

FEBIS Comments on EDPB - *Data Brokers Market Study*

Executive Summary

FEBIS is the specialized industry association representing providers of trust based **B2B business information services**, particularly in the field of trade credit risk management. The Federation brings together **more than 150 members** across **60 countries**. Our members play a key role in supporting European businesses by enabling secure trade, strengthening risk assessment, and facilitating informed investment and credit decisions.

FEBIS supports the objective of enhancing transparency within data ecosystems. However, we have material concerns that the current framing of the study risks conflating fundamentally distinct business models. The study's consumer-centric definitions and typologies mischaracterize long-standing, regulated, and purpose-bound **Business Information Providers (BIPs)** as being comparable to consumer profiling and marketing-driven data brokerage.

To ensure the study is accurate and serves its intended regulatory purpose, FEBIS requests:

- **Clearer terminology** distinguishing consumer brokerage from B2B information services.
- An **evidence-based methodology** including representative sampling and factual verification.
- **Risk calibration** that accounts for data minimization, technical safeguards, and the specific role of the actor (controller vs. processor).

1. Structural Distinctions: BIPs vs. Consumer Data Brokers

The study's current typology - specifically the category of "**Business Data Broker (with personal data)**" inaccurately merges two distinct realities: marketing-driven lead generation and trust infrastructure for B2B decisioning. FEBIS members provide business information services that support credit risk assessment, supplier risk management, compliance (including fraud prevention and due diligence) and responsible commercial decision-making. Where personal data is processed, it is generally incidental to the business context (e.g., directors, owners, signatories and other corporate roles) and handled with governance, transparency and rights management mechanisms. The purpose of this paper is to ensure that the study accurately reflects these distinctions and does not unintentionally generalize conclusions drawn from non-representative samples or desk-based assumptions to the wider market.

A **data broker** is typically characterised by the **large-scale collection and monetisation of personal data** to build profiles often **without the individual's knowledge or meaningful control** and with frequent downstream uses such as **marketing and targeting**.

A **business information provider (BIP)**, by contrast, delivers **trusted, purpose-bound, and accountable business information** that supports **credit risk, supplier risk, compliance, fraud prevention, and**

responsible commercial decision-making—operating under robust governance, transparency, and data-quality controls.

A. Purpose and Use Case

- **Data Brokers:** Typically focus on the large-scale collection and monetisation of personal data to build consumer profiles, often for marketing, targeting, and behavior prediction.
- **Business Information Providers (BIPs):** Deliver trusted, purpose-bound intelligence to support **credit risk assessment, supplier due diligence, AML/CFT compliance, and fraud prevention**. These services are essential for maintaining trust and stability in EU commerce.

B. Nature of Data and Profiling

- **Data Brokers:** Focus on individual-level personal data, inferring behaviors, preferences, and lifestyles.
- **BIPs:** Focus on **legal entities and economic actors**. Any personal data processed is **incidental and contextual**, limited to professional identification (e.g., directors, owners, or signatories). BIPs do not conduct behavioral inference or lifestyle profiling. They do not operate in the B2C market and do not create consumer profiles. Their processing focuses on business profiles of legal entities, with any personal data limited to professional identification in a corporate capacity (e.g., directors, shareholders, corporate officers) and only to the extent necessary for corporate transparency and data quality. Applying consumer-focused selection criteria to such B2B services can create “false positives” and methodological inaccuracies.

C. Governance and Accountability

- **Data Brokers:** Often operate without the individual’s knowledge or meaningful control mechanisms.
- **BIPs:** Operate under robust governance, with documented purposes, defined client eligibility, strict retention policies, and established processes for handling data subject rights.

2. Methodological and Conceptual Concerns

FEBIS identifies several areas where the study’s methodology risks producing inaccurate or misleading conclusions:

- **Lack of Factual Verification:** The study appears to be primarily desk-based, lacking consistent verification with the organizations assessed. This increases the risk of misclassifying business models and safeguards.
- **Non-Representative Sampling:** The selection of companies shows a skew toward very small entities and excludes major market actors, limiting the ability to generalize findings to the broader B2B ecosystem.

- **Failure to Distinguish Roles:** The study does not consistently differentiate between **controllers and processors**. Many actors, such as data clean rooms or AI platforms, act as processors under strict client instructions and should not be the primary subjects of "broker" scrutiny.
- **Inconsistent Terminology:** The term "aggregation" is used ambiguously, sometimes referring to statistical anonymisation (outside GDPR scope) and other times to the pooling of datasets.

3. Risk Calibration and Mitigating Factors

The current risk categorization lacks sufficient explanation and does not adequately account for the low-risk nature of B2B processing. The study's risk categorization appears insufficiently explained and risks being perceived as arbitrary if not linked to concrete factors such as:

- (i) the nature of the data (including whether data is anonymous/aggregated or identifiable),
- (ii) the actor's role (controller vs processor)
- (iii) applied safeguards (including encryption), and
- (iv) the presence of transparency and meaningful control mechanisms. For B2B business information services, relevant mitigating factors include data minimization, purpose limitation, absence of behavioral profiling, contractual and governance safeguards, and operational mechanisms enabling data subject rights (including suppression where appropriate).

Risk assessments should be calibrated based on:

- **Data Minimization:** BIPs typically limit personal data to what is necessary for corporate transparency (e.g., names and professional roles).
- **Contextual Processing:** Personal data is handled within an individual's official capacity at a legal entity, rather than their private life. Business information providers do not analyze or predict individuals' personal preferences, behaviours, lifestyles or private purchasing intentions, and do not score or segment individuals for marketing purposes. Where personal data is processed, it is **descriptive** (role-based) **rather than inferential** and remains contextualized within an **individual's official capacity at a legal entity**. Accordingly, assumptions in the study regarding AI-enabled behavioral prediction should not be generalized to B2B business information services
- **Safeguards:** The presence of encryption, contractual permitted-use restrictions, and confidentiality requirements materially reduces privacy risks.

4. Requested Amendments and Recommendations

To improve the robustness of the study and align it with market considerations, FEBIS calls for the following actions:

1. **Refine Typology:** Explicitly separate B2C consumer profilers from regulated B2B business information and compliance services.
2. **Adjust Selection Criteria:** Ensure that actors whose processing is limited to corporate transparency and professional roles are not captured by "consumer data broker" definitions.

3. **Implement Role Clarity:** Distinguish between controller-focused and processor-type services to accurately assign regulatory responsibility.
4. **Adopt Evidence-Based Verification:** Implement a transparent sampling strategy and verify findings directly with the assessed companies.
5. **Establish Structured Dialogue:** FEBIS requests an ongoing engagement process between industry and authorities to prevent unintended consequences for EU credit markets and commerce.

Conclusion

FEBIS remains committed to data protection excellence. We respectfully request that the study be revised to reflect the critical distinctions between consumer data brokerage and the essential, accountable business information services that support the European economy. Clearer definitions will ensure that regulatory scrutiny is accurately directed toward high-risk activities while protecting legitimate, compliance-driven data uses. We also fully support other industry-led representatives' comments such as BFBI, ACCIS or FEDMA and would very much appreciate to be involved in any kind of structured dialogue with regulators and supervisors on the matter.