

March 26, 2025

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**Re: Comments of ACT | The App Association re: Proposed Amendments to DIFC Legislation**

ACT | The App Association (App Association) respectfully submits its views to the Dubai International Financial Center Authority (DIFCA) on its request for public comment on its proposed amendments to several data protection-related laws and regulations via the DIFC Amendment Law.

**I. Introduction and Statement of Interest**

The App Association is a global trade association for small and medium-sized technology companies. Our members are entrepreneurs, innovators, and independent developers within the global app ecosystem that engage with verticals across every industry. We work with and for our members to promote a policy environment that rewards and inspires innovation while providing resources that help them raise capital, create jobs, and continue to build incredible technology. The value of the ecosystem the App Association represents—which we call the app economy—is approximately \$1.8 trillion and is responsible for millions of jobs worldwide, while serving as a key driver of the \$8 trillion internet of things (IoT) revolution.<sup>1</sup>

Small software and connected device companies like ACT | The App Association members handle millions of terabytes of data per day, putting them on the front lines of protecting and enabling responsible use of data. In recent years, evolving customer expectations regarding privacy have created a competitive dynamic among App Association members to meet those expectations. The App Association gives small business innovators a voice as regulators consider various forms of data protection regulation by illustrating how proposed laws and regulations would impact their ability to create jobs and benefit consumers in markets around the world.

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<sup>1</sup> ACT | The App Association, State of the App Economy (2022), <https://actonline.org/wp-content/uploads/APP-Economy-Report-FINAL.pdf>

## II. Principles for Privacy Regulation

As you develop amendments to data protection laws and regulations in the United Arab Emirates, we urge you to consider the following principles:

- **Consistency:** Privacy legislation should establish a single, national set of requirements by preempting state or other sub-national privacy laws of general applicability that would create the most significant confusion, conflict, and compliance issues. We urge lawmakers and regulators to avoid adding so many exceptions to preemption provisions such that courts may ultimately uphold subnational laws that differ substantially from national requirements. Small businesses have the most to lose from a jurisdiction creating a legislative or regulatory patchwork, as they are least able to afford complex compliance environments.
- **Protection Against Unauthorized Access:** Although most general privacy bills deal primarily with requirements surrounding consumer notice and consent for certain processing activities—along with reasonable limits on authorized processing activities—we believe they should also require covered companies to take certain steps to detect, prevent, and remediate unauthorized access to personal information. These requirements should also preempt most state laws that would otherwise impose conflicting or substantially different data security obligations. Strong federal data security provisions would raise the average readiness of American companies to defend against cyberthreats of all kinds, from state-sponsored ransomware campaigns to social engineering and phishing attacks.
- **Path to Compliance:** Requirements in any privacy law should be calibrated to the underlying risk of the processing activities in question and should allow small companies to demonstrate privacy competence without being subject to immediate civil penalties for even small violations. Privacy legislation should provide a path to ensure that smaller and less risky companies are rightfully viewed as—and held accountable for—complying with a federal framework, while alleviating liability concerns and compliance burdens that the bigger companies can more easily shoulder. One way to ensure coverage while not overburdening small businesses is a “compliance program” presumptively deeming businesses that certify adherence to industry-specific guidelines compliance to be in compliance with the law.
- **Private Right of Action:** If a national privacy law includes a private right of action, it must also include guardrails to prevent opportunistic litigation strategies involving a pattern of suing and settling for frivolous reasons unrelated to protecting consumers. We urge lawmakers and regulators to consider the needs of small businesses when determining the scope of any such right for consumers.

### **III. Conclusion**

We thank DIFCA for the opportunity to comment and hope the information we have provided helps further the development of privacy regulations that protect consumers while enabling innovation.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Scarpelli', with a stylized flourish at the end.

Brian Scarpelli  
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