Israel's GDPR-like Legislation Set to Take Effect in 2025

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In 2024, Israel became the latest jurisdiction to enact comprehensive privacy legislation, largely inspired by the EU's General Data Protection Regulation ("GDPR"). On August 5, 2024, Israel's parliament, the Knesset, voted to approve the enactment of Amendment No. 13 ("the Amendment") to the Israel Privacy Protection Law ("IPPL"). The amendment which will take effect on August 15, 2025, is considered an overhaul to the IPPL, which has been left largely untouched since the law's enactment in 1996.

Key Features of the Amendment include:

Expansion of key definitions in the law

- Personal Information Expanded to include any "data related to an identified or identifiable person". Highly Sensitive Information Replaces the IPPL's current definition of "sensitive information" and is similar in kind to the GDPR's Special Categories of Data. Types of information that qualify as highly sensitive information under the Amendment include biometric data, genetic data, location and traffic data, criminal records and assessment of personality types. Data Processing The Amendment broadens the definition of processing to include any operation on information, including receipt, collection, storage, copying, review, disclosure, exposure, transfer, conveyance, or granting access. Database Controller The IPPL previously used the term "database owner", and akin to the GDPR has changed the term to database controller, which is defined as the person or entity that determines the purpose of processing personal information in the database.
- Database Holder Similar to the GDPR's "processor", the Amendment includes the term database holder which is defined as an entity "external to the data controller that processes information on behalf of the data controller", which due to the broad definition of data processing, captures a broad set of third-party service providers.

• Mandatory Appointment of a Privacy Protection Officer & Data Security Officer

• Equivalent to the GDPR's Data Protection Officer (DPO) role, an entity that meets certain criteria based on size and industry (inclusive of both data controllers and processors), will be required to implement a new role in their organization entitled the Privacy Protection Officer, tasked with ensuring compliance with the IPPL and promoting data security and privacy protection initiatives within their organization. Likewise, the obligation to appoint a Data Security Officer, which was a requirement for certain organizations prior to the Amendment, has now been expanded to apply to

a broader set of entities.

• Expansion of Enforcement Authority

• The Privacy Protection Authority ("PPA"), Israel's privacy regulator, has been given broader enforcement authority including a significant increase in financial penalties based on the number of data subjects impacted due to a violation, the type of violation and the violating entity's financial turnover. Financial penalties are capped at 5% of the businesses' annual turnover for larger organizations which could reach millions of dollars (e.g. a data processor that processes data without the controller's permission in a database of 1,000,000 data subjects (8 ILS per data subject) can be fined 8,000,000 ILS (approx. \$2.5 million USD)). Small and micro businesses are capped at penalties of 140,000 ILS (\$45,000 USD) per year. Other enhancements to the PPA's authority include expansive investigative and supervisory powers as well as increased authority for the Head of the PPA to issue warnings and injunctions.

Additional updates to the Amendment include expansion of the notice obligation in the case of a data breach, increased rights of data subjects, extension of the statute of limitations and exemplary damages. In following segments on the IPPL leading up to the August 2025 effective date, we will dive deeper on some of the key features of the Amendment, certain to have impact on entities with customers and/or employees in Israel.

Data privacy and security regulation is growing rapidly around the world, including in Israel. This legislative activity, combined with the growing public awareness of data privacy rights and concerns, makes the development of a meaningful data protection program an essential component of business operations.

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