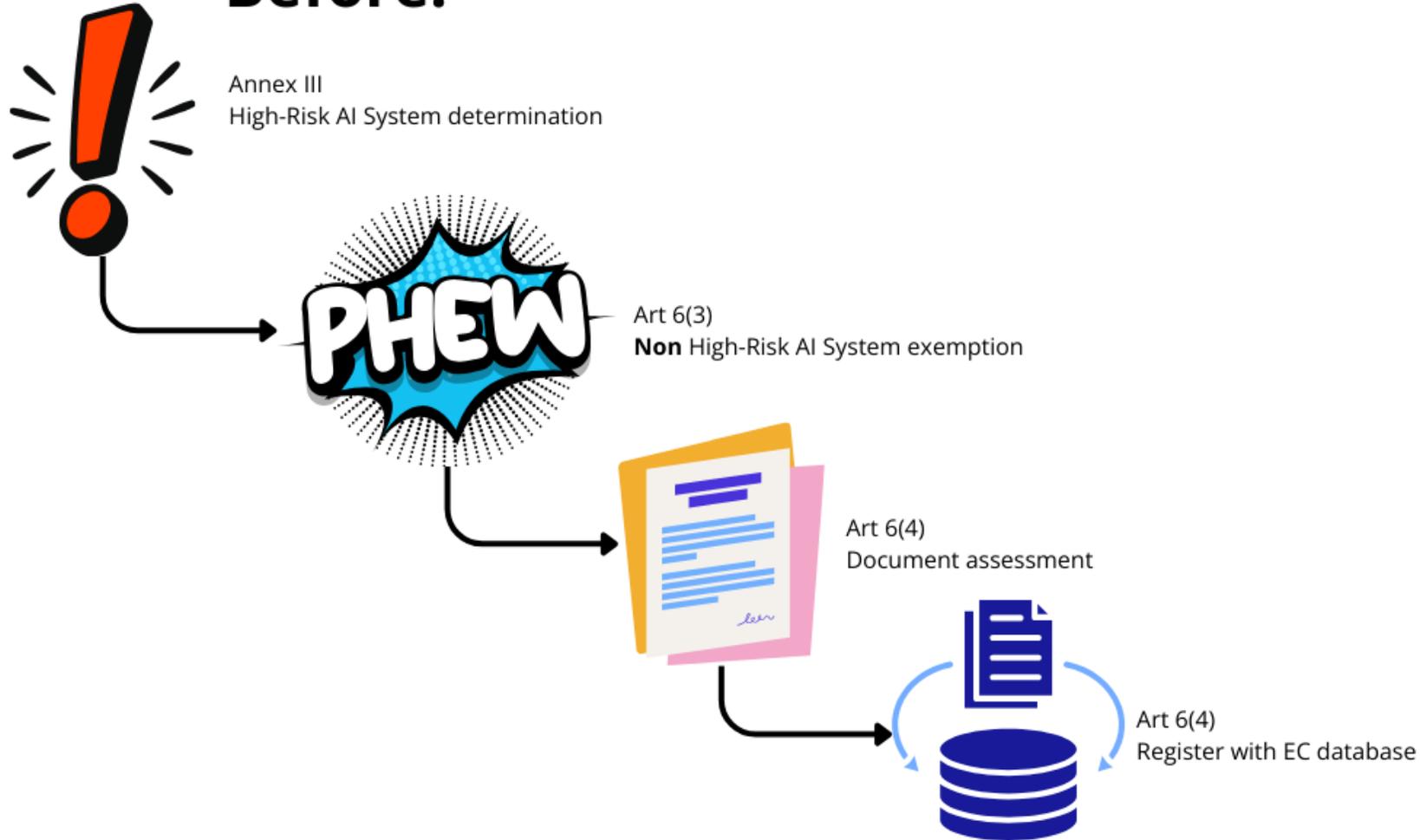
- SCD for bias detection and correction
- High-risk AI systems only
- Providers only
- Only where “strictly” necessary
- Conditions / safeguards apply

### After:

- SCD for bias detection and correction
- All types of AI systems and models
- Providers and deployers
- Only where necessary
- Conditions / safeguards apply

