

IAPP

Exam Questions CIPP-E

Certified Information Privacy Professional/Europe (CIPP/E)



NEW QUESTION 1

If a French controller has a car-sharing app available only in Morocco, Algeria and Tunisia, but the data processing activities are carried out by the appointed processor in Spain, the GDPR will apply to the processing of the personal data so long as?

- A. The individuals are European citizens or residents.
- B. The data processing activities are in Spain.
- C. The data controller is in France.
- D. The EU individuals are targeted.

Answer: D

NEW QUESTION 2

To which of the following parties does the territorial scope of the GDPR NOT apply?

- A. All member countries of the European Economic Area.
- B. All member countries party to the Treaty of Lisbon.
- C. All member countries party to the Paris Agreement.
- D. All member countries of the European Union.

Answer: A

NEW QUESTION 3

In which case would a controller who has undertaken a DPIA most likely need to consult with a supervisory authority?

- A. Where the DPIA identifies that personal data needs to be transferred to other countries outside of the EEA.
- B. Where the DPIA identifies high risks to individuals' rights and freedoms that the controller can take steps to reduce.
- C. Where the DPIA identifies that the processing being proposed collects the sensitive data of EU citizens.
- D. Where the DPIA identifies risks that will require insurance for protecting its business interests.

Answer: B

NEW QUESTION 4

SCENARIO

Please use the following to answer the next QUESTION NO:

Louis, a long-time customer of Bedrock Insurance, was involved in a minor car accident a few months ago. Although no one was hurt, Louis has been plagued by texts and calls from a company called Accidentable offering to help him recover compensation for personal injury. Louis has heard about insurance companies selling customers' data to third parties, and he's convinced that Accidentable must have gotten his information from Bedrock Insurance.

Louis has also been receiving an increased amount of marketing information from Bedrock, trying to sell him their full range of their insurance policies.

Perturbed by this, Louis has started looking at price comparison sites on the internet and has been shocked to find that other insurers offer much cheaper rates than Bedrock, even though he has been a loyal customer for many years. When his Bedrock policy comes up for renewal, he decides to switch to Zantrum Insurance.

In order to activate his new insurance policy, Louis needs to supply Zantrum with information about his No Claims bonus, his vehicle and his driving history. After researching his rights under the GDPR, he writes to ask Bedrock to transfer his information directly to Zantrum. He also takes this opportunity to ask Bedrock to stop using his personal data for marketing purposes.

Bedrock supplies Louis with a PDF and XML (Extensible Markup Language) versions of his No Claims Certificate, but tells Louis it cannot transfer his data directly to Zantrum as this is not technically feasible. Bedrock also explains that Louis's contract included a provision whereby Louis agreed that his data could be used for marketing purposes; according to Bedrock, it is too late for Louis to change his mind about this. It angers Louis when he recalls the wording of the contract, which was filled with legal jargon and very confusing.

In the meantime, Louis is still receiving unwanted calls from Accidentable Insurance. He writes to Accidentable to ask for the name of the organization that supplied his details to them. He warns Accidentable that he plans to complain to the data protection authority, because he thinks their company has been using his data unlawfully. His letter states that he does not want his data being used by them in any way.

Accidentable's response letter confirms Louis's suspicions. Accidentable is Bedrock Insurance's wholly owned subsidiary, and they received information about Louis's accident from Bedrock shortly after Louis submitted his accident claim. Accidentable assures Louis that there has been no breach of the GDPR, as Louis's contract included, a provision in which he agreed to share his information with Bedrock's affiliates for business purposes.

Louis is disgusted by the way in which he has been treated by Bedrock, and writes to them insisting that all his information be erased from their computer system.

Based on the GDPR's position on the use of personal data for direct marketing purposes, which of the following is true about Louis's rights as a data subject?

- A. Louis does not have the right to object to the use of his data because he previously consented to it.
- B. Louis has the right to object at any time to the use of his data and Bedrock must honor his request to cease use.
- C. Louis has the right to object to the use of his data, unless his data is required by Bedrock for the purpose of exercising a legal claim.
- D. Louis does not have the right to object to the use of his data if Bedrock can demonstrate compelling legitimate grounds for the processing.

Answer: B

NEW QUESTION 5

Which of the following entities would most likely be exempt from complying with the GDPR?

- A. A South American company that regularly collects European customers' personal data.
- B. A company that stores all customer data in Australia and is headquartered in a European Union (EU) member state.
- C. A Chinese company that has opened a satellite office in a European Union (EU) member state to service European customers.
- D. A North American company servicing customers in South Africa that uses a cloud storage system made by a European company.

Answer: C

NEW QUESTION 6

What is the consequence if a processor makes an independent decision regarding the purposes and means of processing it carries out on behalf of a controller?

- A. The controller will be liable to pay an administrative fine
- B. The processor will be liable to pay compensation to affected data subjects
- C. The processor will be considered to be a controller in respect of the processing concerned
- D. The controller will be required to demonstrate that the unauthorized processing negatively affected one or more of the parties involved

Answer: B

NEW QUESTION 7

Which area of privacy is a lead supervisory authority's (LSA) MAIN concern?

- A. Data subject rights
- B. Data access disputes
- C. Cross-border processing
- D. Special categories of data

Answer: C

NEW QUESTION 8

What is one major goal that the OECD Guidelines, Convention 108 and the Data Protection Directive (Directive 95/46/EC) all had in common but largely failed to achieve in Europe?

- A. The establishment of a list of legitimate data processing criteria
- B. The creation of legally binding data protection principles
- C. The synchronization of approaches to data protection
- D. The restriction of cross-border data flow

Answer: D

NEW QUESTION 9

Under the GDPR, which of the following is true in regard to adequacy decisions involving cross-border transfers?

- A. The European Commission can adopt an adequacy decision for individual companies.
- B. The European Commission can adopt, repeal or amend an existing adequacy decision.
- C. EU member states are vested with the power to accept or reject a European Commission adequacy decision.
- D. To be considered as adequate, third countries must implement the EU General Data Protection Regulation into their national legislation.

Answer: A

NEW QUESTION 10

A company is hesitating between Binding Corporate Rules and Standard Contractual Clauses as a global data transfer solution. Which of the following statements would help the company make an effective decision?

- A. Binding Corporate Rules are especially recommended for small and medium companies.
- B. The data exporter does not need to be located in the EU for the standard Contractual Clauses.
- C. Binding Corporate Rules provide a global solution for all the entities of a company that are bound by the intra-group agreement.
- D. The company will need the prior authorization of all EU data protection authorities for concluding Standard Contractual Clauses.

Answer: C

NEW QUESTION 10

SCENARIO

Please use the following to answer the next question:

Liem, an online retailer known for its environmentally friendly shoes, has recently expanded its presence in Europe. Anxious to achieve market dominance, Liem teamed up with another eco friendly company, EcoMick, which sells accessories like belts and bags. Together the companies drew up a series of marketing campaigns designed to highlight the environmental and economic benefits of their products. After months of planning, Liem and EcoMick entered into a data sharing agreement to use the same marketing database, MarketIQ, to send the campaigns to their respective contacts.

Liem and EcoMick also entered into a data processing agreement with MarketIQ, the terms of which included processing personal data only upon Liem and EcoMick's instructions, and making available to them all information necessary to demonstrate compliance with GDPR obligations.

Liem and EcoMick then procured the services of a company called JaphSoft, a marketing optimization firm that uses machine learning to help companies run successful campaigns. Clients provide JaphSoft with the personal data of individuals they would like to be targeted in each campaign. To ensure protection of its clients' data, JaphSoft implements the technical and organizational measures it deems appropriate. JaphSoft works to continually improve its machine learning models by analyzing the data it receives from its clients to determine the most successful components of a successful campaign. JaphSoft then uses such models in providing services to its client-base. Since the models improve only over a period of time as more information is collected, JaphSoft does not have a deletion process for the data it receives from clients. However, to ensure compliance with data privacy rules, JaphSoft pseudonymizes the personal data by removing identifying information from the contact information. JaphSoft's engineers, however, maintain all contact information in the same database as the identifying information.

Under its agreement with Liem and EcoMick, JaphSoft received access to MarketIQ, which included contact information as well as prior purchase history for such contacts, to create campaigns that would result in the most views of the two companies' websites. A prior Liem customer, Ms. Iman, received a marketing campaign from JaphSoft regarding Liem's as well as EcoMick's latest products. While Ms. Iman recalls checking a box to receive information in the future regarding Liem's products, she has never shopped EcoMick, nor provided her personal data to that company.

For what reason would JaphSoft be considered a controller under the GDPR?

- A. It determines how long to retain the personal data collected.
- B. It has been provided access to personal data in the MarketIQ database.
- C. It uses personal data to improve its products and services for its client-base through machine learning.
- D. It makes decisions regarding the technical and organizational measures necessary to protect the personal data.

Answer: D

NEW QUESTION 15

In which of the following situations would an individual most likely to be able to withdraw her consent for processing?

- A. When she is leaving her bank and moving to another bank.
- B. When she has recently changed jobs and no longer works for the same company.
- C. When she disagrees with a diagnosis her doctor has recorded on her records.
- D. When she no longer wishes to be sent marketing materials from an organization.

