

Cal. Code Regs. tit. 11 § 7051

Section 7051 - Contract Requirements for Service Providers and Contractors

- (a) The contract required by the CCPA for service providers and contractors shall:
- (1) Prohibit the service provider or contractor from selling or sharing personal information it collects pursuant to the written contract with the business.
 - (2) Identify the specific business purpose(s) for which the service provider or contractor is processing personal information pursuant to the written contract with the business, and specify that the business is disclosing the personal information to the service provider or contractor only for the limited and specified business purpose(s) set forth within the contract. The business purpose(s) shall not be described in generic terms, such as referencing the entire contract generally. The description shall be specific.
 - (3) Prohibit the service provider or contractor from retaining, using, or disclosing the personal information that it collected pursuant to the written contract with the business for any purpose other than the business purpose(s) specified in the contract or as otherwise permitted by the CCPA and these regulations.
 - (4) Prohibit the service provider or contractor from retaining, using, or disclosing the personal information that it collected pursuant to the written contract with the business for any commercial purpose other than the business purpose(s) specified in the contract, unless expressly permitted by the CCPA or these regulations.
 - (5) Prohibit the service provider or contractor from retaining, using, or disclosing the personal information that it collected pursuant to the written contract with the business outside the direct business relationship between the service provider or contractor and the business, unless expressly permitted by the CCPA or these regulations. For example, a service provider or contractor shall be prohibited from combining or updating personal information that it collected pursuant to the written contract with the business with personal information that it received from another source or collected from its own interaction with the consumer, unless expressly permitted by the CCPA or these regulations.
 - (6) Require the service provider or contractor to comply with all applicable sections of the CCPA and these regulations, including--with respect to the personal information that it collected pursuant to the written contract with the business--providing the same level of privacy protection as required of businesses by the CCPA and these regulations. For example, the contract may require the service provider or contractor to cooperate with the business in responding to and complying with consumers' requests made pursuant to the CCPA, and to implement reasonable security procedures and practices appropriate to the nature of the personal information to protect the personal information from unauthorized or illegal access, destruction, use, modification, or disclosure in accordance with Civil Code section 1798.81.5.

(7) Grant the business the right to take reasonable and appropriate steps to ensure that the service provider or contractor uses the personal information that it collected pursuant to the written contract with the business in a manner consistent with the business's obligations under the CCPA and these regulations. Reasonable and appropriate steps may include ongoing manual reviews and automated scans of the service provider's system and regular internal or third-party assessments, audits, or other technical and operational testing at least once every 12 months.

(8) Require the service provider or contractor to notify the business after it makes a determination that it can no longer meet its obligations under the CCPA and these regulations.

(9) Grant the business the right, upon notice, to take reasonable and appropriate steps to stop and remediate the service provider or contractor's unauthorized use of personal information. For example, the business may require the service provider or contractor to provide documentation that verifies that they no longer retain or use the personal information of consumers that have made a valid request to delete with the business.

(10) Require the service provider or contractor to enable the business to comply with consumer requests made pursuant to the CCPA or require the business to inform the service provider or contractor of any consumer request made pursuant to the CCPA that they must comply with and provide the information necessary for the service provider or contractor to comply with the request.

(b) A service provider or contractor that subcontracts with another person in providing services to the business for whom it is a service provider or contractor shall have a contract with the subcontractor that complies with the CCPA and these regulations, including subsection (a).

(c) Whether a business conducts due diligence of its service providers and contractors factors into whether the business has reason to believe that a service provider or contractor is using personal information in violation of the CCPA and these regulations. For example, depending on the circumstances, a business that never enforces the terms of the contract nor exercises its rights to audit or test the service provider's or contractor's systems might not be able to rely on the defense that it did not have reason to believe that the service provider or contractor intends to use the personal information in violation of the CCPA and these regulations at the time the business disclosed the personal information to the service provider or contractor.

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1. Renumbering of former section 7051 to section 7050 and new section 7051 filed 3-29-2023; operative 3-29-2023 pursuant to Government Code section 11343.4(b)(3) (Register 2023, No. 13).

Note: Authority cited: Section 1798.185, Civil Code. Reference: Sections 1798.100, 1798.105, 1798.106, 1798.110, 1798.115, 1798.120, 1798.121, 1798.130, 1798.135, 1798.140 and 1798.185, Civil Code.

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