

[The Data Act should be as clear and simple as a Startup Pitch.](#)

As trilogues begin on the Data Act, startup communities have come together to ask policy makers to balance the incentives and costs involved in the value chain of dataset creation and maintenance. Several provisions of the Data Act, in their current form, present significant technical and legal challenges for startups which will create legal uncertainty in how data should be handled. We ask policy makers for 3 key improvements on the final text, to ensure that the Data Act fulfills its promise of boosting Europe's competitiveness and innovation capacity.

1. Scope: Clarity and proportionality

The Commission's initial proposal on Recital 15 explicitly excluded certain products from the scope of the Data Act. However, the latest amendments have advocated for the deletion of these exclusions and thus expanding the definition of "product" to any product that processes data and can connect to the internet, a scope well beyond the main objective of the Data Act. Building on the initial Commission's proposal, policymakers should establish clear and future-proof criteria to determine which products are within the scope of the Regulation.

Maintaining a clear and unambiguous scope, including in the definition of "related services", will ensure startups, who have inherently fewer resources than more established players, can comply with the regulation from day one.

2. Cloud switching: Data portability & interoperability provisions for startups;

Interoperability obligations should be proportionate to the technical capacities of the provider. For startups that are cloud service providers, it is essential that "**functional equivalence**" obligations and **mandatory transition periods** are in line with their actual processing capacity and that they have a say in the definition of **interoperability standards**.

For startups that are cloud users, changing cloud providers should be as easy and frictionless as changing mobile operators. Startups support the multi-cloud approach which is why all barriers to cloud switching should be removed from the entry into force of the Data Act, and not 3 years later. Moreover, to avoid discriminatory treatment, the same switching rules should apply to all cloud offers, regardless if they are standard or custom-built, free or paid.

3. International data transfers: rules that encourage taking advantage of the global data economy;

Transferring data across borders is essential for startups that are cloud providers. Any restrictions placed on startups sharing their data internationally should only be justified when there are

significant and legitimate risks about data access by third-country governments. To ensure that startups have legal certainty, and are not forced to double-guess the legal systems in different jurisdictions, the decision to approve or decline a data access request by foreign governments should rest with competent authorities.

Conclusion

For the Data Act to achieve its goals of stimulating a competitive data market, opening opportunities for data-driven innovation and making data more accessible for all, policy makers should focus on designing a clear, proportionate and equitable data-sharing environment that provides startups with legal certainty while preserving their capacity to experiment and grow.