

# Accountability of a Board of Directors for Information Security – Draft Guidelines

## Client Update – September 2023

**Dear Clients,**

On September 7<sup>th</sup>, 2023, the Israeli Privacy Protection Authority (“PPA”) published draft guidelines for the public’s comments on the role of a company's board of directors in fulfilling the company's obligations under the Israeli Protection of Privacy Regulations (Data Security), 5777-2017 (the “**Data Security Regulations**”). Comments to the proposed guidelines must be submitted to the PPA no later than October 22, 2023.

According to the draft guidelines, the board of directors of companies whose core activity involves processing personal information or of companies whose activity may create increased privacy risks (“**High Risk Companies**”), whether due to (i) such companies’ organizational characteristics, (ii) the type and degree of sensitivity of the information processed, (iii) the volume of information processed, or (iv) the number of authorized individuals having access to such information, shall determine who, within the company, is responsible for carrying out the company's obligations under the Data Security Regulations. Such obligations include implementation of compliance, supervision, audit and reporting procedures on the execution of the Data Security Regulations and setting policies on the use and management of personal information.

As noted in the draft guidelines, the aforesaid PPA's position is provided although generally the Data Security Regulations do not determine which organ within a company is responsible for carrying out the company's obligations under the said regulations.

1/3

According to the draft guidelines, the board of directors of a High Risk Company shall, among others, approve the main principles of the company's data security procedure and conduct on going and periodic discussions on the findings of data security risk assessments, penetration tests, audits, and security incidents, as well as on the corrective measures required to be taken with respect thereto.

The board of directors of a company may appoint another body in the company to be responsible for carrying out the aforesaid responsibilities, if appropriate while taking into account the board size and composition as well as the potential risk to privacy in such company's activities. In such case the board must oversee the performance of such authorized body and make sure that the reasoning for such decision and the actions required to be taken under the Data Security Regulations are reasonably documented.

The draft guidelines specifically note that the assignment of responsibilities to the board of directors by the PPA does not relieve or exempt the CEO/general manager, management or any other authorized organ from their responsibilities under the Data Security Regulations, the company's articles of association or the law.

If you have any questions, need further clarification regarding these draft guidelines, or would like our assistance in submitting your comments on the draft, please do not hesitate to contact us.

Link to the [draft guidelines](#).

\*This client update does not constitute legal advice and is provided as a service to our customer base.

We would be happy to assist and advise on any question that arises



**Adv. Dafna Achiam Tal**  
**Partner, Hi-tech, Technology & Venture Capital  
Department**  
[dafnaa@agmon-law.co.il](mailto:dafnaa@agmon-law.co.il)



**Adv. Saar Rosman**  
**Partner, Hi-tech, Technology & Venture Capital  
Department**  
**Head of Cyber & Privacy Practice**  
[saar@agmon-law.co.il](mailto:saar@agmon-law.co.il)



**Adv. Miriam Sade Fischer**  
**Hi-tech, Technology & Venture Capital Department**  
**Cyber & Privacy Practice**  
[miriamf@agmon-law.co.il](mailto:miriamf@agmon-law.co.il)