

California Consumer Privacy Act FAQs

Updated January 2023

Are financial institutions exempted from compliance under the CCPA?

The CCPA and its implementing regulations apply to all businesses, including sole proprietorships, partnerships, limited liability companies, corporations, associations, or other legal entity that is organized or operated for the profit or financial benefit of its shareholders or other owners. As a result, financial institutions fall within the definition of "business;" the CCPA does not otherwise exempt financial institutions from compliance if the other CCPA threshold requirements have been met.

We do not have branch locations in California, and we do not offer products or services in California, but we have customers that are California residents. Are we subject to the CCPA?

This depends. Financial institutions that have customers that are California residents but that do not have a brick and mortar location in California or do not offer an online account opening service to California customers may not be subject to the CCPA. Financial institutions, like all other businesses, that meet the following requirements are subject to the CCPA:

1. Collects a California resident's personal information, or on the behalf of which such information is collected and that alone, or jointly with others, determines the purposes and means of the processing of consumers' personal information;
2. Does business in California; and
3. Satisfies one or more of the following thresholds
 - a. As of January 1 of the calendar year, had annual gross revenues in excess of twenty-five million dollars (\$25,000,000) in the preceding calendar year;
 - b. Alone or in combination, annually buys, sells, or shares the personal information of 100,000 or more consumers or households; or
 - c. Derives 50 percent or more of its annual revenues from selling or sharing consumers' personal information.

The CCPA does not define the phrase "doing business" in California. We may look to California's Code of Federal Regulations as a basis for our definition here, which defines "doing business" as "actively engaging in any transaction for the purpose of financial or pecuniary gain or profit." The CCPA does indicate that financial institutions are exempt from CCPA compliance if a financial institution collects or sells a consumer's (California resident) personal information if every aspect of that commercial conduct takes place wholly outside of California. California conduct takes place wholly outside of California if the financial institution collected that personal information while the consumer was outside of California, no part of the sale of the consumer's personal information occurred in California, and no personal information collected while the consumer was in California is sold.

Is all personal information subject to the CCPA?

No. For purposes of financial institutions, personal information collected, processed, sold, or disclosed pursuant to the federal Gramm-Leach-Bliley Act or the California Financial Information Privacy Act is excluded from the CCPA.

Does the CCPA apply to commercial transactions?

The CCPA covers information related to "consumers," which includes all natural persons (that are California residents) and not just personal information collected from individuals during a consumer transaction. Therefore, the CCPA applies to information collected from natural persons during a commercial transaction. The CCPA requires financial institutions to provide a Notice at Collection at or before the point personal information is collected from a consumer, and therefore,

Compliance Systems supports the Privacy Notice as part of a commercial transaction to ensure the CCPA requirements are met.

When are Compliance Systems' State Privacy Policy and Privacy Notice documents to be provided to consumers and what are the documents' purposes?

The State Privacy Policy (California Consumer Privacy Act Privacy Policy) must be given by every financial institution that must comply with the CCPA and its implementing regulations. Its purpose is to provide consumers with a comprehensive description of a business's online and offline Information Practices and should also inform consumers about the rights they have regarding their personal information and provide any information necessary for them to exercise those rights.

The Privacy Notice's (Notice at Collection) purpose is to provide consumers with timely notice, at or before the point of collection, about the categories of personal information to be collected from them, the purposes for which the personal information is collected or used, and whether that information is sold or shared, so that consumers have a tool to exercise meaningful control over the business's use of their personal information. For example, upon receiving the Notice at Collection, the consumer can use the information in the notice as a tool to choose whether to engage with the business, or to direct the business not to sell or share their personal information and to limit the use and disclosure of their sensitive personal information.

When is the CCPA's enforcement date?

Notwithstanding any other law, civil and administrative enforcement of the provisions of law added or amended by this act will not commence until July 1, 2023 and will only apply to violations occurring on or after that date. Enforcement of provisions of law contained in the California Consumer Privacy Act of 2018 amended by this act will remain in effect and will be enforceable until the same provisions of this act become enforceable.