



CCPA IS COMING: THINGS YOU CAN DO NOW TO PREPARE

The California Consumer Privacy Act (CCPA), a broad-based law protecting information that identifies California residents, will take effect in 2020, creating a host of new data privacy obligations for companies that do business in the state.

Expected to affect more than 500,000 companies, the law includes comprehensive disclosure requirements, provides consumers with extensive rights to control how their personal information is used and shared, imposes statutory fines and allows individuals to sue over certain violations. It is expected to dramatically alter how U.S.-based companies collect and process data.

Why not just “wait and see,” you ask?

CCPA includes a “12-month look back” provision requiring companies to respond to consumer inquiries about data collected or disclosed in the immediately preceding 12 months. This means that a response to a request filed in July 2020 will need to contain information dating back to July 2019. In order to be able to respond, you will likely need to undertake considerable preparation, so it is a good idea to consider starting now.

Who is subject to the CCPA?

Not only California-based entities. Any company that is a for-profit business, collects and processes California consumers’ Personal Information and does business in the state (even remotely) is subject to CCPA if it (or an entity it controls or is controlled by and shares common branding with) meets one of the following three thresholds:

- Generates at least \$25 million in annual gross revenue
- Buys, sells, shares and/or receives the personal information of at least 50,000 California consumers, households or devices, per year
- Derives at least 50 percent of annual revenue from selling California consumers’ personal information

If your company fits this description, here are five things you should do now to start preparing:

1. Map your Personal Information

Ask yourself the following questions about the Personal Information your company collects and processes to map out key aspects of your data handling practices.

- What Personal Information do you collect?
- From where do you collect Personal Information?
- Where and how is Personal Information stored?
- What business units are involved?
- Is any Personal Information held by third-party providers?
- What protections are applied to this information?
- What do you do with the Personal Information?
- How long do you keep it? Why?
- With whom do you share it? And for what purpose?
- What financial incentives do you provide consumers?

2. Consider consumer rights

- Devise a process for handling the access/deletion requests of California employees

- Devise a process for handling access/deletion requests of consumers (customers)
- Consider opt-outs from sale of information

3. Review incident response policies/procedures

- Do you have mechanisms and procedures in place to detect a security incident?
- Do you have an incident response team?
- Do you have “go-to” external resources like outside counsel, external forensics and security professionals, external public relations, identity theft protection, call centers and others?
- Do you know the potential states/jurisdictions involved?
- Do you know your contractual reporting obligations?

4. Conduct CCPA employee training

5. Update privacy notice/website

- Prepare California employee privacy notice
- Revise online privacy notice to account for new requirements
- Secure two methods of contact for the consumer rights
- Add “do not sell my information button”

Fox Rothschild’s experienced Privacy & Data Security team can work with your company to ensure it is prepared for CCPA implementation. For more information, or assistance, contact:



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