## UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

**COMMISSIONERS:** 

- ("EU") data protection requirements when transferring personal data from the EU to the United States in support of transatlantic commerce.
- 7. Privacy Shield provides a mechanism for U.S. companies to transfer personal data outside of the EU that is consistent with the requirements of the European Union Directive on Data Protection. Enacted in 1995, the Directive sets forth EU requirements for privacy and the protection of personal data. Among other things, it requires EU Member States to implement legislation that prohibits the transfer of personal data outside the EU, with exceptions, unless the European Commission has made a determination that the recipient jurisdiction's laws ensure the protection of such personal data. This determination is referred to commonly as meeting the EU's "adequacy" standard.
- 8. To satisfy the EU adequacy standard for certain commercial transfers, Commerce and the European Commission negotiated the EU-U.S. Privacy Shield framework, which went into effect in July 2016. The EU-U.S. Privacy Shield framework allows companies to transfer personal data lawfully from the EU to the United States. To join the EU-U.S. Privacy Shield framework, a company must self-certify to Commerce that it complies with the Privacy Shield Principles and related requirements that have been deemed to meet the EU's adequacy standard.
- 9. Companies under the jurisdiction of the FTC, as well as the U.S. Department of Transportation, are eligible to join the EU-U.S. Privacy Shield framework. A company under the FTC's jurisdiction that claims it has self-certified to the Privacy Shield Principles, but failed to self-certify to Commerce, may be subject to an enforcement action based on the FTC's deception authority under Section 5 of the FTC Act.
- 10. Commerce maintains a public website, <a href="https://www.privacyshield.gov/welcome">https://www.privacyshield.gov/welcome</a>, where it posts the names of companies that have self-certified to the EU-U.S. Privacy Shield framework. The listing of companies, <a href="https://www.privacyshield.gov/list">https://www.privacyshield.gov/list</a>, indicater()]TJ ET /CS1 cs 0 0 1

- 13. In truth and in fact, although Respondent initiated an application to Commerce for Privacy Shield certification, it did not complete the steps necessary to participate in the EU-U.S Privacy Shield framework. Therefore, the representation set forth in Paragraph 12 is false and misleading.
- 14. The acts and practices of Respondent as alleged in this complaint constitute deceptive acts or practices, in or affecting commerce, in violation of Section 5(a) of the Federal Trade Commission Act.

## **THEREFORE**