Supporting Your EU GDPR Compliance Journey

With Microsoft Dynamics NAV

Release 1

Microsoft

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Disclaimer

This white paper is a commentary on the GDPR, as Microsoft interprets it, as of the date of publication. We've spent a lot of time with GDPR and like to think we've been thoughtful about its intent and meaning. But the application of GDPR is highly fact-specific, and not all aspects and interpretations of GDPR are well-settled.

As a result, this white paper is provided for informational purposes only and should not be relied upon as legal advice or to determine how GDPR might apply to you and your organization. We encourage you to work with a legally qualified professional to discuss GDPR, how it applies specifically to your organization, and how best to ensure compliance.

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Published March 2018

Version 1.0

Introduction

On May 25, 2018, the General Data Protection Regulation (GDPR) comes into effect. GDPR is a European privacy and security law that establishes a new global standard for privacy rights, security, and compliance. If your organization is a Microsoft Dynamics NAV customer or partner and a data processor or data controller as defined by the GDPR (see the GDPR Glossary online for definitions), then this white paper is addressed to you.

The GDPR is fundamentally about protecting and enabling the privacy rights of individuals. The GDPR establishes strict privacy requirements governing how organizations manage and protect personal data while respecting individual choice—no matter where data is sent, processed, or stored.

Microsoft and our customers are now on a journey to achieve the privacy goals and mandates of the GDPR. At Microsoft, we believe privacy is a fundamental right, and we believe that the GDPR is an important step forward for clarifying and enabling individual privacy rights.

Although your journey toward GDPR compliance may seem challenging, we are here to help you. For specific information about the GDPR, our commitments, and to begin your journey, please visit the GDPR section of the Microsoft Trust Center.

Using This Document

The GDPR is new and your organization will need to develop its own interpretation as to how it applies to your business. Dynamics NAV can be an important part of your journey toward GDPR compliance. The purpose of this document is to provide you with some basic understanding of the GDPR and relate that to Dynamics NAV. While compliance with the GDPR is mandatory in the specific situations outlined below, this document is not a "check box" exercise. Rather, the content is intended to help you enhance your overall data protection and privacy capabilities

This GDPR-related white paper is focused on Dynamics NAV. Other Dynamics GDPR white papers can be found here and have been created for the Dynamics 365 business applications including:

- Dynamics 365 for Customer Service
- Dynamics 365 for Field Service
- Dynamics 365 for Finance and Operations
- Dynamics 365 for Project Service Automation
- Dynamics 365 for Retail
- Dynamics 365 for Sales
- Dynamics 365 for Talent

The first few sections of this document will provide an overview of the GDPR and suggest an approach for how you can think about both enhancing your data protection capabilities as well as how you may want to think about complying with the GDPR as expressed in four stages – Discover, Manage, Protect and Report.

The next sections go into specific detail for how Dynamics NAV can help address your needs in each of the four stages.

In this paper, some sections, where the context so permits, refer to "you" as a customer, "you" as a partner, or "you" as both a customer or partner. References to "we" or "us" in this paper are to Microsoft.

The GDPR and Its Implications

The GDPR is a complex regulation that may require significant changes in how you gather, use and manage personal data. Microsoft has a long history of helping our customers comply with complex regulations, and when it comes to preparing for the GDPR, we are your partner on this journey.

The GDPR imposes new rules on organizations established in the European Union (EU) and on organizations – wherever they are located – that offer goods and services to people in the EU or that monitor the behavior of people that takes place in the EU. Among the key elements of the GDPR are the following:

Enhanced personal privacy rights - strengthened data protection for individuals within the EU by ensuring they have the right to: access their personal data, correct inaccuracies in that data, have their personal data erased upon request, object to the processing of their personal data, and move their personal data;

Increased duty for protecting personal data - reinforced accountability of companies and public organizations that process personal data, providing increased clarity of responsibility in ensuring compliance;

Mandatory personal data breach reporting - companies are required to report personal data breaches to their supervisory authorities without undue delay, and generally no later than 72 hours; and

Significant penalties for non-compliance - steep sanctions, including substantial fines that are applicable whether an organization has intentionally or inadvertently failed to comply.

As you might anticipate, the GDPR can have a significant impact on your business potentially requiring you to update personal privacy policies, implement / strengthen personal data protection controls and breach notification procedures, deploy highly transparent policies, and further invest in IT and training.

