

## EU Data Act

Tech & Comms – Data processing

2025



### What is the purpose of the Data Act?

*The Data Act aims to create a harmonised framework for fair and transparent data sharing across the European Union, helping businesses and individuals access and use data more effectively. In particular, it addresses contractual, technical, and organisational barriers that previously hindered the free flow of data between different actors in the market.*

Crucially, the Data Act seeks to make it easier for customers to switch between data processing services without facing undue costs or lock-in effects. Chapter VI of the Regulation sets out obligations to remove obstacles to switching, reduce or eventually eliminate switching charges, and foster interoperability, thus boosting resilience and growth in the EU's digital economy.

### What are “data processing services”?

Data processing services under the Data Act refer broadly to on-demand digital services that allow customers to store, process, or manage data in a shared computing environment, typically on a cloud basis. These services include Infrastructure as a Service (IaaS), Platform as a Service (PaaS), Software as a Service (SaaS), and other emerging “as a Service” models, covering everything from virtual server hosting to application-level services.

Chapter VI of the Data Act focuses on ensuring that customers can freely move (“switch”) from one data processing service to another, or even to their own on-premises infrastructure, with minimal friction. The goal is to prevent vendor lock-in by requiring providers to facilitate the secure transfer of exportable data, support functional equivalence on the new service, and refrain from imposing unfair contractual terms or unjustified data egress charges.

## *Who is subject to the Data Act's data sharing obligations?*

The rules on switching mainly apply to providers of data processing services operating in or offering services within the European Union. These providers are required to:

- **Enable switching:** They must remove technical, contractual, and commercial barriers that prevent customers from migrating or porting their data to another service or an on-premises solution
- **Maintain transparency:** Providers must clearly inform customers about data export procedures, including the data formats and any fees or timelines associated with switching or termination
- **Protect data:** Providers must maintain high security standards and protect against unlawful or unauthorised data access or disclosure, including requests from third-country authorities, especially for non-personal data

## *What do you need to do to prepare?*

To ensure compliance with the Data Act, you should:

- **Review Existing Contracts:** Assess current service agreements to identify potential obstacles to data portability, such as restrictive clauses or unforeseen costs for data migration
- **Update Technical Infrastructure:** Implement or upgrade technical solutions (e.g., standardised data formats, open interfaces) to facilitate seamless data export and accommodate interoperability requirements
- **Plan for Security & Continuity:** Establish secure migration procedures to protect data integrity and confidentiality during the switch process—this includes encrypting data, verifying user identities, and detailing fallback measures in case of disruptions
- **Clarify Transition Timelines & Costs:** Under the Regulation, direct switching charges will eventually be phased out, so companies should plan for reduced or eliminated fees and ensure any interim charges reflect only genuine switching costs
- **Educate Teams & Stakeholders:** Provide training on new regulatory requirements, preparing legal, technical, and commercial teams to address customer requests and integrate best practices for switching and data handling

## *What is most urgent?*

Talk to your business stakeholders to identify technical barriers to switching. Also make sure you review all contracts that address switching.

## *Enforcement*

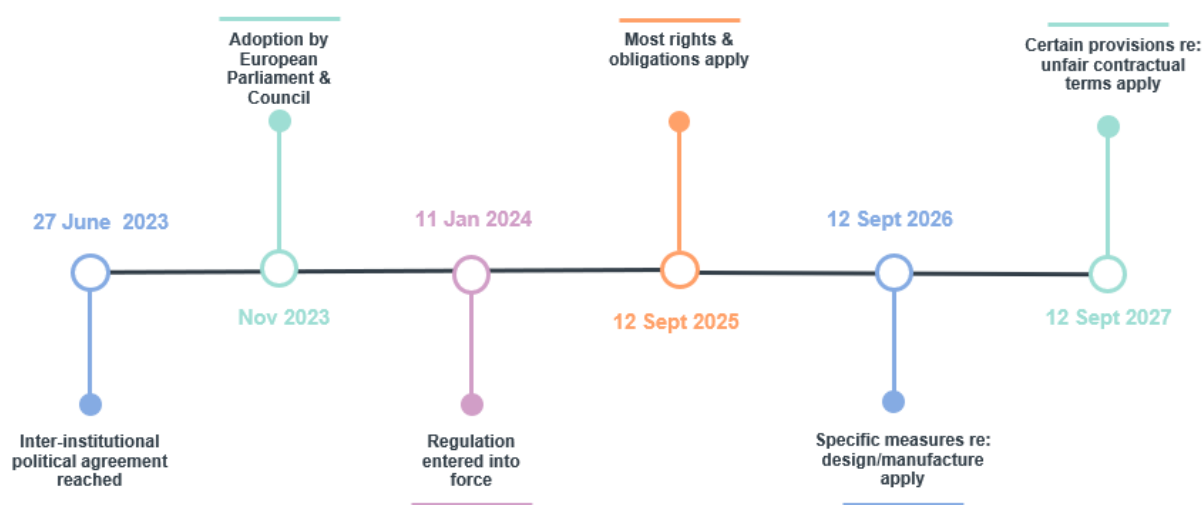
Infringements of certain data sharing obligations may be subject to GDPR-range fines: up to **20,000,000 EUR** or **4 % of the total worldwide annual turnover** of the preceding financial year, whichever is higher.


## What's Next?

The Data Act was adopted by the European Parliament and Council in **November 2023** and published on **22 December 2023**. The Act entered into force from **11 January 2024**.


The majority of rights and obligations in the Data Act applied from **12 September 2025**, which is 20 months after the Regulation's date of entry into force. There is a longer lead in period for specific provisions concerning changes to the design and manufacture of products (**12 September 2026**) and for certain provisions related to certain unfair contractual terms (**12 September 2027**).

## Timeline of the Data Act Implementation





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