Answer: D

NEW QUESTION 19

Read the following steps:

- Discover which employees are accessing cloud services and from which devices and apps Lock down the data in those apps and devices
- Monitor and analyze the apps and devices for compliance
- Manage application life cycles
- Monitor data sharing

An organization should perform these steps to do which of the following?

- A. Pursue a GDPR-compliant Privacy by Design process.
- B. Institute a GDPR-compliant employee monitoring process.
- C. Maintain a secure Bring Your Own Device (BYOD) program.
- D. Ensure cloud vendors are complying with internal data use policies.

Answer: C

NEW QUESTION 23

Why is advisable to avoid consent as a legal basis for an employer to process employee data?

- A. Employee data can only be processed if there is an approval from the data protection officer.
- B. Consent may not be valid if the employee feels compelled to provide it.
- C. An employer might have difficulty obtaining consent from every employee.
- D. Data protection laws do not apply to processing of employee data.

Answer: A

NEW QUESTION 25

SCENARIO

Please use the following to answer the next question:

BHealthy, a company based in Italy, is ready to launch a new line of natural products, with a focus on sunscreen. The last step prior to product launch is for BHealthy to conduct research to decide how extensively to market its new line of sunscreens across Europe. To do so, BHealthy teamed up with Natural Insight, a company specializing in determining pricing for natural products. BHealthy decided to share its existing customer information – name, location, and prior purchase history – with Natural Insight. Natural Insight intends to use this information to train its algorithm to help determine the price point at which BHealthy can sell its new sunscreens.

Prior to sharing its customer list, BHealthy conducted a review of Natural Insight's security practices and concluded that the company has sufficient security measures to protect the contact information. Additionally, BHealthy's data processing contractual terms with Natural Insight require continued implementation of technical and organization measures. Also indicated in the contract are restrictions on use of the data provided by BHealthy for any purpose beyond provision of the services, which include use of the data for continued improvement of Natural Insight's machine learning algorithms.

What is the nature of BHealthy and Natural Insight's relationship?

- A. Natural Insight is BHealthy's processor because the companies entered into data processing terms.
- B. Natural Insight is BHealthy's processor because BHealthy is sharing its customer information with Natural Insight.
- C. Natural Insight is the controller because it determines the security measures to implement to protect data it processes; BHealthy is a co-controller because it engaged Natural Insight to determine pricing for the new sunscreens.
- D. Natural Insight is a controller because it is separately determine the purpose of processing when it uses BHealthy's customer information to improve its machine learning algorithms.

Answer: A

NEW QUESTION 28

SCENARIO

Please use the following to answer the next question:

Sandy recently joined Market4U, an advertising technology company founded in 2016, as their VP of Privacy and Data Governance. Through her first initiative in conducting a data inventory, Sandy learned that Market4U maintains a list of 19 million global contacts that were collected throughout the course of Market4U's existence. Knowing the risk of having such a large amount of data, Sandy wanted to purge all contacts that were entered into Market4U's systems prior to May 2018, unless such contacts had a more recent interaction with Market4U content. However, Dan, the VP of Sales, informed Sandy that all of the contacts provide useful information regarding successful marketing campaigns and trends in industry verticals for Market4U's clients.

Dan also informed Sandy that he had wanted to focus on gaining more customers within the sports and entertainment industry. To assist with this behavior, Market4U's marketing team decided to add several new fields to Market4U's website forms, including forms for downloading white papers, creating accounts to participate in Market4U's forum, and attending events. Such fields include birth date and salary.

What is the best way that Sandy can gain the insights that Dan seeks while still minimizing risks for Market4U?

- A. Conduct analysis only on anonymized personal data.
- B. Conduct analysis only on pseudonymized personal data.
- C. Delete all data collected prior to May 2018 after conducting the trend analysis.

D. Procure a third party to conduct the analysis and delete the data from Market4U's systems.

Answer: A

NEW QUESTION 32

In which scenario is a Controller most likely required to undertake a Data Protection Impact Assessment?

- A. When the controller is collecting email addresses from individuals via an online registration form for marketing purposes.
- B. When personal data is being collected and combined with other personal data to profile the creditworthiness of individuals.
- C. When the controller is required to have a Data Protection Officer.
- D. When personal data is being transferred outside of the EEA.

Answer: C

NEW QUESTION 36

SCENARIO

Please use the following to answer the next question:

Joe is the new privacy manager for Who-R-U, a Canadian business that provides DNA analysis. The company is headquartered in Montreal, and all of its employees are located there. The company offers its services to Canadians only: Its website is in English and French, it accepts only Canadian currency, and it blocks internet traffic from outside of Canada (although this solution doesn't prevent all non-Canadian traffic). It also declines to process orders that request the DNA report to be sent outside of Canada, and returns orders that show a non-Canadian return address.

Bob, the President of Who-R-U, thinks there is a lot of interest for the product in the EU, and the company is exploring a number of plans to expand its customer base.

The first plan, collegially called We-Track-U, will use an app to collect information about its current Canadian customer base. The expansion will allow its Canadian customers to use the app while traveling abroad. He suggests that the company use this app to gather location information. If the plan shows promise, Bob proposes to use push notifications and text messages to encourage existing customers to pre-register for an EU version of the service. Bob calls this work plan, We-Text-U. Once the company has gathered enough pre-registrations, it will develop EU-specific content and services.

Another plan is called Customer for Life. The idea is to offer additional services through the company's app, like storage and sharing of DNA information with other applications and medical providers. The company's contract says that it can keep customer DNA indefinitely, and use it to offer new services and market them to customers. It also says that customers agree not to withdraw direct marketing consent. Paul, the marketing director, suggests that the company should fully exploit these provisions, and that it can work around customers' attempts to withdraw consent because the contract invalidates them.

The final plan is to develop a brand presence in the EU. The company has already begun this process. It is in the process of purchasing the naming rights for a building in Germany, which would come with a few offices that Who-R-U executives can use while traveling internationally. The office doesn't include any technology or infrastructure; rather, it's simply a room with a desk and some chairs.

On a recent trip concerning the naming-rights deal, Bob's laptop is stolen. The laptop held unencrypted DNA reports on 5,000 Who-R-U customers, all of whom are residents of Canada. The reports include customer name, birthdate, ethnicity, racial background, names of relatives, gender, and occasionally health information.

If Who-R-U decides to track locations using its app, what must it do to comply with the GDPR?

- A. Get consent from the app users.
- B. Provide a transparent notice to users.
- C. Anonymize the data and add latency so it avoids disclosing real time locations.
- D. Obtain a court order because location data is a special category of personal data.

Answer: A

NEW QUESTION 39

A U.S.-based online shop uses sophisticated software to track the browsing behavior of its European customers and predict future purchases. It also shares this information with third parties. Under the GDPR, what is the online shop's PRIMARY obligation while engaging in this kind of profiling?

- A. It must solicit informed consent through a notice on its website
- B. It must seek authorization from the European supervisory authorities
- C. It must be able to demonstrate a prior business relationship with the customers
- D. It must prove that it uses sufficient security safeguards to protect customer data

Answer: A

NEW QUESTION 42

Which institution has the power to adopt findings that confirm the adequacy of the data protection level in a non-EU country?

- A. The European Parliament
- B. The European Commission
- C. The Article 29 Working Party
- D. The European Council

Answer: B

NEW QUESTION 43

Which of the following was the first legally binding international instrument in the area of data protection?

- A. Convention 108.
- B. General Data Protection Regulation.
- C. Universal Declaration of Human Rights.
- D. EU Directive on Privacy and Electronic Communications.

Answer: A

NEW QUESTION 48**SCENARIO**

Please use the following to answer the next question:

You have just been hired by a toy manufacturer based in Hong Kong. The company sells a broad range of dolls, action figures and plush toys that can be found internationally in a wide variety of retail stores. Although the manufacturer has no offices outside Hong Kong and in fact does not employ any staff outside Hong Kong, it has entered into a number of local distribution contracts. The toys produced by the company can be found in all popular toy stores throughout Europe, the United States and Asia. A large portion of the company's revenue is due to international sales.

The company now wishes to launch a new range of connected toys, ones that can talk and interact with children. The CEO of the company is touting these toys as the next big thing, due to the increased possibilities offered: The figures can answer children's Questions: on various subjects, such as mathematical calculations or the weather. Each figure is equipped with a microphone and speaker and can connect to any smartphone or tablet via Bluetooth. Any mobile device within a 10-meter radius can connect to the toys via Bluetooth as well. The figures can also be associated with other figures (from the same manufacturer) and interact with each other for an enhanced play experience.

When a child asks the toy a QUESTION, the request is sent to the cloud for analysis, and the answer is generated on cloud servers and sent back to the figure.

The answer is given through the figure's integrated

speakers, making it appear as though that the toy is actually responding to the child's QUESTION. The packaging of the toy does not provide technical details on how this works, nor does it mention that this feature requires an internet connection. The necessary data processing for this has been outsourced to a data center located in South Africa. However, your company has not yet revised its consumer-facing privacy policy to indicate this.

