EU DATA ACT

SEPTEMBER 2025





EU DATA ACT: OVERVIEW

The EU Data Act (Regulation (EU) 2023/2854 of the European Parliament and of the Council of 13 December 2023 laying down harmonised rules on fair access to and use of data and amending Regulation (EU) 2017/2394 and Directive (EU) 2020/1828) starts to become applicable on **12 September 2025**. It complements existing EU laws, such as the GDPR, Digital Markets Act & Digital Services Act.

The Data Act's aim is to ensure fairness in the allocation of value from data, stimulate a competitive data market, open opportunities for data-driven innovation and make data more accessible to all users. As an EU regulation, it is directly applicable in all Member States of the EU. However, due to its extraterritorial scope, many non-EU businesses that operate in EU markets may also be required to comply with this new law.

The Data Act entered into force on 11 January 2024, but starts to apply from 12 September 2025, with additional obligations due to become applicable in phases between September 2025 and September 2028. This brochure is designed to provide key information about the Data Act.

TERRITORIAL SCOPE

The territorial scope of the Data Act is broad and is likely to capture many international businesses. The Data Act imposes obligations not only on EU businesses but also applies extraterritorially. The reach of the Data Act extends to organisations outside the EU (e.g. from the UK) which place in-scope products or services on the market in the EU or make data available to recipients in the EU.

If you have any questions regarding compliance with the Data Act, please contact us.





WHO DOES THE EU DATA ACT APPLY TO?

Product manufacturers and service providers placing connected products and related services on the EU market.



2 EU **users** of connected products or related services.



3 Data processing service providers who provide services, including cloud and edge services, to customers in the EU.



4 Data holders who use and make data available.



EU data recipients to whom data is made available.





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CONNECTED PRODUCT

An "item" that "obtains, generates or collects data concerning its use or environment and that is able to communicate product data" (an Internet of Things or IoT device)



RELATED SERVICE

A digital service that is "connected with" a connected product "in such a way that its absence would prevent the connected product from performing" (software that makes an IoT device work)



DATA HOLDER

- A person with the right to use and enable access to data, which may include providers of connected products and related services.
- As with a data recipient, a data holder can be a natural or legal person.



DATA RECIPIENT

A person, acting for purposes which are related to that person's business, to whom the data holder makes data available.

EU DATA ACT: TIMELINE

The Data Act came into force on 11 January 2024 and started to become applicable on 12 September 2025. Following this date, the remaining provisions of the Data Act will come into force at different times.

12 September 2025

The Data Act's provisions became applicable, other than the provisions specified to apply from a later date.

The rules on unfair contractual terms apply to contracts concluded after this date.

12 January 2027

The prohibition on charges for switching data processing service provider (subject to exceptions) takes effect.

12 September 2028

The European Commission must review and evaluate the Data Act.





11 January 2024

Data Act entered into force.





12 September 2026

The "data accessibility by design" requirements apply to connected products and related services placed on the market after this date.



12 September 2027

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The provisions on unfair contractual terms take effect in relation to specific contracts concluded on or before 12 September 2025.



CORE PROVISIONS AND SANCTIONS

The Data Act's entry into force introduces both the obligation to comply with the new regulations and the possibility of enforcement of the Data Act by national competent authorities.

CORE PROVISIONS

Rules governing access to and re-use of data generated by the use of connected products and related services

Requirements for public sector access to privately-held data in cases of exceptional need

Requirements for seamless transition of data switching between data processing services, including cloud and edge services

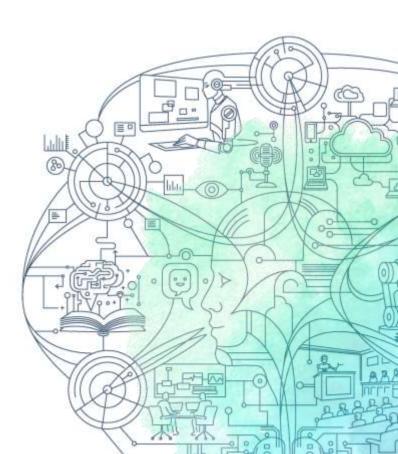
Conditions applicable to broader business-to-business data sharing

