

01753 888211
www.nhllp.com

SHOULD YOUR COMPANY PAY A DATA PROTECTION FEE?



The Information Commissioner's Office (ICO) has been contacting companies to remind them of their legal obligation to pay a data protection fee.

The ICO has confirmed that the UK's 4.2 million limited companies will receive letters sent to their registered office addresses making them aware of this obligation, which is mandatory for some data controllers.

The notice implies that all registered companies should pay a data protection fee of £40, which seems absolute and a legal obligation; but there are some companies that will be exempt from this legislation.

Where the processing of data is solely to keep accounts, records of purchase, sales/other transactions, deciding whether to accept any person as a customer or supplier, or making financial or financial management forecasts, the business is likely to be exempt under the Schedule of Regulations.

However, the ICO has posted on its website that *"if you hold personal information for business purposes on any electronic device...it is likely an annual fee payment is due"*.

In this way there seems to be a clear uncertainty surrounding the data protection fee and it's legal obligation, which is why it is in your best interest to determine whether or not you are exempt. If there is any possible uncertainty surrounding your Data Protection Fee status, there is a short questionnaire on ICO's website which will help clarify your status: <https://ico.org.uk/for-organisations/data-protection-fee/self-assessment/>

Please be aware that failure to pay the fee in circumstances where no exemption applies may attract a penalty of up to £4,350.

Data protection poses a number of challenges and it is important that your business is fully compliant to avoid any penalties.

If you have any further questions on data protection fees and your eligibility, please call us on **01753 888211** or email info@nhllp.com to discuss further.