In parallel, the company is planning to introduce a new range of game systems through which consumers can play the characters they acquire in the course of playing the game. The system will come bundled with a portal that includes a Near-Field Communications (NFC) reader. This device will read an RFID tag in the action figure, making the figure come to life onscreen. Each character has its own stock features and abilities, but it is also possible to earn additional ones by accomplishing game goals. The only information stored in the tag relates to the figures' abilities. It is easy to switch characters during the game, and it is possible to bring the figure to locations outside of the home and have the character's abilities remain intact.

In light of the requirements of Article 32 of the GDPR (related to the Security of Processing), which practice should the company institute?

- A. Encrypt the data in transit over the wireless Bluetooth connection.
- B. Include dual-factor authentication before each use by a child in order to ensure a minimum amount of security.
- C. Include three-factor authentication before each use by a child in order to ensure the best level of security possible.
- D. Insert contractual clauses into the contract between the toy manufacturer and the cloud service provider, since South Africa is outside the European Union.

Answer: A

NEW QUESTION 51**SCENARIO**

Please use the following to answer the next question:

T-Craze, a German-headquartered specialty t-shirt company, was successfully selling to large German metropolitan cities. However, after a recent merger with another German-based company that was selling to a broader European market, T-Craze revamped its marketing efforts to sell to a wider audience. These efforts included a complete redesign of its logo to reflect the recent merger, and improvements to its website meant to capture more information about visitors through the use of cookies.

T-Craze also opened various office locations throughout Europe to help expand its business. While Germany continued to host T-Craze's headquarters and main product-design office, its French affiliate became responsible for all marketing and sales activities. The French affiliate recently procured the services of Right Target, a renowned marketing firm based in the Philippines, to run its latest marketing campaign. After thorough research, Right Target determined that T-Craze is most successful with customers between the ages of 18 and 22. Thus, its first campaign targeted university students in several European capitals, which yielded nearly 40% new customers for T-Craze in one quarter. Right Target also ran subsequent campaigns for T-Craze, though with much less success.

The last two campaigns included a wider demographic group and resulted in countless unsubscribe requests, including a large number in Spain. In fact, the Spanish data protection authority received a complaint from Sofia, a mid-career investment banker. Sofia was upset after receiving a marketing communication even after unsubscribing from such communications from the Right Target on behalf of T-Craze.

Which of the following is T-Craze's lead supervisory authority?

- A. Germany, because that is where T-Craze is headquartered.
- B. France, because that is where T-Craze conducts processing of personal information.
- C. Spain, because that is T-Craze's primary market based on its marketing campaigns.
- D. T-Craze may choose its lead supervisory authority where any of its affiliates are based, because it has presence in several European countries.

Answer: C

NEW QUESTION 54

The European Parliament jointly exercises legislative and budgetary functions with which of the following?

- A. The European Commission.
- B. The Article 29 Working Party.
- C. The Council of the European Union.
- D. The European Data Protection Board.

Answer: C

NEW QUESTION 57

Which judicial body makes decisions on actions taken by individuals wishing to enforce their rights under EU law?

- A. Court of Auditors
- B. Court of Justice of European Union
- C. European Court of Human Rights
- D. European Data Protection Board

Answer: B

NEW QUESTION 59**SCENARIO**

Please use the following to answer the next question:

TripBliss Inc. is a travel service company which has lost substantial revenue over the last few years. Their new manager, Oliver, suspects that this is partly due to

the company's outdated website. After doing some research, he meets with a sales representative from the up-and-coming IT company Techiva, hoping that they can design a new, cutting-edge website for TripBliss Inc.'s foundering business.

During negotiations, a Techiva representative describes a plan for gathering more customer information through detailed Questionnaires, which could be used to tailor their preferences to specific travel destinations. TripBliss Inc. can choose any number of data categories – age, income, ethnicity – that would help them best accomplish their goals. Oliver loves this idea, but would also like to have some way of gauging how successful this approach is, especially since the Questionnaires will require customers to provide explicit consent to having their data collected. The Techiva representative suggests that they also run a program to analyze the new website's traffic, in order to get a better understanding of how customers are using it. He explains his plan to place a number of cookies on customer devices. The cookies will allow the company to collect IP addresses and other information, such as the sites from which the customers came, how much time they spend on the TripBliss Inc. website, and which pages on the site they visit. All of this information will be compiled in log files, which Techiva will analyze by means of a special program. TripBliss Inc. would receive aggregate statistics to help them evaluate the website's effectiveness. Oliver enthusiastically engages Techiva for these services.

Techiva assigns the analytics portion of the project to longtime account manager Leon Santos. As is standard practice, Leon is given administrator rights to TripBliss Inc.'s website, and can authorize access to the log files gathered from it. Unfortunately for TripBliss Inc., however, Leon is taking on this new project at a time when his dissatisfaction with Techiva is at a high point. In order to take revenge for what he feels has been unfair treatment at the hands of the company, Leon asks his friend Fred, a hobby hacker, for help. Together they come up with the following plan: Fred will hack into Techiva's system and copy their log files onto a USB stick. Despite his initial intention to send the USB to the press and to the data protection authority in order to denounce Techiva, Leon experiences a crisis of conscience and ends up reconsidering his plan. He decides instead to securely wipe all the data from the USB stick and inform his manager that the company's system of access control must be reconsidered.

If TripBliss Inc. decides not to report the incident to the supervisory authority, what would be their BEST defense?

- A. The resulting obligation to notify data subjects would involve disproportionate effort.
- B. The incident resulted from the actions of a third-party that were beyond their control.
- C. The destruction of the stolen data makes any risk to the affected data subjects unlikely.
- D. The sensitivity of the categories of data involved in the incident was not substantial enough.

Answer: B

NEW QUESTION 63

SCENARIO

Please use the following to answer the next question:

Liem, an online retailer known for its environmentally friendly shoes, has recently expanded its presence in Europe. Anxious to achieve market dominance, Liem teamed up with another eco friendly company, EcoMick, which sells accessories like belts and bags. Together the companies drew up a series of marketing campaigns designed to highlight the environmental and economic benefits of their products. After months of planning, Liem and EcoMick entered into a data sharing agreement to use the same marketing database, MarketIQ, to send the campaigns to their respective contacts.

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Why would the consent provided by Ms. Iman NOT be considered valid in regard to JaphSoft?

- A. She was not told which controller would be processing her personal data.
- B. She only viewed the visual representations of the privacy notice Liem provided.
- C. She did not read the privacy notice stating that her personal data would be shared.
- D. She has never made any purchases from JaphSoft and has no relationship with the company.

Answer: C

NEW QUESTION 66

Under Article 58 of the GDPR, which of the following describes a power of supervisory authorities in European Union (EU) member states?

- A. The ability to enact new laws by executive order.
- B. The right to access data for investigative purposes.
- C. The discretion to carry out goals of elected officials within the member state.
- D. The authority to select penalties when a controller is found guilty in a court of law.

Answer: B

NEW QUESTION 70

SCENARIO

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Who-R-U is NOT required to notify the local German DPA about the laptop theft because?

- A. The company isn't a controller established in the Union.
- B. The laptop belonged to a company located in Canada.
- C. The data isn't considered personally identifiable financial information.
- D. There is no evidence that the thieves have accessed the data on the laptop.

Answer: A

NEW QUESTION 71

What is true of both the General Data Protection Regulation (GDPR) and the Council of Europe Convention 108?

- A. Both govern international transfers of personal data
- B. Both govern the manual processing of personal data
- C. Both only apply to European Union countries
- D. Both require notification of processing activities to a supervisory authority

Answer: D

NEW QUESTION 76

SCENARIO

Please use the following to answer the next question:

Building Block Inc. is a multinational company, headquartered in Chicago with offices throughout the United States, Asia, and Europe (including Germany, Italy, France and Portugal). Last year the company was the victim of a phishing attack that resulted in a significant data breach. The executive board, in coordination with the general manager, their Privacy Office and the Information Security team, resolved to adopt additional security measures. These included training awareness programs, a cybersecurity audit, and use of a new software tool called SecurityScan, which scans employees' computers to see if they have software that is no longer being supported by a vendor and therefore not getting security updates. However, this software also provides other features, including the monitoring of employees' computers.

Since these measures would potentially impact employees, Building Block's Privacy Office decided to issue a general notice to all employees indicating that the company will implement a series of initiatives to enhance information security and prevent future data breaches.

After the implementation of these measures, server performance decreased. The general manager instructed the Security team on how to use SecurityScan to monitor employees' computers activity and their location. During these activities, the Information Security team discovered that one employee from Italy was daily connecting to a video library of movies, and another one from Germany worked remotely without authorization. The Security team reported these incidents to the Privacy Office and the general manager. In their report, the team concluded that the employee from Italy was the reason why the server performance decreased. Due to the seriousness of these infringements, the company decided to apply disciplinary measures to both employees, since the security and privacy policy of the company prohibited employees from installing software on the company's computers, and from working remotely without authorization.

What would be the MOST APPROPRIATE way for Building Block to handle the situation with the employee from Italy?

- A. Since the GDPR does not apply to this situation, the company would be entitled to apply any disciplinary measure authorized under Italian labor law.
- B. Since the employee was the cause of a serious risk for the server performance and their data, the company would be entitled to apply disciplinary measures to this employee, including fair dismissal.
- C. Since the employee was not informed that the security measures would be used for other purposes such as monitoring, the company could face difficulties in applying any disciplinary measures to this employee.
- D. Since this was a serious infringement, but the employee was not appropriately informed about the consequences the new security measures, the company would be entitled to apply some disciplinary measures, but not dismissal.

