

PREPARING YOUR BUSINESS FOR THE CALIFORNIA CONSUMER PROTECTION ACT (CCPA)

A simple guide to help your business prepare for CCPA

Abstract

Read more about what your business needs to do to prepare for this comprehensive privacy program that mandates businesses to make structural changes to privacy programs

THE CALIFORNIA CONSUMER PRIVACY ACT (CCPA) DEMYSTIFIED

As the world pivots towards a data driven economy, privacy will have an important role to play when it comes to consumer behaviour. **The California Consumer Privacy Act (CCPA)** which went into effect on January 1, 2020 is a robust data privacy act that aims to grant California consumers tight control over their personal information, along with the right to know, delete, and opt-out of the sale of personal information collected by any business.

Considered one of the most elaborate privacy laws in the United States, CCPA gives California residents control over how businesses process their personal information. Businesses not only have to implement several CCPA-specific requirements while implementing their privacy programs, but also cease selling consumer data upon request.

You need to comply with CCPA if:

You are a for-profit business that gathers user information for/of California residents and meets at least one of the following thresholds:

- ✓ Has annual gross revenue of \$25 million or greater
- ✓ Buys, receives, sells, or shares the personal consumer information for 50,000+ consumers
- ✓ Derives at least 50% or more of its annual revenue from selling consumers' personal information

Note: Non-profits and smaller companies that don't meet the revenue thresholds, and/or organizations that don't collect/share/sell large amounts of personal data from California residents won't have to comply as long as they don't have and affiliate with a brand that is covered under the CCPA.

If you are located outside California, do you still have to comply?

Organizations located outside of California are also subject to the CCPA if the business transacts with California residents and meets any of the threshold requirements

CCPA applies to for-profit companies established in California and entities that indirectly qualify as doing business in California, including parents and subsidiaries of companies established in California.

First, let us understand what 'Personal Information' means

The definition of Personal Information (PI) under CCPA is a broad, overarching one.

CCPA defines personal information as "information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household." This includes a wide range of standard personal data attributes including financial and contact information and "unique personal identifiers" such as device identifiers and online tracking technologies.

What are Consumer Privacy Rights listed by the CCPA?

Under the CCPA, consumers have new and stronger data privacy rights. They include:

1. RIGHT TO KNOWLEDGE

Consumers have the right to request and obtain the following information from businesses:

- Any personal data that the business may have collected about them
- How that personal user data will be used
- If and with whom that personal data is shared or sold to

2. RIGHT TO BE FORGOTTEN

Businesses must delete all personal data they hold about a consumer at the consumer's request. They are also required to direct any service providers to delete the consumer's personal information from their records if requested by the consumer.

The only exceptions allowed are:

- Data that is retained to complete a consumer-requested transaction
- Data that is retained for specific research purposes
- Data for limited analytical use and
- Data needed to comply with regulatory and contractual requirements (Detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity)

Right to control access to information

Consumers have the right to opt of the sale of their personal data to third parties.

What Does it Mean for Businesses?

Despite being a state law, CCPA will impact businesses globally. Business must:

1. KNOW THEIR DATA

Catalog and maintain an inventory of all sources where personal data of California residents is collected, processed, or stored:

- Data stores
- Locations
- Third parties
- Partners
- Operations
- Business processes
- Applications

2. PROVIDE APPROPRIATE DISCLOSURES AND UPDATE CONSUMER NOTIFICATIONS

At every personal data collection point, businesses need to inform their consumers about:

- Their rights under CCPA
- Categories of personal data collected
- How the collected personal data will be used
- Who it will be shared with
- Categories of personal data that have been shared with third parties in the past 12 months

3. SATISFY CONSUMER DATA RIGHTS REQUESTS

Address consumer data rights requests after verifying/authenticating the identity of the consumer, in a timely fashion which includes:

- Right to access—includes the ability to view all the personal data the company has about them
- Right to erase—ability to delete all the personal data the company has about them
- Right to opt-out—ability to opt-out of the sale of their personal data

4. IMPLEMENT OPT-IN CONSENT FOR CHILDREN'S DATA

Businesses must implement explicit opt-in consent for sale of personal data belonging to children under 16. For children between 13 and 16 years of age, consent can be collected directly from the child. For children under 13, opt-in consent must be obtained from a parent or guardian.

5. IMPLEMENT OPT-OUT MECHANISMS

Place an easily accessible link titled “Do Not Sell My Personal Information” on their homepage.

6. MANAGE VENDORS

Identify vendors or third parties that handle or process a California resident’s personal data on behalf of the business or sell personal data to the business. Review and manage contractual obligations to ensure personal data is handled in compliance to CCPA requirements.

7. EVALUATE THEIR SECURITY POSTURE

Periodically review their security and privacy policies and procedures and data protection mechanisms to ensure all the necessary controls are in place to protect California residents’ personal data.

What happens if you don't comply?

CCPA authorizes California’s Attorney General (AG) to seek civil penalties and entitles California residents to a private right of action they suffer a data breach or data theft.

NONCOMPLIANCE PENALTIES

- Unintentional penalties for noncompliance range from **\$2,500 per violation** if the violation is found to be unintentional
- \$7,500 per violation if found to be intentional

DATA BREACH PENALTIES

- If personal information is exposed because of a data breach, consumers can initiate civil action lawsuits against an organization
- This may result in penalties between \$100 to \$750 per consumer, per incident or greater if the actual damages exceed \$750

How can Bista help?

- We have partnered with a leading cyber security and data protection company -[Securiti](#), to help you safeguard your data
- We can help you structure your data in accordance with data governance guidelines, so that you can manage customer data efficiently
- We help you manage how you store your consumer data and deploy robust ways to keep that information secure
- We hand-hold you through regulatory requirements of the CCPA and offer governance solutions
- We build and provide a robust data protection ecosystem, so you never have to worry about the security and compliance of your consumer data

[Get started](#) today, with a free CCPA assessment.