

## California Consumer Privacy Act

### Why in news?

California's new privacy law, the California Consumer Privacy Act (CCPA), recently went into effect.

### What does the Act aim at?

- The Act gives Californians new controls over how companies use their data.
- These controls include -
  1. the right to access the data
  2. the right to ask for its deletion
  3. the right to prevent its sale to third parties
- Significantly, because of the global nature of the Internet, these changes will affect users worldwide.

### What rights does the CCPA give Californian users?

- The users will have the right to see what personal information businesses collect about them, and the purpose and process of the collection.
- [Personal information refers to any information that can be linked back to the user.]
- Users can request and view what inferences the businesses make about them.
- They also have the right to see details about their personal information being sold or given to a third party.
- Users can make businesses delete their personal information, and opt out of having their data sold to third parties.
- The law lays out some exceptions too.
- These include information necessary for completing transactions, providing a service, protecting consumer security, and protecting freedom of speech.
- Users can get a copy of the collected personal information for free.
- Parents have to give permission to companies before the companies can sell the data of their children under the age of 13 to third parties.

### Which companies does the law apply to?

- The law only applies to businesses -
  - i. with gross annual revenues of more than \$25 million

- ii. that buy, receive or sell the personal information of 50,000 or more consumers in California
- iii. that derive more than half of their annual revenue from selling consumers' personal information
- The law applies to businesses collecting information of Californians and not just to businesses that operate in the state.

### **What will the implications be?**

- Unintentional noncompliance will lead to fines of \$2,500 per violation.
- Intentional noncompliance will attract a penalty of \$7,500 per violation.
- Some studies estimate it will cost businesses \$55 billion to initially meet the standards.
- Of this, \$16 billion is expected to be spent over the next decade.
- Reportedly, the law protects \$12 billion worth of personal information that is used for advertising in California every year.

### **What has changed in practical terms?**

- The law went into effect on January 1, 2020.
- The California Attorney General (AG) has not begun enforcing the act yet.
- The AG will be allowed to take action 6 months after the rules are finalised.
- At the very least, companies will need to set up web pages and phone numbers to take requests.
- Users also may begin to see a new button on websites stating "Do Not Sell My Personal Information".
- Several large companies have set up new infrastructure to comply.
- Google launched a Chrome extension to block Google Analytics from collecting data.
- Facebook has said that the law does not apply to them since they do not "sell" data, and that they already have features that comply with the law.

### **How does this affect non-Californians?**

- Primarily, even Indian companies that have customers in California would have to comply with the law.
- Many firms are finding it easier to make the legal changes for all users rather than trying to distinguish users from California.
- E.g. the European Union's [General Data Protection Regulation](#) (GDPR) too, shifted the entire Internet economy, not just that of the EU

### **What are the concerns?**

- The Act gives users the right to stop the selling of their data, but not the collection of their data.
- So, this regulates the data broker system.
- However, it does not do much to affect companies like Facebook and Google that make most of their money by collecting the data, not by selling it.
- Advertisers pay Facebook to target ads to users based on that data; they do not pay Facebook for the data itself.
- Also, the Act seems to place the burden of navigating this complex economy on users.
- There are also concerns that many of the provisions are vaguely worded.
- E.g. the Act leaves concepts such as “third-party sharing” or “selling” to interpretation
- Also, compliance challenges are expected to be greater with CCPA than with the GDPR.

### **How does this differ from India’s proposed data protection bill?**

- Several of the rights discussed above are also in India’s [Personal Data Protection Bill](#).
- These include the right to access a copy of one’s data, and the right to deletion.
- India’s bill goes further in some regards, including the right to correction.
- However, India’s bill is more focused on users’ rights over collections.
- On the other hand, California’s act is focused more on the third-party sharing and selling of a user’s data.

**Source: Indian Express**