Answer: D

NEW QUESTION 80

SCENARIO

Please use the following to answer the next question:

You have just been hired by a toy manufacturer based in Hong Kong. The company sells a broad range of dolls, action figures and plush toys that can be found internationally in a wide variety of retail stores. Although the manufacturer has no offices outside Hong Kong and in fact does not employ any staff outside Hong Kong, it has entered into a number of local distribution contracts. The toys produced by the company can be found in all popular toy stores throughout Europe, the United States and Asia. A large portion of the company's revenue is due to international sales.

The company now wishes to launch a new range of connected toys, ones that can talk and interact with children. The CEO of the company is touting these toys as the next big thing, due to the increased possibilities offered: The figures can answer children's Questions: on various subjects, such as mathematical calculations or the weather. Each figure is equipped with a microphone and speaker and can connect to any smartphone or tablet via Bluetooth. Any mobile device within a 10-meter radius can connect to the toys via Bluetooth as well. The figures can also be associated with other figures (from the same manufacturer) and interact with each other for an enhanced play experience.

When a child asks the toy a question, the request is sent to the cloud for analysis, and the answer is generated on cloud servers and sent back to the figure. The answer is given through the figure's integrated

speakers, making it appear as though that the toy is actually responding to the child's question. The packaging of the toy does not provide technical details on how this works, nor does it mention that this feature requires an internet connection. The necessary data processing for this has been outsourced to a data center located in South Africa. However, your company has not yet revised its consumer-facing privacy policy to indicate this.

In parallel, the company is planning to introduce a new range of game systems through which consumers can play the characters they acquire in the course of playing the game. The system will come bundled with a portal that includes a Near-Field Communications (NFC) reader. This device will read an RFID tag in the action figure, making the figure come to life onscreen. Each character has its own stock features and abilities, but it is also possible to earn additional ones by accomplishing game goals. The only information stored in the tag relates to the figures' abilities. It is easy to switch characters during the game, and it is possible to bring the figure to locations outside of the home and have the character's abilities remain intact.

Why is this company obligated to comply with the GDPR?

- A. The company has offices in the EU.
- B. The company employs staff in the EU.
- C. The company's data center is located in a country outside the EU.
- D. The company's products are marketed directly to EU customers.

Answer: D

NEW QUESTION 81

Bioface is a company based in the United States. It has no servers, personnel or assets in the European Union. By collecting photographs from social media and other web-based services, such as newspapers and blogs, it uses machine learning to develop a facial recognition algorithm. The algorithm identifies individuals in photographs who are not in its data set based the algorithm and its existing data. The service collects photographs of data subjects in the European Union and will identify them if presented with their photographs. Bioface offers its service to government agencies and companies in the United States and Canada, but not to those in the European Union. Bioface does not offer the service to individuals.

Why is Bioface subject to the territorial scope of the General Data Protection Regulation?

- A. It collects data from European Union websites, which constitutes an establishment in the European Union.
- B. It offers services in the European Union by identifying data subjects in the European Union.
- C. It collects data from subjects and uses it for automated processing.
- D. It monitors the behavior of data subjects in the European Union.

Answer: A

NEW QUESTION 86

SCENARIO

Please use the following to answer the next question:

Liem, an online retailer known for its environmentally friendly shoes, has recently expanded its presence in Europe. Anxious to achieve market dominance, Liem teamed up with another eco friendly company, EcoMick, which sells accessories like belts and bags. Together the companies drew up a series of marketing campaigns designed to highlight the environmental and economic benefits of their products. After months of planning, Liem and EcoMick entered into a data sharing agreement to use the same marketing database, MarketIQ, to send the campaigns to their respective contacts.

Liem and EcoMick also entered into a data processing agreement with MarketIQ, the terms of which included processing personal data only upon Liem and EcoMick's instructions, and making available to them all information necessary to demonstrate compliance with GDPR obligations.

Liem and EcoMick then procured the services of a company called JaphSoft, a marketing optimization firm that uses machine learning to help companies run successful campaigns. Clients provide JaphSoft with the personal data of individuals they would like to be targeted in each campaign. To ensure protection of its clients' data, JaphSoft implements the technical and organizational measures it deems appropriate. JaphSoft works to continually improve its machine learning models by analyzing the data it receives from its clients to determine the most successful components of a successful campaign. JaphSoft then uses such models in providing services to its client-base. Since the models improve only over a period of time as more information is collected, JaphSoft does not have a deletion process for the data it receives from clients. However, to ensure compliance with data privacy rules, JaphSoft pseudonymizes the personal data by removing identifying information from the contact information. JaphSoft's engineers, however, maintain all contact information in the same database as the identifying information.

Under its agreement with Liem and EcoMick, JaphSoft received access to MarketIQ, which included contact information as well as prior purchase history for such contacts, to create campaigns that would result in the most views of the two companies' websites. A prior Liem customer, Ms. Iman, received a marketing campaign from JaphSoft regarding Liem's as well as EcoMick's latest products. While Ms. Iman recalls checking a box to receive information in the future regarding Liem's products, she has never shopped EcoMick, nor provided her personal data to that company.

Which of the following BEST describes the relationship between Liem, EcoMick and JaphSoft?

- A. Liem is a controller and EcoMick is a processor because Liem provides specific instructions regarding how the marketing campaigns should be rolled out.
- B. EcoMick and JaphSoft are is a controller and Liem is a processor because EcoMick is sharing its marketing data with Liem for contacts in Europe.
- C. JaphSoft is the sole processor because it processes personal data on behalf of its clients.
- D. Liem and EcoMick are joint controllers because they carry out joint marketing activities.

Answer: B

NEW QUESTION 90

What are the obligations of a processor that engages a sub-processor?

- A. The processor must give the controller prior written notice and perform a preliminary audit of the sub- processor.
- B. The processor must obtain the controller's specific written authorization and provide annual reports on the sub-processor's performance.
- C. The processor must receive a written agreement that the sub-processor will be fully liable to the controller for the performance of its obligations in relation to the personal data concerned.
- D. The processor must obtain the consent of the controller and ensure the sub-processor complies with data processing obligations that are equivalent to those that apply to the processor.

Answer: C

NEW QUESTION 91

SCENARIO

Please use the following to answer the next question:

WonderkKids provides an online booking service for childcare. Wonderkids is based in France, but hosts its website through a company in Switzerland. As part of their service, WonderKids will pass all personal data provided to them to the childcare provider booked through their system. The type of personal data collected on the website includes the name of the person booking the childcare, address and contact details, as well as information about the children to be cared for including name, age, gender and health information. The privacy statement on Wonderkids' website states the following:

"WonderkKids provides the information you disclose to us through this website to your childcare provider for scheduling and health and safety reasons. We may also use your and your child's personal information for our own legitimate business purposes and we employ a third-party website hosting company located in Switzerland to store the data. Any data stored on equipment located in Switzerland meets the European Commission provisions for guaranteeing adequate safeguards for you and your child's personal information.

We will only share you and your child's personal information with businesses that we see as adding real value to you. By providing us with any personal data, you consent to its transfer to affiliated businesses and to send you promotional offers."

“We may retain you and your child’s personal information for no more than 28 days, at which point the data will be depersonalized, unless your personal information is being used for a legitimate business purpose beyond 28 days where it may be retained for up to 2 years.”

“We are processing you and your child’s personal information with your consent. If you choose not to provide certain information to us, you may not be able to use our services. You have the right to: request access to you and your child’s personal information; rectify or erase you or your child’s personal information; the right to correction or erasure of you and/or your child’s personal information; object to any processing of you and your child’s personal information. You also have the right to complain to the supervisory authority about our data processing activities.”

What must the contract between WonderKids and the hosting service provider contain?

- A. The requirement to implement technical and organizational measures to protect the data.
- B. Controller-to-controller model contract clauses.
- C. Audit rights for the data subjects.
- D. A non-disclosure agreement.

Answer: A

NEW QUESTION 96

SCENARIO

Please use the following to answer the next question:

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JaphSoft’s use of pseudonymization is NOT in compliance with the CDPR because?

- A. JaphSoft failed to first anonymize the personal data.
- B. JaphSoft pseudonymized all the data instead of deleting what it no longer needed.
- C. JaphSoft was in possession of information that could be used to identify data subjects.
- D. JaphSoft failed to keep personally identifiable information in a separate database.

Answer: B

NEW QUESTION 100

What should a controller do after a data subject opts out of a direct marketing activity?

- A. Without exception, securely delete all personal data relating to the data subject.
- B. Without undue delay, provide information to the data subject on the action that will be taken.
- C. Refrain from processing personal data relating to the data subject for the relevant type of communication.
- D. Take reasonable steps to inform third-party recipients that the data subject’s personal data should be deleted and no longer processed.

Answer: C

NEW QUESTION 105

In 2016’s Guidance, the United Kingdom’s Information Commissioner’s Office (ICO) reaffirmed the importance of using a “layered notice” to provide data subjects with what?

