

# PayPal and eBay Become First to Yield to New Russian Data Law – Report

By [The Moscow Times](#)

April 07, 2015



A view of eBay's Whitman campus corporate headquarters.

Online auction giant eBay has become the first U.S. company to say it will accede to controversial and potentially costly legislation requiring web companies to store Russian users' data in Russia, newspaper Kommersant reported Tuesday.

The head of eBay's Russian division met with a deputy head of state media watchdog Roskomnadzor last Friday to discuss the law, Kommersant reported, citing an unidentified source familiar with the discussions.

"eBay is working on transferring data from Switzerland to Russia. The law goes into force on Sept. 1, but the company will finish this work earlier," the source said.

The law in question requires all online companies that handle the personal data of Russian citizens to keep the data on servers located in Russia. IT experts have said the law will likely

apply to a broad range of web services, including social networks such as Twitter and Facebook and online retailers like Amazon and eBay.

A representative from online payment service PayPal, which is owned by eBay, was also present and "expressed the same position as eBay," the source said.

A Roskomnadzor spokesman confirmed the meeting to Kommersant and said that eBay had "declared its intention to comply with the law."

The company did not specify how much data will need to be transferred to Russian territory and whether it intends to rent servers or build its own. eBay had 3.7 million customers in Russia as of the second half of last year, the report said.

The law, which has raised harsh criticism from Internet freedom advocates who view it as part of a broader trend of heightened Internet regulation, was initially supposed to go into force on Sept. 1, 2016.

Russia's lower house of parliament then unexpectedly passed a bill in September pushing the date ahead to Jan. 1 of this year, raising an outcry within the Internet industry. The date was finally pushed back to Sept. 1.

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