

Compliance & Risk

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Irish DPC advises on Facebook's astonishing about-face

After having deleted its face recognition data in February 2013 in response to recommendations from the Irish Data Protection Commissioner (DPC) and in the face of legal action in Germany, Facebook has now taken what has been described as an 'astonishing' move by reinserting facial recognition into its proposed new privacy policy.

The new policy was published in August 2013 by Facebook's Irish subsidiary which is responsible for the data of users outside of the US and Canada, and is therefore regulated by the

Irish Data Protection Commissioner.

During August 2012, the Hamburg Commissioner for Data Protection and Freedom of Information had told Facebook that it must either obtain express consent from users for facial recognition, or delete the data if it wished to avoid legal proceedings for breach of German privacy laws.

Following the Irish DPC's recommendations, Facebook turned off facial recognition for the European market in September 2012, and the Hamburg Commissioner

Johannes Caspar halted proceedings against the company in February 2013 after confirmation that the facial recognition data collected without consent had been deleted.

The recently proposed changes to Facebook's privacy policy include a 'tag suggest' feature that uses facial recognition to enable users to tag friends in photos uploaded to the Facebook site. The changes are proposed in the privacy policies for both the US and for Europe, though

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Nasdaq's outage highlights technical 'glitches' as a major market risk

The middle of August 2013 was a tricky time in the financial markets. Nothing to do with difficult economic conditions for once, but rather the result of a number of high profile technical problems causing a certain amount of chaos.

The so-called 'glitches' began with a computer error at Everbright Securities which was blamed for flooding the Shanghai market with \$3.8bn of

orders. Goldman Sachs followed this up by unleashing a rogue algorithm that caused confusion throughout the options market. But Nasdaq was able to top that when a technical problem caused its systems to be out of action for three hours.

Of course, financial markets are now very heavily reliant on technology, generally for the benefit of investors who can

trade more easily and cheaply than in the past. The markets have also become increasingly complex, however, and the fragmented nature of the current market structure means that more complex technology is needed for trading. And that increases the risk of a breakdown in the system.

The consequences of the

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