- A. A privacy notice containing brief information whilst offering access to further detail.
- B. A privacy notice explaining the consequences for opting out of the use of cookies on a website.
- C. An explanation of the security measures used when personal data is transferred to a third party.
- D. An efficient means of providing written consent in member states where they are required to do so.

Answer: A

NEW QUESTION 109

SCENARIO

Please use the following to answer the next question:

T-Craze, a German-headquartered specialty t-shirt company, was successfully selling to large German metropolitan cities. However, after a recent merger with another German-based company that was selling to a broader European market, T-Craze revamped its marketing efforts to sell to a wider audience. These efforts included a complete redesign of its logo to reflect the recent merger, and improvements to its website meant to capture more information about visitors through the use of cookies.

T-Craze also opened various office locations throughout Europe to help expand its business. While Germany Target, a renowned marketing firm based in the Philippines, to run its latest marketing campaign. After thorough research, Right Target determined that T-Craze is most successful with customers between the ages of 18 and 22. Thus, its first campaign targeted university students in several European capitals, which yielded nearly 40% new customers for T-Craze in one quarter. Right Target also ran subsequent campaigns for T-Craze, though with much less success.

The last two campaigns included a wider demographic group and resulted in countless unsubscribe requests, including a large number in Spain. In fact, the Spanish data protection authority received a complaint from Sofia, a mid-career investment banker. Sofia was upset after receiving a marketing communication

even after unsubscribing from such communications from the Right Target on behalf of T-Craze.

What is the best option for the lead regulator when responding to the Spanish supervisory authority's notice that it plans to take action regarding Sofia's complaint?

- A. Accept, because it did not receive any complaints.
- B. Accept, because GDPR permits non-lead authorities to take action for such complaints.
- C. Reject, because Right Target's processing was conducted throughout Europe.
- D. Reject, because GDPR does not allow other supervisory authorities to take action if there is a lead authority.

Answer: D

NEW QUESTION 111

Under Article 21 of the GDPR, a controller must stop profiling when requested by a data subject, unless it can demonstrate compelling legitimate grounds that override the interests of the individual. In the Guidelines on Automated individual decision-making and Profiling, the WP 29 says the controller needs to do all of the following to demonstrate that it has such legitimate grounds EXCEPT?

- A. Carry out an exercise that weighs the interests of the controller and the basis for the data subject's objection.
- B. Consider the impact of the profiling on the data subject's interest, rights and freedoms.
- C. Demonstrate that the profiling is for the purposes of direct marketing.
- D. Consider the importance of the profiling to their particular objective.

Answer: C

NEW QUESTION 113

SCENARIO

Please use the following to answer the next question:

Brady is a computer programmer based in New Zealand who has been running his own business for two years. Brady's business provides a low-cost suite of services to customers throughout the European Economic Area (EEA). The services are targeted towards new and aspiring small business owners. Brady's company, called Brady Box, provides web page design services, a Social Networking Service (SNS) and consulting services that help people manage their own online stores.

Unfortunately, Brady has been receiving some complaints. A customer named Anna recently uploaded her plans for a new product onto Brady Box's chat area, which is open to public viewing. Although she realized her mistake two weeks later and removed the document, Anna is holding Brady Box responsible for not noticing the error through regular monitoring of the website. Brady believes he should not be held liable.

Another customer, Felipe, was alarmed to discover that his personal information was transferred to a third-party contractor called Hermes Designs and worries that sensitive information regarding his business plans may be misused. Brady does not believe he violated European privacy rules. He provides a privacy notice to all of his customers explicitly stating that personal data may be transferred to specific third parties in fulfillment of a requested service. Felipe says he read the privacy notice but that it was long and complicated.

Brady continues to insist that Felipe has no need to be concerned, as he can personally vouch for the integrity of Hermes Designs. In fact, Hermes Designs has taken the initiative to create sample customized banner advertisements for customers like Felipe. Brady is happy to provide a link to the example banner ads, now posted on the Hermes Designs webpage. Hermes Designs plans on following up with direct marketing to these customers.

Brady was surprised when another customer, Serge, expressed his dismay that a quotation by him is being used within a graphic collage on Brady Box's home webpage. The quotation is attributed to Serge by first and last name. Brady, however, was not worried about any sort of litigation. He wrote back to Serge to let him know that he found the quotation within Brady Box's Social Networking Service (SNS), as Serge himself had posted the quotation. In his response, Brady did offer to remove the quotation as a courtesy.

Despite some customer complaints, Brady's business is flourishing. He even supplements his income through online behavioral advertising (OBA) via a third-party ad network with whom he has set clearly defined roles. Brady is pleased that, although some customers are not explicitly aware of the OBA, the advertisements contain useful products and services.

Based on current trends in European privacy practices, which aspect of Brady Box' Online Behavioral Advertising (OBA) is most likely to be insufficient if the company becomes established in Europe?

- A. The lack of the option to opt in.
- B. The level of security within the website.
- C. The contract with the third-party advertising network.
- D. The need to have the contents of the advertising approved.

Answer: A

NEW QUESTION 118

An organization receives a request multiple times from a data subject seeking to exercise his rights with respect to his own personal data. Under what condition can the organization charge the data subject a fee for processing the request?

- A. Only where the organization can show that it is reasonable to do so because more than one request was made.
- B. Only to the extent this is allowed under the restrictions on data subjects' rights introduced under Art 23 of GDPR.
- C. Only where the administrative costs of taking the action requested exceeds a certain threshold.
- D. Only if the organization can demonstrate that the request is clearly excessive or misguided.

Answer: B

NEW QUESTION 123

Which EU institution is vested with the competence to propose new data protection legislation on its own initiative?

- A. The European Council
- B. The European Parliament
- C. The European Commission
- D. The Council of the European Union

Answer: D

NEW QUESTION 127

What is the most frequently used mechanism for legitimizing cross-border data transfer?

- A. Standard Contractual Clauses.
- B. Approved Code of Conduct.
- C. Binding Corporate Rules.
- D. Derogations.

Answer: A

NEW QUESTION 129

SCENARIO

Please use the following to answer the next question:

Zandelay Fashion ('Zandelay') is a successful international online clothing retailer that employs approximately 650 people at its headquarters based in Dublin, Ireland. Martin is their recently appointed data protection officer, who oversees the company's compliance with the General Data Protection Regulation (GDPR) and other privacy legislation.

The company offers both male and female clothing lines across all age demographics, including children. In doing so, the company processes large amounts of information about such customers, including preferences and sensitive financial information such as credit card and bank account numbers.

In an aggressive bid to build revenue growth, Jerry, the CEO, tells Martin that the company is launching a new mobile app and loyalty scheme that puts significant emphasis on profiling the company's customers by analyzing their purchases. Martin tells the CEO that: (a) the potential risks of such activities means that Zandelay needs to carry out a data protection impact assessment to assess this new venture and its privacy implications; and (b) where the results of this assessment indicate a high risk in the absence of appropriate protection measures, Zandelay may have to undertake a prior consultation with the Irish Data Protection Commissioner before implementing the app and loyalty scheme.

Jerry tells Martin that he is not happy about the prospect of having to directly engage with a supervisory authority and having to disclose details of Zandelay's business plan and associated processing activities.

What would MOST effectively assist Zandelay in conducting their data protection impact assessment?

- A. Information about DPIAs found in Articles 38 through 40 of the GDPR.
- B. Data breach documentation that data controllers are required to maintain.
- C. Existing DPIA guides published by local supervisory authorities.
- D. Records of processing activities that data controllers are required to maintain.

Answer: A

NEW QUESTION 131

Which of the following countries will continue to enjoy adequacy status under the GDPR, pending any future European Commission decision to the contrary?

- A. Greece
- B. Norway
- C. Australia
- D. Switzerland

Answer: D

NEW QUESTION 132

A worker in a European Union (EU) member state has ceased his employment with a company. What should the employer most likely do in regard to the worker's personal data?

- A. Destroy sensitive information and store the rest per applicable data protection rules.
- B. Store all of the data in case the departing worker makes a subject access request.
- C. Securely store the data that is required to be kept under local law.
- D. Provide the employee the reasons for retaining the data.

Answer: A

NEW QUESTION 133

Which GDPR requirement will present the most significant challenges for organizations with Bring Your Own Device (BYOD) programs?

- A. Data subjects must be sufficiently informed of the purposes for which their personal data is processed.
- B. Processing of special categories of personal data on a large scale requires appointing a DPO.
- C. Personal data of data subjects must always be accurate and kept up to date.
- D. Data controllers must be in control of the data they hold at all times.

Answer: D

NEW QUESTION 136

What term BEST describes the European model for data protection?

- A. Sectoral
- B. Self-regulatory
- C. Market-based
- D. Comprehensive

Answer: A

NEW QUESTION 139

Which of the following is NOT a role of works councils?

- A. Determining the monetary fines to be levied against employers for data breach violations of employee data.
- B. Determining whether to approve or reject certain decisions of the employer that affect employees.
- C. Determining whether employees' personal data can be processed or not.
- D. Determining what changes will affect employee working conditions.

Answer: C

NEW QUESTION 142

What was the aim of the European Data Protection Directive 95/46/EC?

- A. To harmonize the implementation of the European Convention of Human Rights across all member states.
- B. To implement the OECD Guidelines on the Protection of Privacy and trans-border flows of Personal Data.
- C. To completely prevent the transfer of personal data out of the European Union.
- D. To further reconcile the protection of the fundamental rights of individuals with the free flow of data from one member state to another.

