



Are the Firms Ready for CCPA?

ARE YOU PREPARED FOR CCPA?

California is the world's fifth largest economy with nearly 12% of the US population as its residents. Therefore, there is no doubt that every business with interstate operations in the country is keeping an ear to the ground hoping to find every update on the California Consumer Privacy Act (CCPA).

Even though the CCPA is a state legislation it has a wide impact on businesses in the country like the General Data Protection Regulation (GDPR). While the GDPR, which primarily unifies data privacy laws across Europe, is legally binding on U.S. businesses that have global operations, international sites or remote workers due its extra-territorial applicability, the CCPA wields a heavy impact on the country for the reason that California residents make for a large customer base for most businesses in the country. This gives rise to a pressing need for organizations to ensure they are CCPA compliant.

FOUR MAJOR DIFFERENCES IN GDPR AND CCPA[1]

S. No	BASIS	GDPR	CCPA
1.	Scope	The GDPR applies to all businesses that process data of EU citizens, irrespective of their location or size.	The CCPA is narrower in its scope in that it only applies to California-based businesses with a revenue above \$25 million USD or those whose primary business is the sale of personal information.
2.	Legal Basis ^[2]	The GDPR states that data controllers can only process personal data when there is a legal ground for it.	The CCPA does not list the legal grounds on the basis of which businesses can collect and sell personal information. It only provides that businesses must obtain the consent of consumers when they enter into a scheme that gives financial incentives on the basis of the personal information provided.
3.	Financial Penalties	The GDPR mandates penalties for non-compliance and/or data breach, which can reach up to 4% of the company's annual global turnover or 20 million euros (whichever amount is greater), with the commitment that administrative levies will be applied proportionately.	CCPA fines are applied per violation, are uncapped and there are seemingly no sanctions for non-compliance. However, CCPA allows for the consumer to sue the business for violation. In addition to the private individual civil suits, the Attorney General may seek up to \$7,500 in civil penalties per intentional violation, or \$2,500 per unintentional violation that is not cured within 30 days after the business receives notice of the violation. ^[3]
4.		GDPR can apply a sanction even where a company is deemed to be at risk of a breach or not behaving responsibly.	The violation is only considered at the point of breach.
5.	Personal Data	Both regulations endow the consumer with specific rights such as the right to have information deleted or accessed. The GDPR is specifically focused on all data related to the EU citizen.	The CCPA considers both the consumer and household as identifiable entities and, in some cases, only considers data provided by the consumer as opposed to data sourced or purchased from third parties.
		"Personal data" under the GDPR covers publicly available data. Therefore, if a controller collects personal data from a publicly available source, the controller will be subject to the requirements laid down in the GDPR.	"Personal information" under the CCPA does not cover publicly available information, which is information that is lawfully made available from federal, state, or local government records, if that data is used for a purpose that is compatible with the purpose for which the data is maintained and made available in the government records for which it is publicly maintained.
			However, a proposed amendment that would revise the definition of "publicly available" to eliminate the requirement that information be used for same purpose as it was originally created for in order to fall within the definition has passed the Assembly and has been referred to Senate Judiciary. (AB-874 (Irwin) ; § 1798.140(o)(2).) ^[4]
			The term "Publicly available" does not include biometric information collected by a business about a consumer without the consumer's knowledge. Therefore, such information is covered by the obligations under the CCPA.

How Are the Firms Faring So Far?

According to the Cost of Continuous Compliance, a study by DataGrail[5] 93% of

the firms surveyed have begun to prepare for the CCPA and 66% are expected to be ready in six months' time. The study also revealed that most firms are concerned about challenges such as anonymizing data, training employees and updating privacy policies.

To cope with GDPR, 58% of the surveyed firms had purchased commercial technology solutions and 57% developed internal systems. However, when it comes to CCPA, 70% feel those systems will not scale as they are burdened with new regulations.

In addition, 50% feel CCPA is too complex or vague, and 49% say they cannot effectively run workflows across multiple systems or services. In addition, 49% see no clear path for achieving compliance. It was also pointed out in the survey that most firms had the same concerns about GDPR.[6]

According to 451 Research, LLC 90% of the consumers are concerned about data privacy and about 40% could be categorised as 'very concerned'. Therefore, it is important that the firms know the alpha and omega of the CCPA Compliance to secure their customers.

The California State Senate has until September 13 to make the changes and send the CCPA amendments to the governor so that it can be signed into law by October 13. With the deadline closing in on the legislature it is important to keep a finger on the pulse of the compliances. To keep its clients ahead of the curve, LegalEase recently provided a Fortune 500 financial corporation with an audit of their privacy practices. The client received a rigorous and company-wide privacy audit; dissection of all personal information handling practices, and critical corrective suggestions that accomplished maximum security.



100%

Accuracy



55%

Time Savings



40%

Cost Savings

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