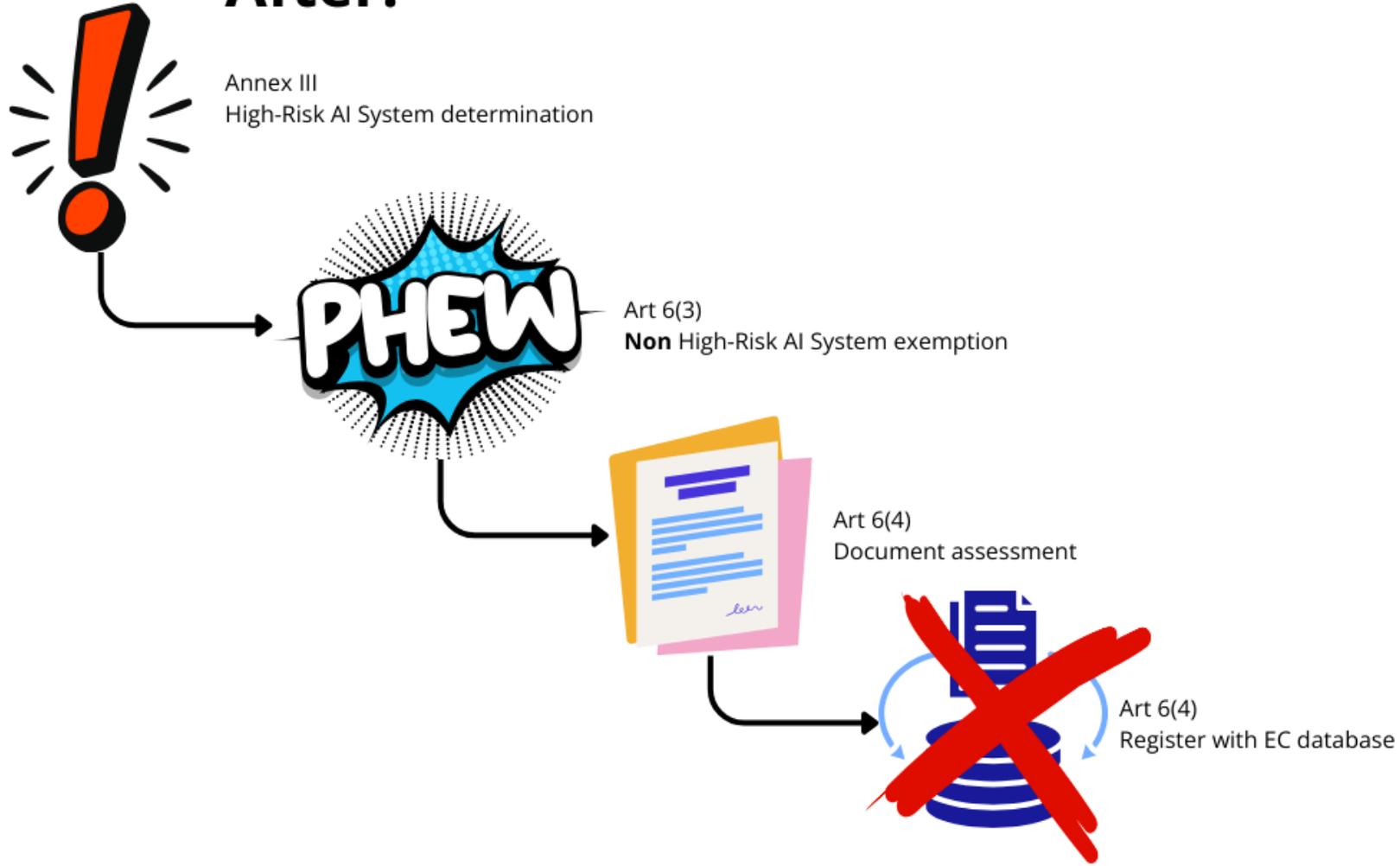
## The AI Omnibus Impacts to... high-risk AI exemption assessment

### Before:



## The AI Omnibus Impacts to... high-risk AI exemption assessment

**After:**



## Other Noteworthy AI Omnibus Impacts

### SMC simplifications



- SME simplifications extended to SMCs, e.g. technical doc requirements, lower penalties

### Post-market monitoring



- Less prescriptive requirements
- EU Commission to issue guidance (not template)

### Sandboxes



- EU-wide sandbox for GPAI models under AI Office supervision

### Legislative relationships



- Commission to prepare guidelines on interplay with other laws (e.g. GDPR, CRA, Machinery Regulation)

### Centralised oversight VLOPs / VLOSEs



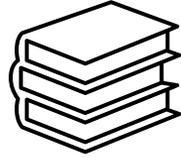
- AI Office **exclusively** competent to regulate AI systems that are (or are integrated into) VLOPs and VLOSEs

# What happens next



## Omnibus legislative process completion TBD

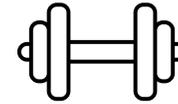
Negotiations open in a process involving the European Parliament, member states, regulators, with contributions from interest groups.