Key GDPR Compliance Roles

There are specific roles defined within the GDPR that are important to keep in mind as you look at your compliance efforts and how your technology vendors, like Microsoft, impact those efforts. The GDPR defines the term "data subject" as well as two roles, controller and processor, which have specific obligations under the GDPR.

Data Subject – defined as, "an identified or identifiable natural person" and for the purposes of the scope of the GDPR that data subject is covered, regardless of their nationality or place of residence within the EU, in relation to the processing of their personal data.

Controller – defined as, "the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of personal data." Within the context of the GDPR, a controller does not have to be located within the EU for the GDPR to apply.

Processor – defined as, "a natural or legal person, public authority, agency or other body which processes personal data on behalf of the controller."

Personal Data

Data Definitions

As part of your effort to comply with the GDPR, you will need to understand both the definitions of personal and sensitive data and how they relate to the types of data held by your organization within Dynamics NAV. Based on that understanding, you will be able to discover how that data is created, processed, managed and stored.

The GDPR considers personal data to be any information related to an identified or identifiable natural person. That can include both direct identification (your legal name) and indirect identification (specific information that makes it clear it is you the data references).

The GDPR makes clear that the concept of personal data includes online identifiers (such as IP addresses, mobile device IDs) and location data.

Sensitive data are special categories of personal data which are afforded enhanced protections and generally requires an individual's explicit consent where these data are to be processed.

> ### Information relating to an identified or identifiable natural person (data subject) - examples
> - Name
> - Identification number (such as a social security number)
> - Location data (such as a home address)
> - Online identifier (such as email address, screen names, IP address, or device IDs)

Journey Towards GDPR Compliance.

Where do you begin? How do you start the journey toward GDPR compliance as you utilize the Dynamics NAV product?

We also recommended that you begin your journey to GDPR compliance by focusing on four key steps:

Key GDPR Steps

Discover—identify what personal data you have and where it resides.

Manage—govern how personal data is used and accessed.

Protect—establish security controls to prevent, detect, and respond to vulnerabilities and data breaches.

Report—execute on data requests, report data breaches, and keep required documentation.
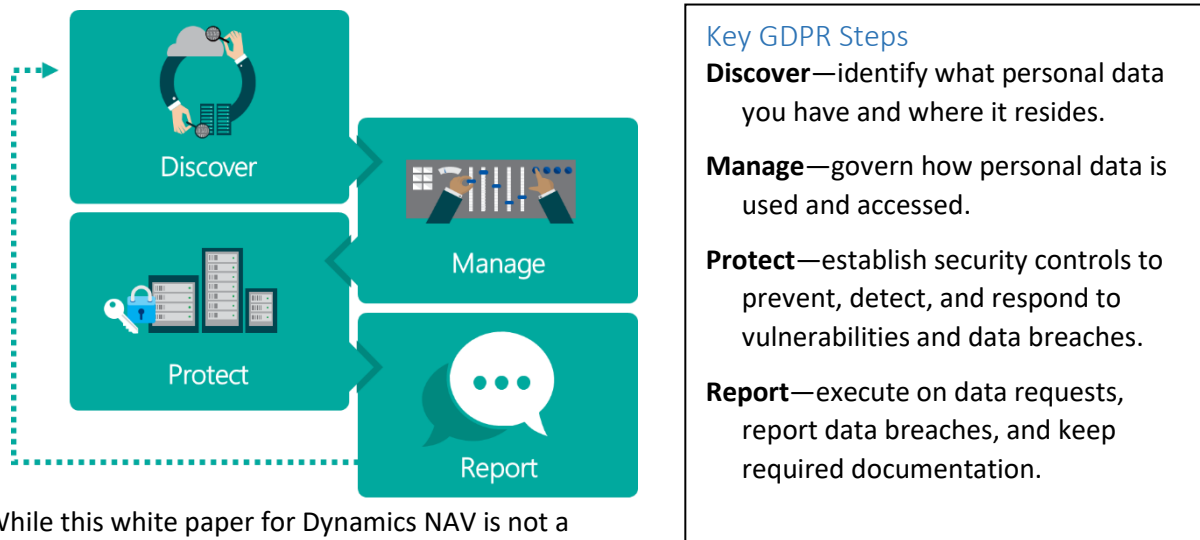
While this white paper for Dynamics NAV is not a comprehensive "how to," we have included links for you to find out more details. You can find more online as described in the Microsoft Trust Center section.

