

## CALIFORNIA PRIVACY PROTECTION AGENCY

Board Meeting – May 1, 2025

Agenda Item 4

### EXPLANATION OF MODIFIED TEXT OF PROPOSED REGULATIONS

This chart summarizes the proposed changes in response to comments received during the 45-day comment period. Specifically, the items in purple double-underline for proposed additions and ~~orange double-strikethrough~~ for proposed deletions. Non-substantive changes (e.g., grammatical or non-substantive wording changes, changes in numbering/lettering, and corrections to section numbers) are not included.

SECTION	EXPLANATION FOR MODIFICATION
Previous 7001(c)	Deleted definition of “artificial intelligence” as unnecessary and removed corresponding references.
7001(e)	Revised definition of “automated decisionmaking technology” to include “substantially replace human decisionmaking,” and define this term.
Previous 7001(g)	Deleted definition of “behavioral advertising” at Board direction and to simplify implementation at this time.
7001(l)	Added definition of “cybersecurity audit report” and used this term throughout to clarify the information that must be included in a cybersecurity audit report.
Previous 7001(n)	Deleted definition of “deepfake” to simplify implementation at this time.
7001(t)	Revised definition of “information system” to focus on personal information, and added sentence to clarify that the information system for which the business is responsible includes the use of a service provider’s or contractor’s resources.
7001(ee)	Added exception to “physical or biological identification or profiling” to clarify that processing physical or biological characteristics that do not identify, and cannot reasonably be linked with, a particular consumer is not in scope of the definition. Clarified that this term includes automated measurements or analysis.
Previous 7001(//)	Deleted the term “publicly accessible place” to simplify implementation at this time.
7001(zz)	Added the term “risk assessment report” and used this term throughout to clarify the information that must be included in a risk assessment report.

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SECTION	EXPLANATION FOR MODIFICATION
7001(aaa)	Added the term “sensitive location” and used this term in 7150(b) to address the scope of the relevant profiling threshold.
7001(bbb)	Added neural data to the definition of sensitive personal information to conform with recent changes to the law.
7001(ddd)	Revised definition of “significant decision” to provide additional clarity.
7001(fff)	Revised definition of “train” to address revised training requirements.
Previous 7001(kkk)	Deleted the term “zero trust architecture” to simplify implementation at this time and removed reference to zero trust architecture.
7013(e)(3)(C); 7014(e)(3)(C)	Modified to include providing the notice “at the time” the device begins collecting the personal information to conform with Notice at Collection requirements.
7013(e)(3)(D); 7014(e)(3)(D)	Modified to include providing the notice before or at the time the consumer enters the augmented or virtual reality environment or before or at the time the consumer encounters the business within the augmented or virtual reality environment.
7020(e)	Clarified that this method is not required for personal information collected prior to January 1, 2022, to conform with the language in the statute.
7022(b)(1), (c)(1), (f)	Deleted the proposed modifications to simplify implementation at this time.
7022(g)(5); 7023(f)(6); 7024(e)(3); 7026(e); 7027(f)	Deleted the requirement to inform consumers that they can file a complaint with the Agency and the Attorney General to simplify implementation at this time.
7023(f)(3)	Deleted this subsection requiring notification of others that the consumer contests the accuracy of certain personal information to simplify implementation at this time.
7023(j); 7024(d)(2)	Clarified language and provided an example of how a business could confirm that the personal information the business maintains is the same as what the verified consumer provides.

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SECTION	EXPLANATION FOR MODIFICATION
7026(f)(3)(A)	Clarified the example to emphasize that the business in the example can restrict the transfer of personal information immediately.
7027(m)(3)	Added “or at consumers” to clarify that the right to limit exception also applies to actions directed at consumers.
7050(h)(1)-(2)	Clarified service provider and contractor obligations for cybersecurity audits and risk assessments.
7121	Added “Audit Reports” to section title to clarify what the section addresses. Revised to phase in implementation by annual gross revenue over a three-year period, provide additional time after audit period to complete the cybersecurity audit report, clarify the audit coverage period, and clarify the specific date by which a business must complete its cybersecurity audit report.
7122(a)	Deleted “generally” and added examples of procedures and standards to provide more clarity for businesses.
7122(a)(1)	Clarified what it means to be a qualified auditor.
7122(a)(2)	Deleted “or appear to compromise” to simplify implementation at this time, and added phrase “(separate from articulating audit findings)” to clarify that an auditor may make recommendations as part of articulating audit findings.
7122(a)(3)	Removed requirements that internal auditor report to the board of directors and that they must determine auditor’s compensation and conduct performance evaluations, and replaced with member of executive management without direct responsibility for the cybersecurity program.
7122(d)–(g)	Revised to remove provisions that specify content of cybersecurity audit report and replaced with cross reference to section where they were relocated and updated cross references.
7122(f)	Revised 7122(f), previously 7122(h), to remove requirement that cybersecurity audit report be given to the board of directors, and to require it be provided to executive with direct responsibility for cybersecurity program.

