

Swift Affair: European Data Protection Authorities joining efforts

The European data protection authorities have decided to coordinate their activities to find out whether current privacy regulations have been violated by SWIFT (Society for Worldwide Interbank Financial Telecommunication), says Mr. Peter Schaar, the Federal German Data Protection Commissioner and chairman of the Article 29 Working Party. Following press reports concerning the existence of a secret international financial monitoring programme put in place by the US law enforcement agencies in the immediate aftermath of the events of 11 September 2001, all European data protection authorities concerned have contacted their relevant banking organisations to determine both scope and scale of the monitoring as well as presumed data transfers to the US and they are coordinating their efforts to come to a full understanding of the situation. Only then it will be possible to decide which further measures will have to be taken.

SWIFT is an industry-owned cooperative established in 1973 and dealing under Belgian law. At its headquarters in Brussels it operates an electronic money transfer service used by more than 7800 financial institutions to communicate with their counterparts around the world. It serves as a nerve centre where the essential part of transfers of the international banking sector passes through. Its services have become therefore indispensable to banks, brokerages and stock exchanges. On 23 June 2006 the American press reported first about a secret programme run by the US law enforcement agencies and the US Department of the Treasury revealing that millions of data transfers might have been monitored by these bodies for years.

Schaar highly welcomes that the European Parliament has adopted a resolution on July 6 saying that it is “seriously concerned” by the creation of a climate marked by the deteriorating respect for privacy and data protection due to recent American anti-terrorism legislation. The European Parliament demands “that the Commission, the Council and the European Central Bank fully explain the extent to which they were aware of the secret agreement between SWIFT and the US government”.

In this connection Peter Schaar emphasizes that all clients of financial institutions, regardless of their nationality or country of residence, have a right to know what

happened to their confidential data. They have a constitutional right that their data are processed in accordance with privacy rules and with full respect to banking secrecy.

Schaar is pleased to note that the European Commission has also decided to look into this matter in close cooperation with the European data protection authorities making sure that data protection principles laid down in Directive 95/46/EC have been complied with by Member States.