Given how much is involved, you should not wait to prepare until GDPR enforcement begins. You should review your privacy and data management practices now. The balance of this white paper is focused on how Dynamics NAV can support your compliance with the GDPR following the four steps introduced above, as well as approaches, recommended practices, and techniques to support your ongoing GDPR compliance journey.

When Dynamics NAV is installed in a partner or customer's local environment, you, as the owner of that environment, are doing the core processing of the personal data. If we receive personal data, we will comply with the GDPR.

Since you will be the primary custodian of the data that is processed with the Dynamics NAV software, the purpose of this white paper is the features and functionalities in the software that can help you comply with the GDPR. As GDPR is an interlocking set of standards, practices, and organizational capabilities, software, alone, cannot make your organization GDPR compliant. The scope of the GDPR can have a significant impact on your business, potentially requiring you to update personal privacy policies, implement or strengthen personal data protection controls and breach notification procedures, deploy highly transparent policies, and further invest in IT and training.

Dynamics NAV can, however, help you meet your GDPR obligations. To this end, and as further described below, Microsoft is adding new features to Dynamics NAV that, when combined with existing capabilities in Dynamics NAV, will assist with GDPR compliance. The March 2018 cumulative updates, for the Microsoft-localized and W1 versions of Dynamics NAV 2015, Dynamics NAV 2016, Dynamics NAV 2017, and Dynamics NAV 2018, are the first to add new tools that can help you fulfill your GDPR obligations.

These tools include capabilities to help you achieve the following:

- Discover - Identify and classify personal data

- [Manage - Data subject right (DSR)](#)

- [Manage - Export data subject's personal data](#)

- [Manage - Delete data subject's personal data](#)

- [Manage - Modify data subject's personal data](#)

- [Manage - Mark people, customers, and vendors as blocked due to privacy](#)

- [Manage - Provide detailed notice of processing activities to data subjects](#)

- [Protect - Detect and respond to data breaches](#)

- [Protect - Facilitate regular testing of security measures](#)

- [Report - Maintain and report on audit trails to show GDPR compliance](#)

Each of these steps are explained in more detail in the sections outlined below.

Please note that the GDPR is new, and your organization will need to develop its own interpretation as to how it applies to your business. Your compliance with the GDPR is your responsibility. Seek legal assistance, as you deem appropriate to determine your organization's specific interpretation of the GDPR. Given how much is involved, you should not wait to prepare until GDPR enforcement begins. You should review your privacy and data management practices now.

Dynamics NAV and the GDPR Journey

In this section, you will see how key features within Dynamics NAV 2018, Dynamics NAV 2017, Dynamics NAV 2016, and Dynamics NAV 2015 can be brought to bear on the important steps of your journey toward GDPR compliance – Discover, Manage, Protect, and Report. It should be noted that there are many other ways of achieving GDPR compliance, and you can customize your Dynamics NAV solution design to your exact business and solution requirements.

Discover - Identify and classify personal data

The ability to clearly identify where you store personal data and classify fields for personal data can help to serve as a foundation for subsequent tasks and requirements under the GDPR. In the Microsoft-localized and W1 versions that are [currently in mainstream support](#) (Dynamics NAV 2018, Dynamics NAV 2017, Dynamics NAV 2016, and Dynamics NAV 2015), it is easy to find personal data, provided that it has been correctly classified.

Using the Dynamics NAV customization capabilities, customers and partners can already now export fields and table metadata to Excel and start their data classification effort in Excel, so they can reuse that data classification once the on-premises solution has been upgraded to the Microsoft-provided cumulative update that gives you native tooling in Dynamics NAV.

Starting with the March cumulative updates, as a partner, you will be able to classify table fields by assigning data classifications such as: customer content, end user identifiable information, organization identifiable data, or system metadata. To classify the fields that hold personal data, partners can set the

Data Classification property on the field. This requires access to the database tables, either through the Dynamics NAV development environment, or by running a Windows PowerShell script.

This data classification feature will help you, as the customer, to categorize any personal data that you have. For example, the solution includes a table, My Table, with three fields, Name, Email, and Last Modified By. The partner classifies the Name and Email fields as Customer Content and the Last Modified By field as EndUserIdentifiableInformation. Then, you, as the customer, can use this information to determine if personal data persists in this table.

As a customer, you will be able to further define or refine the data classification in the new Data Classification Worksheet by setting the data sensitivity, such as Sensitive, Personal, Confidential or Normal, to document what kind of data you store in standard and custom fields. Using the Data Classification Worksheet, you can set the data sensitivity in Excel, for example.