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SECTION	EXPLANATION FOR MODIFICATION
7122(g)	Revised 7122(g), previously 7122(j), to clarify that the requirement to retain documents relevant to each cybersecurity audit applies to the business and the auditor.
Previous 7122(i)	Deleted to simplify implementation at this time.
7123(b)(2)	Revised to emphasize that the cybersecurity audit must assess the components of a cybersecurity program that the auditor deems applicable to the business's information system. Deleted the requirement to document and explain why—when a component is not applicable—the component is not necessary and how the safeguards the business has in place provide at least equivalent security, to simplify implementation at this time.
7123(b)(3)	Revised to clarify that the cybersecurity audit would also have to assess any additional components the business/auditor decided to include in the audit.
7123(c)	Added and consolidated cybersecurity audit report requirements in one subsection and indicated the components listed in 7123(c) are to be assessed “if applicable” for clarity.
7123(c)(1)(B)	Revised 7123(c)(1)(B), previously 7123(b)(2)(A)(i), to add “If the business uses passwords or passphrases” to clarify that the subsection would be applicable only if the business uses passwords or passphrases.
7123(c)(3)(A)	Revised 7123(c)(3)(A), previously 7123(b)(2)(D)(i), to add “account’s, or application’s” privileges because privileges and access may be granted to system/service accounts and applications, as well as to individual persons.
Previous 7123(c)(5)	Deleted to simplify implementation at this time.
7123(c)(12)–(13)	Revised 7123(c)(12) and (13), previously 7123(b)(2)(M), to make the subsections easier to read, and to address cybersecurity awareness separately from cybersecurity education and training.
7123(c)(17)	Revised 7123(c)(17), previously 7123(b)(2)(Q)(i), to replace “potentially” with “imminently” in the definition of “security incident,” to simplify implementation at this time.

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<b>SECTION</b>	<b>EXPLANATION FOR MODIFICATION</b>
7123(e)(1)	Revised 7123(e)(1), previously 7122(d), to clarify what the cybersecurity audit report must articulate and explain.
7123(e)(2)	Revised 7123(e)(2), previously 7123(c)(1), to clarify that the cybersecurity audit report must also identify and explain the effectiveness of “any additional component” the business/auditor decided to include in the audit. Incorporated the requirement from previous 7123(b)(3) to describe how the business implements and enforces compliance with the components.
7123(e)(3)	Revised 7123(e)(3), previously 7123(c)(2), to clarify that the cybersecurity audit report must also identify and describe any gaps or weaknesses in any additional components the business/auditor decided to include in the audit, and that the gaps or weaknesses at issue are those that the auditor deemed to increase risk.
7123(e)(4)	Revised 7123(e)(4), previously 7123(c)(3), to remove “resources it has allocated to resolve them and the,” to simplify implementation at this time.
7123(e)(6)	Revised 7123(e)(6), previously 7123(c)(4), to clarify that the business is not required to provide more than three titles of qualified individuals responsible for the business’s cybersecurity audit program, to provide flexibility for businesses that have many individuals responsible for their cybersecurity programs.
7123(e)(8)	Revised 7123(e)(8), previously 7122(g), to apply the certification requirement only to the “highest-ranking auditor,” to simplify implementation at this time and provide flexibility for different businesses models.
7123(e)(10)	Revised 7123(e)(10), previously 7123(e), to remove language regarding notifications to other data processing authorities outside of California to simplify implementation at this time.
7123(f)	Revised to add an example and clarify that business may utilize a cybersecurity audit, assessment, or evaluation that the business has prepared for another purpose, provided that it meets all of the requirements of Article 9, either on its own or through supplementation. Removed the requirement that a business specifically explain how a cybersecurity audit, assessment, or evaluation that a business has

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SECTION	EXPLANATION FOR MODIFICATION
	completed meets the requirements set forth in Article 9, to simplify implementation at this time.
7124(b)	Added to clarify when a business must submit its certification.
7124(c)	Revised to clarify who must submit the certification and the requirements they must meet.
7124(d)(1)–(5)	Added to clarify the information that the certification must include.
7150(b)(2)(A)	Added the phrase “providing reasonable accommodation as required by law” to address the processing of sensitive personal information solely and specifically for this purpose.
7150(b)(3)	Removed “or extensive profiling” because relevant profiling thresholds are now in 7150(b)(4)-(5). Moved definition of significant decision to 7001(ddd).
7150(b)(5)	Revised to address profiling based upon a consumer’s presence in sensitive locations.
7150(b)(6)	Revised to add “intends to use” standard and to simplify implementation at this time.
7151	Revised to clarify which individuals must be included in the risk assessment process, and to improve readability.
7152(a)(1)	Revised to provide an example of how to describe a purpose in terms that are not generic.
7152(a)(2)	Revised to clarify that categories of personal information also include categories of sensitive personal information. Removed requirement regarding actions to maintain the quality of personal information to simplify implementation at this time.
7152(a)(3)(B)-(G)	Revised for clarity. Removed language regarding actions and technology in 7152(a)(3)(E)-(G) to simplify implementation at this time.
7152(a)(4)	Revised to add “as applicable” for clarity because the benefits of a processing activity may not be applicable to each type of stakeholder listed and provided example. Revised to remove language regarding a business’s

