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Digital Risk Report, July 2026

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As we move into July, the digital risk landscape continues to evolve at a rapid pace, with developments across regulatory, legal, and technological fronts. This report highlights key updates for organizations operating in data privacy, cybersecurity, and emerging technologies. Notably, the European Union (EU) has finalized substantial amendments to the AI Act, introducing new timelines, prohibited practices, and clarifications on supervisory authority that will impact global AI governance. In the U.S., Vermont’s new privacy law signals a growing focus on consumer health data, adding another layer of complexity for companies navigating state and federal requirements.

This edition also explores the unique vulnerabilities of artificial intelligence (AI) agents, strategies for managing third-party data sharing in financial services, and the surge of California Invasion of Privacy Act (CIPA) demand letters putting website compliance in the legal spotlight. We examine the implications of the recent U.S. Supreme Court decision on EU-U.S. data transfers, the ongoing copyright debate as Hollywood challenges and adopts AI, and China’s order for Meta to unwind its \$2 billion acquisition of AI startup Manus. We also provide updates on recent enforcement actions and notable data breaches. As always, our goal is to provide timely insights and actionable guidance to help you stay ahead of regulatory changes and emerging threats in the digital risk landscape.

Insights in the July 2026 issue include:

- California Invasion of Privacy Act Reform Gains Momentum: Legislature Advances Bill That Could Significantly Curtail Website Tracking Litigation
- U.S. Supreme Court Decision Prompts New Questions About EU-U.S. Data Transfers
- 10 Tips for Managing Third-Party Data Sharing in Financial Services

- 9 Insidious Ways that AI Agents Increase Your Risk
- Your Website May Be a Lawsuit Waiting to Happen: The CIPA Demand Letters Flooding Businesses
- China Made Meta Give Back a \$2 Billion Artificial Intelligence Acquisition: What It Means for Your Next Cross-Border Deal
- AI Copyright Showdown: Can Hollywood Challenge AI While Using It?
- Regulatory Update: EU AI Act: Council Gives Final Green Light to the Digital Omnibus on AI
- Legislative Updates
- Notable Data Breaches

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