Requirements for smart contracts that execute data sharing agreements

Requirements relating to the interoperability of common European data spaces, data processing service providers and smart contract vendors

SANCTIONS

- A national, rather than EU-wide, penalty regime will be implemented with fines varying from country to country.
- Each member state must lay down rules for "effective, proportionate and dissuasive" penalties for non-compliance.
- · Competent authorities can impose administrative fines for infringement of certain obligations.
- To the extent that personal data is involved, authorities can monitor compliance with the EU Data Act and impose fines mirroring GDPR levels.



WHAT DO YOU NEED TO DO?

Scope/audit:

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- Assess whether your business falls within the scope of the Data Act and identify what role(s) it has (e.g. manufacturer of a connected product, data processing service provider, data holder, data user, etc.).
- If in scope, identify and prepare to implement any required changes.
- Data Accessibility: Manufacturers and service providers should prepare to comply with the "data accessibility by design" obligation, under which connected products and related services must be designed and manufactured to make the data, by default, accessible to the user free of charge, in an easy, secure and direct manner.

This is subject to a "Trade Secrets Handbrake" – data holders may be able to withhold data if they can demonstrate serious economic harm.

Contracts: The Data Act introduces:

- pre-contractual transparency obligations to provide information to the user about the data a connected product or service will generate; and
- new rules on unfair B2B contract terms about data access and use.

You should review and update your contracting terms and transparency statements.

International transfers: The Data Act introduces new rules on:

- preventing unlawful third-country governmental access to data;
- · restrictions and safeguards for international transfers; and
- transparency about international transfers.

If you are a data processing service provider, you should amend your relevant contracts and put in place appropriate safeguards.

- Record keeping: You should maintain accurate and up-to-date records of data relating to connected products and services so that you can demonstrate compliance with the Data Act.
 - Internal policies and procedures: you should:
 - update internal policies and procedures to ensure compliance with the Data Act and to establish proper protocols for handling data generated by connected products and related services; and
 - establish procedures for handling complaints about data sharing.

HOW CAN WE HELP?

We can support clients in identifying their key obligations under the Data Act.

We can review and update contracts, transparency notices and related documents to help clients comply with the Data Act and other applicable legislation in the EU, relevant member state(s) and UK.

We can offer our expert guidance in how data holders can best streamline compliance.

We can assist clients to implement effective policies and procedures, such as switching processes for cloud service providers and safeguards for managing governmental access to data.

We can help clients to update their data governance protocols in compliance with the Data Act standards.

We can advise clients on the impact of the Data Act on their business models.

We can analyse legal risks associated with the manufacture and sale of connected products and related services, focusing on compliance with the Data Act, data protection law and intellectual property law.

We can support clients to develop FRAND licensing terms for data sharing.

We can help clients to navigate striking the balance between data access, data protection and trade secrets.

We can deliver training and workshops to help data holders navigate the complexities of the Data Act and educate their employees.

OUR EXPERIENCE

SaaS PROVIDER

Advising on mapping key obligations under the EU Data Act.

ELECTRONICS MANUFACTURER

Advising on compliance with EU data regulations, including the GDPR, the AI Act, and the Data Act.

DELIVERY SERVICE

Advising on the data accessibility obligations and the application of the "trade secrets handbrake".

TRANSPORTATION PROVIDER

Advising a cloud services client on the provider's obligation to transfer the services.

EV MANUFACTURER

Advising on the contractual regime applicable to non-personal data in the launch of new products and related services addressed to merchants.

IT CONSULTANCY FIRM

Advising on the applicability of the EU Data Act to their products and related services, as well as the setting-up of a new contractual structure considering both the EU AI Act and the EU Data Act.

TELEMATICS COMPANY

Advising on the contractual arrangements for the exploitation of non-personal data in white-labelling solutions offered to third party companies in the insurance and telecoms sectors.

FINANCIAL ENTITY

Advising on the interplay of GDPR, DORA and the EU Data Act, particularly around risks associated with data processing services.

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