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SECTION	EXPLANATION FOR MODIFICATION
	specific identification of monetary benefits to simplify implementation at this time.
7152(a)(5)	Revised to clarify that the negative impacts listed are examples, and to delete the language regarding criteria.
7152(a)(5)(B), (a)(6)(B) (ii), 7201(a)(1)–(2), 7221(b)(3)(B)	Added “unlawfully” and revised “protected classes” to “protected characteristics” for clarity, consistency, and harmonization with existing law.
7152(a)(5)(E)	Deleted language regarding disclosure of media consumption as unnecessary and replaced with language regarding economic harms.
7152(a)(5)(G)	Revised example in 7152(a)(5)(G), previously 7152(a)(5)(H), to clarify how a disclosure regarding sexual or other preferences in a partner can result in stigmatization, and removed other examples to simplify.
7152(a)(6)	Revised to clarify the types of safeguards that a business must identify; and that the safeguards listed are examples. Removed reference to human involvement as redundant, and revised other safeguards regarding ADMT to simplify implementation at this time.
7152(a)(8)-(9)	Revised to clarify which individuals the risk assessment must identify and exclude legal counsel providing legal advice.
7153	Revised to clarify the obligations of a business that makes ADMT available to other businesses for a significant decision, and to simplify implementation at this time.
7154	Revised to clarify the goal of a risk assessment as indicated in statute.
7155(a)(3)	Revised to include time frame for updating a risk assessment to provide more clarity and flexibility for businesses.
7155(b)	Revised 7155(b), previously 7155(c), to provide clarity regarding the specific date by which a business must conduct its risk assessments for processing activities that began before the effective date of the regulations and that continue after the effective date.
7156(a)(1)	Revised to clarify that conducting a risk assessment includes documenting the information required for a risk assessment report.

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SECTION	EXPLANATION FOR MODIFICATION
7156(b)	Revised and added an example to clarify how a business can use a risk assessment prepared for another purpose to meet the requirements in 7152.
7157(a)	Revised to clarify the specific date by which a business must submit information to the Agency for risk assessments.
7157(b), (d)	Revised submission requirements to simplify implementation at this time.
7157(c)	Moved subsection regarding who must submit information to the Agency from 7157(b) to 7157(c), and revised to clarify the requirements they must meet.
7157(e)	Revised 7157(e), previously 7157(d), to clarify that risk assessment reports must be submitted upon request to the Agency or the Attorney General within 30 calendar days of that request.
7200(a), 7221(a), 7222(a)	Revised to focus on the use of ADMT for significant decisions to simplify implementation at this time. Moved definition of significant decision to 7001(ddd).
7200(b)	Added to provide a specific date, January 1, 2027, by which a business must be in compliance with the requirements in Article 11.
Previous 7201	Deleted requirements for physical or biological identification or profiling to simplify implementation at this time.
7220(a)	Added language to clarify that a business may provide a Pre-use Notice in its Notice at Collection.
7220(b)(2)	Revised to clarify when a Pre-use Notice must be presented to a consumer.
7220(c)	Revised to clarify what must be included in the Pre-use Notice, such as the purpose for using ADMT, how the ADMT works to make a significant decision and how the output of the ADMT is used to make a significant decision, and how the significant decision would be made if a consumer opts out.
7220(d)	Revised to clarify that a business is not required to include trade secrets or certain information related to security, fraud prevention, or safety in the information required by subsection (c)(5) of the Pre-use Notice.



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SECTION	EXPLANATION FOR MODIFICATION
7221(b)	Revised to reflect relevant exceptions for an opt-out of ADMT, including what a business must do (1) to qualify for the human appeal exception, and (2) for the exceptions for admission, acceptance, hiring, or allocation/assignment of work or compensation decisions.
7221(n)(2)	Revised to clarify that the business must notify service providers, contractors, or others of the consumer's opt out of "that" ADMT, because a consumer may have opted out of only certain of the business's uses of ADMT, in accordance with 7221(i).
7222(b)	Revised to clarify what needs to be provided in response to a request to access ADMT.
7222(c)	Revised to clarify that a business is not required to include trade secrets or certain information related to security, fraud prevention, or safety in the information required by subsections (b)(2)-(3).
7222(l)	Added to clarify that businesses may provide additional information in response to an access ADMT request.
Previous 7222(k)	Deleted subsection to simplify implementation at this time.
7271(b)(3)	Added third example to clarify how information subject to the Insurance Code would not be subject to the CCPA.