## “Business as usual” simplification ≠ deregulation

Legislative proposals: Omnibus IV; revised Cybersecurity Act; Cloud and AI Development Act; Digital Fairness Act

Scheduled reviews of existing laws: including Digital Markets Act in 2026; NIS2 Directive and Digital Services Act in 2027; Data Act in 2028; AI Act in 2029.



## Digital Fitness Check by Q1 2027

The Commission will map how the digital rulebook covers EU strategic industry sectors, and how its “cumulative effect” impacts competitiveness.

Further changes expected, possibly ranging from streamlining between definitions and legal concepts across laws, to improving the effectiveness and interplay of governance systems.



## Brussels effect?



# Negotiating positions: Digital Omnibus (non-exhaustive)

## **EDPB / EDPS Joint Opinion (adopted 10 Feb. 2026)**

(GDPR) Oppose changes to the definition of personal data.

No need to add legitimate interest as a basis to train AI models but if kept, requires clarity on the LIA, right to object, and enhanced transparency.

Supports proposals on data breach notification (threshold and deadline extension), DPIAs (common templates and lists), scientific research (harmonizing definition; legitimate interest), and biometric data use for identity verification.

Need clarity on scope of the derogation allowing incidental or residual processing of sensitive data in developing or operating AI systems.

Call for strict limits when allowing the use of special categories of personal data for bias detection and correction

(e-privacy) Support limited new derogations to ban on accessing or storing data on terminal equipment

Incentives for contextual over behavioral advertising.

## **Draft compromise text Council (expected Q1 2026)**

(draft discussion document circulated to member state son 9 January)

## **Draft report LIBE/ITRE European Parliament (expected Q1 2026)**



# Negotiating positions: Omnibus on AI (non-exhaustive)

## **EDPB / EDPS Joint Opinion (adopted 21 Jan. 2026)**

Calls for strict limits when allowing the use of special categories of personal data for bias detection and correction.

Supports the creation of EU-level AI regulatory sandboxes and calls for the involvement of data protection authorities in these sandboxes

Opposes deleting registration requirements

Opposes changes to AI literacy requirements

## **Draft compromise text Council (23 January 2026)**

Setting fixed deadlines for the application of high-risk rules - 2 December 2027 for Annex III systems and 2 August 2028 for Annex I systems.

Reinstating the obligation to register AI systems in the EU database.

Introducing the 'strict necessity' standard for processing special categories of personal data.

## **Draft report LIBE/IMCO European Parliament (5 February 2026)**

Setting fixed deadlines for high-risk AI systems replacing the Commission's discretionary mechanism: 2 December 2027 for Annex III systems and 2 August 2028 for Annex I systems.

AI literacy obligations remain with providers and deployers.

The standard for processing sensitive data shifts to strict necessity.

Regulatory sandboxes must involve data protection authorities.



# RESOURCE LIST

## European Commission resources

- I. An agile Digital Rulebook for the EU: <https://digital-strategy.ec.europa.eu/en/policies/digital-rulebook>
- II. Digital Omnibus Regulation Proposal: <https://digital-strategy.ec.europa.eu/en/library/digital-omnibus-regulation-proposal>
- III. Digital Omnibus on AI Regulation Proposal: <https://digital-strategy.ec.europa.eu/en/library/digital-omnibus-ai-regulation-proposal>
- IV. The Draghi report on EU competitiveness: [https://commission.europa.eu/topics/competitiveness/draghi-report\\_en](https://commission.europa.eu/topics/competitiveness/draghi-report_en)

## Others

- I. [EDPB-EDPS Joint opinion 1/2026 Digital Omnibus on AI](#)
- II. [EDPB-EDPS Joint Opinion on Digital Omnibus](#)
- III. [European Parliament LIBE/IMCO draft report \(Digital Omnibus on AI\)](#)
- IV.

## IAPP resources

- I. IAPP article: [European Commission proposes significant reforms to GDPR, AI Act](#)
- II. IAPP article: [EU Digital Omnibus: Analysis of key changes](#)
- III. IAPP article: [EDPB, EDPS detail concerns over personal data definition in joint opinion on Digital Omnibus](#)
- IV. IAPP article: [European Parliament LIBE hearing tackles Digital Omnibus skepticism](#)
- V. Opinion: [EU Digital Omnibus amendments to GDPR to facilitate AI training miss the mark](#)
- VI. [IAPP Digital Laws Report 2025](#)



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