Answer: B

NEW QUESTION 143

Under Article 80(1) of the GDPR, individuals can elect to be represented by not-for-profit organizations in a privacy group litigation or class action. These organizations are commonly known as?

- A. Law firm organizations.
- B. Civil society organizations.
- C. Human rights organizations.
- D. Constitutional rights organizations.

Answer: A

NEW QUESTION 148

SCENARIO

Please use the following to answer the next question:

Joe started the Gummy Bear Company in 2000 from his home in Vermont, USA. Today, it is a multi-billion-dollar candy company operating in every continent. All of the company's IT servers are located in Vermont. This year Joe hires his son Ben to join the company and head up Project Big, which is a major marketing strategy to triple gross revenue in just 5 years. Ben graduated with a PhD in computer software from a top university. Ben decided to join his father's company, but is also secretly working on launching a new global online dating website company called Ben Knows Best.

Ben is aware that the Gummy Bear Company has millions of customers and believes that many of them might also be interested in finding their perfect match. For Project Big, Ben redesigns the company's online web portal and requires customers in the European Union and elsewhere to provide additional personal information in order to remain a customer. Project Ben begins collecting data about customers' philosophical beliefs, political opinions and marital status.

If a customer identifies as single, Ben then copies all of that customer's personal data onto a separate database for Ben Knows Best. Ben believes that he is not doing anything wrong, because he explicitly asks each customer to give their consent by requiring them to check a box before accepting their information. As Project Big is an important project, the company also hires a first year college student named Sam, who is studying computer science to help Ben out.

Ben calls out and Sam comes across the Ben Knows Best database. Sam is planning on going to Ireland over Spring Break with 10 of his friends, so he copies all of the customer information of people that reside in Ireland so that he and his friends can contact people when they are in Ireland.

Joe also hires his best friend's daughter, Alice, who just graduated from law school in the U.S., to be the company's new General Counsel. Alice has heard about the GDPR, so she does some research on it. Alice approaches Joe and informs him that she has drafted up Binding Corporate Rules for everyone in the company to follow, as it is important for the company to have in place a legal mechanism to transfer data internally from the company's operations in the European Union to the U.S.

Joe believes that Alice is doing a great job, and informs her that she will also be in-charge of handling a major lawsuit that has been brought against the company in federal court in the U.S. To prepare for the lawsuit, Alice instructs the company's IT department to make copies of the computer hard drives from the entire global sales team, including the European Union, and send everything to her so that she can review everyone's information. Alice believes that Joe will be happy that she did the first level review, as it will save the company a lot of money that would otherwise be paid to its outside law firm.

When Ben had the company collect additional data from its customers, the most serious violation of the GDPR occurred because the processing of the data created what?

- A. An information security risk by copying the data into a new database.
- B. A potential legal liability and financial exposure from its customers.
- C. A significant risk to the customers' fundamental rights and freedoms.
- D. A significant risk due to the lack of an informed consent mechanism.

Answer: C

NEW QUESTION 149

Company X has entrusted the processing of their payroll data to Provider Y. Provider Y stores this encrypted data on its server. The IT department of Provider Y finds out that someone managed to hack into the system and take a copy of the data from its server. In this scenario, whom does Provider Y have the obligation to notify?

- A. The public
- B. Company X
- C. Law enforcement
- D. The supervisory authority

Answer: C

NEW QUESTION 152

The Planet 49 CJEU Judgement applies to?

- A. Cookies used only by third parties.

- B. Cookies that are deemed technically necessary.
- C. Cookies regardless of whether the data accessed is personal or not.
- D. Cookies where the data accessed is considered as personal data only.

Answer: C

NEW QUESTION 154

WP29's "Guidelines on Personal data breach notification under Regulation 2016/679" provides examples of ways to communicate data breaches transparently. Which of the following was listed as a method that would NOT be effective for communicating a breach to data subjects?

- A. A postal notification
- B. A direct electronic message
- C. A notice on a corporate blog
- D. A prominent advertisement in print media

Answer: C

NEW QUESTION 156

For which of the following operations would an employer most likely be justified in requesting the data subject's consent?

- A. Posting an employee's bicycle race photo on the company's social media.
- B. Processing an employee's health certificate in order to provide sick leave.
- C. Operating a CCTV system on company premises.
- D. Assessing a potential employee's job application.

Answer: A

NEW QUESTION 161

Under what circumstances would the GDPR apply to personal data that exists in physical form, such as information contained in notebooks or hard copy files?

- A. Only where the personal data is produced as a physical output of specific automated processing activities, such as printing, labelling, or stamping.
- B. Only where the personal data is to be subjected to specific computerized processing, such as image scanning or optical character recognition.
- C. Only where the personal data is treated by automated means in some way, such as computerized distribution or filing.
- D. Only where the personal data is handled in a sufficiently structured manner so as to form part of a filing system.

Answer: D

NEW QUESTION 163

SCENARIO

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Ben calls out and Sam comes across the Ben Knows Best database. Sam is planning on going to Ireland over Spring Break with 10 of his friends, so he copies all of the customer information of people that reside in Ireland so that he and his friends can contact people when they are in Ireland.

Joe also hires his best friend's daughter, Alice, who just graduated from law school in the U.S., to be the company's new General Counsel. Alice has heard about the GDPR, so she does some research on it. Alice approaches Joe and informs him that she has drafted up Binding Corporate Rules for everyone in the company to follow, as it is important for the company to have in place a legal mechanism to transfer data internally from the company's operations in the European Union to the U.S.

Joe believes that Alice is doing a great job, and informs her that she will also be in-charge of handling a major lawsuit that has been brought against the company in federal court in the U.S. To prepare for the lawsuit, Alice instructs the company's IT department to make copies of the computer hard drives from the entire global sales team, including the European Union, and send everything to her so that she can review everyone's information. Alice believes that Joe will be happy that she did the first level review, as it will save the company a lot of money that would otherwise be paid to its outside law firm.

The data transfer mechanism that Alice drafted violates the GDPR because the company did not first get approval from?

- A. The Court of Justice of the European Union.
- B. The European Data Protection Board.
- C. The Data Protection Authority.
- D. The European Commission.

Answer: C

NEW QUESTION 167

A key component of the OECD Guidelines is the "Individual Participation Principle". What parts of the General Data Protection Regulation (GDPR) provide the closest equivalent to that principle?

- A. The lawful processing criteria stipulated by Articles 6 to 9
- B. The information requirements set out in Articles 13 and 14
- C. The breach notification requirements specified in Articles 33 and 34
- D. The rights granted to data subjects under Articles 12 to 22

Answer: D

NEW QUESTION 172

A U.S. company's website sells widgets. Which of the following factors would NOT in itself subject the company to the GDPR?

- A. The widgets are offered in EU and priced in euro.
- B. The website is in English and French, and is accessible in France.
- C. An affiliate office is located in France but the processing is in the U.S.
- D. The website places cookies to monitor the EU website user behavior.

Answer: B

NEW QUESTION 174

SCENARIO

Please use the following to answer the next question:

BHealthy, a company based in Italy, is ready to launch a new line of natural products, with a focus on sunscreen. The last step prior to product launch is for BHealthy to conduct research to decide how extensively to market its new line of sunscreens across Europe. To do so, BHealthy teamed up with Natural Insight, a company specializing in determining pricing for natural products. BHealthy decided to share its existing customer information – name, location, and prior purchase history – with Natural Insight. Natural Insight intends to use this information to train its algorithm to help determine the price point at which BHealthy can sell its new sunscreens.

Prior to sharing its customer list, BHealthy conducted a review of Natural Insight's security practices and concluded that the company has sufficient security measures to protect the contact information. Additionally, BHealthy's data processing contractual terms with Natural Insight require continued implementation of technical and organization measures. Also indicated in the contract are restrictions on use of the data provided by BHealthy for any purpose beyond provision of the services, which include use of the data for continued improvement of Natural Insight's machine learning algorithms.

In which case would Natural Insight's use of BHealthy's data for improvement of its algorithms be considered data processor activity?

- A. If Natural Insight uses BHealthy's data for improving price point predictions only for BHealthy.
- B. If Natural Insight receives express contractual instructions from BHealthy to use its data for improving its algorithms.
- C. If Natural Insight agrees to be fully liable for its use of BHealthy's customer information in its product improvement activities.
- D. If Natural Insight satisfies the transparency requirement by notifying BHealthy's customers of its plans to use their information for its product improvement activities.

Answer: A

NEW QUESTION 179

SCENARIO

Please use the following to answer the next question:

Sandy recently joined Market4U, an advertising technology company founded in 2016, as their VP of Privacy and Data Governance. Through her first initiative in conducting a data inventory, Sandy learned that Market4U maintains a list of 19 million global contacts that were collected throughout the course of Market4U's existence. Knowing the risk of having such a large amount of data, Sandy wanted to purge all contacts that were entered into Market4U's systems prior to May 2018, unless such contacts had a more recent interaction with Market4U content. However, Dan, the VP of Sales, informed Sandy that all of the contacts provide useful information regarding successful marketing campaigns and trends in industry verticals for Market4U's clients.