Most personal data is likely, but not exclusively, residing in one of the following tables in Dynamics NAV:

- Customer
- Vendor
- Contact (when of type Person)
- Employee
- Salespeople/Purchaser
- Resource (when of type Person)
- User

Personal data may also exist in tables that are related to these listed above. The exact tables containing personal data will depend on customizations to your Dynamics NAV solution.

Dynamics NAV provides methods for you to search for personal data, including capabilities to sort and filter to find the data. The list of tables above (and related tables) help narrow down such a search.

The foregoing improvements in classifying and setting data sensitivity in the above-mentioned master tables (and related tables), will enable you to identify and classify personal data more precisely and find data in customized tables as well. Using filtered search of all levels of classification that you, the customer, have in the specific solution, you will then be able to identify places in which personal data resides in Dynamics NAV.

While Dynamics NAV provides functionalities that facilitate your identification and classification of personal data, it is the responsibility of customer and partner to ensure that personal and sensitive data are located and classified appropriately for you to meet your obligations under the GDPR.

Manage - Data subject rights (DSR)

The GDPR allows data subjects to exercise various data subject rights (DSR) relative to their personal data. While Dynamics NAV has current tooling and will add other capabilities in upcoming cumulative updates to assist you with responding to those DSR requests, the decision to honor a DSR request and the implementation thereof is your responsibility. These capabilities are described in the Manage sections below.

Manage - Export data subject's personal data

Under the GDPR, a data subject has the right to make a data portability request from a data controller, meaning, in part, that you must export the data subject's personal data from your systems and provide the same to the data subject in a structured, commonly used format. Improvements provided in the Dynamics NAV March 2018 cumulative updates and later updates relative to the above-described data classification (see the Discover - Identify and classify personal data section) will help administrators identify personal data, thereby making it easier to locate personal data for responding to export requests from a data subject.

Once personal data in Dynamics NAV is identified and located, it can be exported to an Excel file to facilitate a data portability request. Using Excel, you can edit the personal data that will be included in the request and save the data in a commonly used, machine-readable format, such as .csv or .xml. Dynamics NAV data can also be exported using Rapid Start configuration packages. If you are an administrator with the company that uses Dynamics NAV, in the configuration packages, you can configure master data tables and their related tables that contain personal data.

While Dynamics NAV provides capabilities for exporting, and thereby accessing, personal data, it is your responsibility to ensure that personal and sensitive data are located and classified appropriately for you to meet your obligations under the GDPR. For more information, see the Discover - Identify and classify personal data section.

Manage - Delete data subject's personal data

Under the GDPR, a data subject has the right to request the data controller to delete its personal data. Improvements provided in the Dynamics NAV March 2018 cumulative updates and other updates relative to the above-described data classification (see the Discover - Identify and classify personal data section) will help administrators identify personal data, thereby making it easier to locate personal data for responding to delete requests from a data subject.

Dynamics NAV gives you several methods for correcting inaccurate or incomplete personal data, or erasing personal data regarding a data subject using the customization capabilities, but the decision and implementation is your responsibility. In some cases, you may choose to use the Dynamics NAV windows to directly edit your data, such as modifying or deleting a contact.

While Dynamics NAV provides capabilities for deleting personal data, it is your responsibility to ensure that personal and sensitive data are located and classified appropriately for you to meet your obligations under the GDPR. You can also use customization capabilities of Dynamics NAV to add further tooling to help you with this. For more information, see the Discover - Identify and classify personal data section.

Manage - Modify data subject's personal data

Under the GDPR, a data subject has the right to request rectification of inaccurate personal data concerning the data subject. Dynamics NAV gives you the following methods for correcting inaccurate or incomplete personal data. In some cases, you can export data to Excel to quickly bulk-edit multiple Dynamics NAV records, then reimport the data to Dynamics NAV. For more information, see Exporting your Business Data to Excel. You can also amend stored personal data by manually editing the field containing the personal data, such as editing information about a customer in the Customer card.

Certain types of Dynamics NAV records, namely business transaction records (such as general, customer, tax ledger entries) are essential to the integrity of the enterprise resource planning system. Thus, the modification of personal data in such records is restricted. If you store personal data in business transaction records, consider using the Dynamics NAV customization capabilities for any decision to honor a DSR to modify such personal data.

While Dynamics NAV provides capabilities for modifying personal data, it is your responsibility to ensure that personal and sensitive data are located and classified appropriately for you to meet your obligations under the GDPR. For more information, see the Discover - Identify and classify personal data section above.