Dan also informed Sandy that he had wanted to focus on gaining more customers within the sports and entertainment industry. To assist with this behavior, Market4U's marketing team decided to add several new fields to Market4U's website forms, including forms for downloading white papers, creating accounts to participate in Market4U's forum, and attending events. Such fields include birth date and salary.

What should Sandy give as feedback to Dan and the marketing team regarding the new fields Dan wants to add to Market4U's forms?

- A. Make all the fields optional.
- B. Only request the information in brackets (i.e., age group and salary range).
- C. Eliminate the fields, as they are not proportional to the services being offered.
- D. Eliminate the fields as they are not necessary for the purposes of providing white papers or registration for events.

Answer: D

NEW QUESTION 181

Which of the following Convention 108+ principles, as amended in 2018, is NOT consistent with a principle found in the GDPR?

- A. The obligation of companies to declare data breaches.
- B. The requirement to demonstrate compliance to a supervisory authority.
- C. The necessity of the bulk collection of personal data by the government.

Answer: B

NEW QUESTION 182

An unforeseen power outage results in company Z's lack of access to customer data for six hours. According to article 32 of the GDPR, this is considered a breach. Based on the WP 29's February, 2018 guidance, company Z should do which of the following?

- A. Notify affected individuals that their data was unavailable for a period of time.
- B. Document the loss of availability to demonstrate accountability
- C. Notify the supervisory authority about the loss of availability
- D. Conduct a thorough audit of all security systems

Answer: C

NEW QUESTION 185

SCENARIO

Please use the following to answer the next question:

Anna and Frank both work at Granchester University. Anna is a lawyer responsible for data protection, while Frank is a lecturer in the engineering department. The University maintains a number of types of records:

- Student records, including names, student numbers, home addresses, pre-university information, university attendance and performance records, details of special educational needs and financial information.
- Staff records, including autobiographical materials (such as curricula, professional contact files, student evaluations and other relevant teaching files).
- Alumni records, including birthplaces, years of birth, dates of matriculation and conferrals of degrees.

These records are available to former students after registering through Granchester's Alumni portal. Department for Education records, showing how certain demographic groups (such as first-generation students) could be expected, on average, to progress. These records do not contain names or identification numbers.

- Under their security policy, the University encrypts all of its personal data records in transit and at rest.

In order to improve his teaching, Frank wants to investigate how his engineering students perform in relational to Department for Education expectations. He has attended one of Anna's data protection training courses and knows that he should use no more personal data than necessary to accomplish his goal. He creates a program that will only export some student data: previous schools attended, grades originally obtained, grades currently obtained and first time university attended. He wants to keep the records at the individual student level. Mindful of Anna's training, Frank runs the student numbers through an algorithm to transform them into different reference numbers. He uses the same algorithm on each occasion so that he can update each record over time.

One of Anna's tasks is to complete the record of processing activities, as required by the GDPR. After receiving her email reminder, as required by the GDPR.

After receiving her email reminder, Frank informs

Anna about his performance database.

Ann explains to Frank that, as well as minimizing personal data, the University has to check that this new use of existing data is permissible. She also suspects that, under the GDPR, a risk analysis may have to be carried out before the data processing can take place. Anna arranges to discuss this further with Frank after she has done some additional research.

Frank wants to be able to work on his analysis in his spare time, so he transfers it to his home laptop (which is not encrypted). Unfortunately, when Frank takes the laptop into the University he loses it on the train. Frank has to see Anna that day to discuss compatible processing. He knows that he needs to report security incidents, so he decides to tell Anna about his lost laptop at the same time.

Which of the University's records does Anna NOT have to include in her record of processing activities?

- A. Student records
- B. Staff and alumni records
- C. Frank's performance database
- D. Department for Education records

Answer: C

NEW QUESTION 187

The GDPR specifies fines that may be levied against data controllers for certain infringements. Which of the following infringements would be subject to the less severe administrative fine of up to 10 million euros (or in the case of an undertaking, up to 2% of the total worldwide annual turnover of the preceding financial year)?

- A. Failure to demonstrate that consent was given by the data subject to the processing of their personal data where it is used as the basis for processing.
- B. Failure to implement technical and organizational measures to ensure data protection is enshrined by design and default.
- C. Failure to process personal information in a manner compatible with its original purpose.
- D. Failure to provide the means for a data subject to rectify inaccuracies in personal data.

Answer: D

NEW QUESTION 191

Under Article 30 of the GDPR, controllers are required to keep records of all of the following EXCEPT?

- A. Incidents of personal data breaches, whether disclosed or not.
- B. Data inventory or data mapping exercises that have been conducted.
- C. Categories of recipients to whom the personal data have been disclosed.
- D. Retention periods for erasure and deletion of categories of personal data.

Answer: D

NEW QUESTION 194

Under the Data Protection Law Enforcement Directive of the EU, a government can carry out covert investigations involving personal data, as long it is set forth by law and constitutes a measure that is both necessary and what?

- A. Prudent.
- B. Important.
- C. Proportionate.
- D. DPA-approved.

Answer: C

NEW QUESTION 196

SCENARIO

Please use the following to answer the next question:

You have just been hired by a toy manufacturer based in Hong Kong. The company sells a broad range of dolls, action figures and plush toys that can be found internationally in a wide variety of retail stores. Although the manufacturer has no offices outside Hong Kong and in fact does not employ any staff outside Hong Kong, it has entered into a number of local distribution contracts. The toys produced by the company can be found in all popular toy stores throughout Europe, the United States and Asia. A large portion of the company's revenue is due to international sales.

The company now wishes to launch a new range of connected toys, ones that can talk and interact with children. The CEO of the company is touting these toys as the next big thing, due to the increased possibilities offered: The figures can answer children's Questions: on various subjects, such as mathematical calculations or the weather. Each figure is equipped with a microphone and speaker and can connect to any smartphone or tablet via Bluetooth. Any mobile device within a 10-meter radius can connect to the toys via Bluetooth as well. The figures can also be associated with other figures (from the same manufacturer) and interact with

each other for an enhanced play experience.

When a child asks the toy a question, the request is sent to the cloud for analysis, and the answer is generated on cloud servers and sent back to the figure. The answer is given through the figure's integrated speakers, making it appear as though that the toy is actually responding to the child's question. The packaging of the toy does not provide technical details on how this works, nor does it mention that this feature requires an internet connection. The necessary data processing for this has been outsourced to a data center located in South Africa. However, your company has not yet revised its consumer-facing privacy policy to indicate this.

In parallel, the company is planning to introduce a new range of game systems through which consumers can play the characters they acquire in the course of playing the game. The system will come bundled with a portal that includes a Near-Field Communications (NFC) reader. This device will read an RFID tag in the action figure, making the figure come to life onscreen. Each character has its own stock features and abilities, but it is also possible to earn additional ones by accomplishing game goals. The only information stored in the tag relates to the figures' abilities. It is easy to switch characters during the game, and it is possible to bring the figure to locations outside of the home and have the character's abilities remain intact.

What presents the BIGGEST potential privacy issue with the company's practices?

- A. The NFC portal can read any data stored in the action figures
- B. The information about the data processing involved has not been specified
- C. The cloud service provider is in a country that has not been deemed adequate
- D. The RFID tag in the action figures has the potential for misuse because of the toy's evolving capabilities

Answer: B

NEW QUESTION 197

When is data sharing agreement MOST likely to be needed?

- A. When anonymized data is being shared.
- B. When personal data is being shared between commercial organizations acting as joint data controllers.
- C. When personal data is being proactively shared by a controller to support a police investigation.
- D. When personal data is being shared with a public authority with powers to require the personal data to be disclosed.

Answer: B

NEW QUESTION 202

SCENARIO

Please use the following to answer the next question:

Joe is the new privacy manager for Who-R-U, a Canadian business that provides DNA analysis. The company is headquartered in Montreal, and all of its employees are located there. The company offers its services to Canadians only: Its website is in English and French, it accepts only Canadian currency, and it blocks internet traffic from outside of Canada (although this solution doesn't prevent all non-Canadian traffic). It also declines to process orders that request the DNA report to be sent outside of Canada, and returns orders that show a non-Canadian return address.

Bob, the President of Who-R-U, thinks there is a lot of interest for the product in the EU, and the company is exploring a number of plans to expand its customer base.

The first plan, collegially called We-Track-U, will use an app to collect information about its current Canadian customer base. The expansion will allow its Canadian customers to use the app while traveling abroad. He suggests that the company use this app to gather location information. If the plan shows promise, Bob proposes to use push notifications and text messages to encourage existing customers to pre-register for an EU version of the service. Bob calls this work plan, We-Text-U. Once the company has gathered enough pre-registrations, it will develop EU-specific content and services.

Another plan is called Customer for Life. The idea is to offer additional services through the company's app, like storage and sharing of DNA information with other applications and medical providers. The company's contract says that it can keep customer DNA indefinitely, and use it to offer new services and market them to customers. It also says that customers agree not to withdraw direct marketing consent. Paul, the marketing director, suggests that the company should fully exploit these provisions, and that it can work around customers' attempts to withdraw consent because the contract invalidates them.

The final plan is to develop a brand presence in the EU. The company has already begun this process. It is in the process of purchasing the naming rights for a building in Germany, which would come with a few offices that Who-R-U executives can use while traveling internationally. The office doesn't include any technology or infrastructure; rather, it's simply a room with a desk and some chairs.

On a recent trip concerning the naming-rights deal, Bob's laptop is stolen. The laptop held unencrypted DNA reports on 5,000 Who-R-U customers, all of whom are residents of Canada. The reports include customer name, birthdate, ethnicity, racial background, names of relatives, gender, and occasionally health information.

The Customer for Life plan may conflict with which GDPR provision?

- A. Article 6, which requires processing to be lawful.
- B. Article 7, which requires consent to be as easy to withdraw as it is to give.
- C. Article 16, which provides data subjects with a rights to rectification.
- D. Article 20, which gives data subjects a right to data portability.

Answer: B

NEW QUESTION 204

Which sentence BEST summarizes the concepts of "fairness," "lawfulness" and "transparency", as expressly required by Article 5 of the GDPR?

- A. Fairness and transparency refer to the communication of key information before collecting data; lawfulness refers to compliance with government regulations.
- B. Fairness refers to limiting the amount of data collected from individuals; lawfulness refers to the approval of company guidelines by the state; transparency solely relates to communication of key information before collecting data.
- C. Fairness refers to the security of personal data; lawfulness and transparency refers to the analysis of ordinances to ensure they are uniformly enforced.
- D. Fairness refers to the collection of data from diverse subjects; lawfulness refers to the need for legal rules to be uniform; transparency refers to giving individuals access to their data.

Answer: A

NEW QUESTION 208

SCENARIO

Please use the following to answer the next question:

The fitness company Vigotron has recently developed a new app called M-Health, which it wants to market on its website as a free download. Vigotron's marketing manager asks his assistant Emily to create a webpage that describes the app and specifies the terms of use. Emily, who is new at Vigotron, is excited

about this task. At her previous job she took a data protection class, and though the details are a little hazy, she recognizes that Vigotron is going to need to obtain user consent for use of the app in some cases. Emily sketches out the following draft, trying to cover as much as possible before sending it to Vigotron's legal department.

Registration Form

Vigotron's new M-Health app makes it easy for you to monitor a variety of health-related activities, including diet, exercise, and sleep patterns. M-Health relies on your smartphone settings (along with other third-party apps you may already have) to collect data about all of these important lifestyle elements, and provide the information necessary for you to enrich your quality of life. (Please click here to read a full description of the services that M-Health provides.)

Vigotron values your privacy. The M-Health app allows you to decide which information is stored in it, and which apps can access your data. When your device is locked with a passcode, all of your health and fitness data is encrypted with your passcode. You can back up data stored in the Health app to Vigotron's cloud provider, Stratculous. (Read more about Stratculous here.)

Vigotron will never trade, rent or sell personal information gathered from the M-Health app. Furthermore, we will not provide a customer's name, email address or any other information gathered from the app to any third-party without a customer's consent, unless ordered by a court, directed by a subpoena, or to enforce the manufacturer's legal rights or protect its business or property.

We are happy to offer the M-Health app free of charge. If you want to download and use it, we ask that you first complete this registration form. (Please note that use of the M-Health app is restricted to adults aged 16 or older, unless parental consent has been given to minors intending to use it.)

- > First name:
- > Surname:
- > Year of birth:
- > Email:
- > Physical Address (optional*):
- > Health status:

*If you are interested in receiving newsletters about our products and services that we think may be of interest to you, please include your physical address. If you decide later that you do not wish to receive these newsletters, you can unsubscribe by sending an email to unsubscribe@vigotron.com or send a letter with your request to the address listed at the bottom of this page.

Terms and Conditions 1.Jurisdiction. [...] 2.Applicable law. [...] 3.Limitation of liability. [...] Consent

By completing this registration form, you attest that you are at least 16 years of age, and that you consent to the processing of your personal data by Vigotron for the purpose of using the M-Health app. Although you are entitled to opt out of any advertising or marketing, you agree that Vigotron may contact you or provide you with any required notices, agreements, or other information concerning the services by email or other electronic means. You also agree that the Company may send automated emails with alerts regarding any problems with the M-Health app that may affect your well being.

Emily sends the draft to Sam for review. Which of the following is Sam most likely to point out as the biggest problem with Emily's consent provision?

- A. It is not legal to include fields requiring information regarding health status without consent.
- B. Processing health data requires explicit consent, but the form does not ask for explicit consent.
- C. Direct marketing requires explicit consent, whereas the registration form only provides for a right to object
- D. The provision of the fitness app should be made conditional on the consent to the data processing for direct marketing.

Answer: C

NEW QUESTION 212

Which mechanism, new to the GDPR, now allows for the possibility of personal data transfers to third countries under Article 42?

- A. Approved certifications.
- B. Binding corporate rules.
- C. Law enforcement requests.
- D. Standard contractual clauses.

Answer: A

NEW QUESTION 214

A company is located in a country NOT considered by the European Union (EU) to have an adequate level of data protection. Which of the following is an obligation of the company if it imports personal data from another organization in the European Economic Area (EEA) under standard contractual clauses?

- A. Submit the contract to its own government authority.
- B. Ensure that notice is given to and consent is obtained from data subjects.
- C. Supply any information requested by a data protection authority (DPA) within 30 days.
- D. Ensure that local laws do not impede the company from meeting its contractual obligations.

Answer: A

NEW QUESTION 218

Based on GDPR Article 35, which of the following situations would trigger the need to complete a DPIA?

- A. A company wants to combine location data with other data in order to offer more personalized service for the customer.
- B. A company wants to use location data to infer information on a person's clothes purchasing habits.
- C. A company wants to build a dating app that creates candidate profiles based on location data and data from third-party sources.
- D. A company wants to use location data to track delivery trucks in order to make the routes more efficient.

Answer: C

NEW QUESTION 220

According to the GDPR, when should the processing of photographs be considered processing of special categories of personal data?

- A. When processed with the intent to publish information regarding a natural person on publicly accessible media.
- B. When processed with the intent to proceed to scientific or historical research projects.
- C. When processed with the intent to uniquely identify or authenticate a natural person.
- D. When processed with the intent to comply with a law.

Answer: C

NEW QUESTION 225

In addition to the European Commission, who can adopt standard contractual clauses, assuming that all required conditions are met?

- A. Approved data controllers.
- B. The Council of the European Union.
- C. National data protection authorities.
- D. The European Data Protection Supervisor.

Answer: A

NEW QUESTION 230

SCENARIO

Please use the following to answer the next question:

Brady is a computer programmer based in New Zealand who has been running his own business for two years. Brady's business provides a low-cost suite of services to customers throughout the European Economic Area (EEA). The services are targeted towards new and aspiring small business owners. Brady's company, called Brady Box, provides web page design services, a Social Networking Service (SNS) and consulting services that help people manage their own online stores.

Unfortunately, Brady has been receiving some complaints. A customer named Anna recently uploaded her plans for a new product onto Brady Box's chat area, which is open to public viewing. Although she realized her mistake two weeks later and removed the document, Anna is holding Brady Box responsible for not noticing the error through regular monitoring of the website. Brady believes he should not be held liable.

Another customer, Felipe, was alarmed to discover that his personal information was transferred to a third- party contractor called Hermes Designs and worries that sensitive information regarding his business plans may be misused. Brady does not believe he violated European privacy rules. He provides a privacy notice to all of his customers explicitly stating that personal data may be transferred to specific third parties in fulfillment of a requested service. Felipe says he read the privacy notice but that it was long and complicated

Brady continues to insist that Felipe has no need to be concerned, as he can personally vouch for the integrity of Hermes Designs. In fact, Hermes Designs has taken the initiative to create sample customized banner advertisements for customers like Felipe. Brady is happy to provide a link to the example banner ads, now posted on the Hermes Designs webpage. Hermes Designs plans on following up with direct marketing to these customers.

Brady was surprised when another customer, Serge, expressed his dismay that a quotation by him is being used within a graphic collage on Brady Box's home webpage. The quotation is attributed to Serge by first and last name. Brady, however, was not worried about any sort of litigation. He wrote back to Serge to let him know that he found the quotation within Brady Box's Social Networking Service (SNS), as Serge himself had posted the quotation. In his response, Brady did offer to remove the quotation as a courtesy.

Despite some customer complaints, Brady's business is flourishing. He even supplements his income through online behavioral advertising (OBA) via a third-party ad network with whom he has set clearly defined roles. Brady is pleased that, although some customers are not explicitly aware of the OBA, the advertisements contain useful products and services.

Based on the scenario, what is the main reason that Brady should be concerned with Hermes Designs' handling of customer personal data?

- A. The data is sensitive.
- B. The data is uncategorized.
- C. The data is being used for a new purpose.
- D. The data is being processed via a new means.

Answer: D

NEW QUESTION 235

If a company is planning to use closed-circuit television (CCTV) on its premises and is concerned with GDPR compliance, it should first do all of the following EXCEPT?

- A. Notify the appropriate data protection authority.
- B. Perform a data protection impact assessment (DPIA).
- C. Create an information retention policy for those who operate the system.
- D. Ensure that safeguards are in place to prevent unauthorized access to the footage.

Answer: C

NEW QUESTION 240

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