Manage - Mark people, customers, and vendors as blocked due to privacy

Under the GDPR, a data subject has a right to restrict the processing of its personal data. When you receive such a request from a data subject, you can mark their record as blocked due to privacy. Dynamics NAV will then discontinue the processing of that data subject's personal data.

The upcoming cumulative updates for the Microsoft-localized and W1 versions that are currently in mainstream support will add support for marking records, such as customers, vendors, or resources, as blocked due to privacy. When a record is marked as blocked, you cannot create new transactions that use that record. For example, you cannot create a new invoice for a customer, when either the customer or the salesperson is blocked.

Manage - Manage data subject requests

Because data subjects can make multiple requests under the GDPR, you are expected to keep track of all incoming requests and any actions you make as a result of a request. You can manually track data subject requests for rectification, erasure, or transfer of personal data by using the Cases functionality in Dynamics 365 for Customer Service if you have a subscription. Users can create support cases to track and manage data subject rights requests in the Dynamics 365 for Customer Service application.

The use of the Service Level Agreements capabilities in Dynamics 365 for Customer Service can help ensure that you can address requests in a timely manner. Of course, it is your responsibility to configure your SLA in the Dynamics 365 Customer Service application in a manner that adheres with the timelines within the GDPR. Additionally, actions taken during the lifecycle of the request can be tracked in the case, and then marked as resolved in Dynamics 365 for Customer Service upon your completion of the request.

Alternatively, you can use the customization capabilities of Dynamics NAV to support the tracking of data subject requests.

Manage - Provide detailed notice of processing activities to data subjects

The GDPR requires any business to notify their customers of how it manages personal data. To provide a detailed notice of processing activities to your customers, you can use the Dynamics 365 portal capabilities available in Dynamics 365 for Sales, a platform capable of hosting a customer's external-facing privacy notices. When your prospect customers register themselves on websites that use the Dynamics 365 portal platform, they can then access your custom privacy notice. It will be your responsibility to ensure that the specific language of the notice meets your obligations under GDPR.

Alternatively, you can use the customization capabilities of Dynamics NAV to facilitate your ability to display your organization's own privacy notice.

Protect - Detect and respond to data breaches

Depending on your role as a data controller or a data processor, the GDPR obligates you to report and notify the relevant supervisory authority, affected data subjects and/or data controller of certain types of personal data breaches. When running Dynamics NAV on your own premises or that of a partner, it will be your responsibility to monitor and detect data breaches so that you can then fulfill the applicable notification requirements for any incidents and within the time periods defined within the GDPR.

Protect - Facilitate regular testing of security measures

As one of the cornerstones of GDPR, the regulation reinforces and imposes an increased duty for protecting personal data. This includes administrators monitoring access to personal data.

As an administrator, you can grant users permissions to data based on their role in Dynamics NAV. Administrators can also apply security filters so that users can, for example, see data about one customer but not other customers. For more information, see Data Security.

Dynamics NAV also provides administrative users with audit functionality that can help identify opportunities and improve the security posture to protect personal data, in addition to detecting data breaches. Use the Change Log Entries window to audit data access. For more information, see Logging Changes in Dynamics NAV.

Report - Maintain and report on audit trails to show GDPR compliance

An important aspect of the GDPR is to maintain audit trails and other evidence to demonstrate accountability and compliance with the GDPR requirements. In Dynamics NAV, you can track and record data changes in a Dynamics NAV environment. The data and operations that can be audited in Dynamics NAV include:

- The creation, modification, and deletion of records

- Changes to the shared privileges of records

- The addition and deletion of users

- The assignment of security roles

You can use logging and auditing tools in Dynamics NAV to log and track events associated with amending, erasing, and creating data, roles, and privileges. This ability is based on the audit trail and role-based security in Dynamics NAV.

For more information, see Logging Changes in Dynamics NAV and Managing Users in Dynamics NAV.

Microsoft Trust Center

The Microsoft Trust Center has many tips for how other Microsoft products and services offer additional assistance with GDPR compliance. Both if you are a Dynamics NAV customer or a partner, a good starting point is the GDPR Frequently Asked Questions section in the Microsoft Trust Center.

How You Can Obtain Dynamics NAV

[Get started with Dynamics NAV today](#)

- Meet the changing needs of your business

- Deploy a system that does everything you need to achieve more

- See how Dynamics NAV is improving business

- Work how and where you want to work

If your business is growing and ready to take on more opportunities, Dynamics NAV can help.