

Shopify CCPA Whitepaper

July 26, 2021



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1 Disclaimer

We are publishing this document for informational purposes only. It may change over time. The information in this whitepaper is not legal advice, and does not modify any contracts you have with us.

2 Background on Shopify

Shopify offers the leading cloud-based, multi-channel commerce platform. Merchants can use Shopify to design, set up, and manage their stores across multiple sales channels, including web, mobile, social media, marketplaces, and physical retail locations. We also provide merchants with a powerful back-office and a single view of their business. We assist merchants with everything from product sourcing to logo design, marketing, shipping, and fulfillment. The Shopify platform was engineered for reliability and scale, making enterprise-level technology available to businesses of all sizes. Shopify currently powers millions of businesses in approximately 175 countries.

In addition to providing the leading commerce platform to merchants, Shopify offers several consumer-facing applications, such as Shop, and [Shopify Pay](#). These applications allow customers to have a seamless shopping experience.

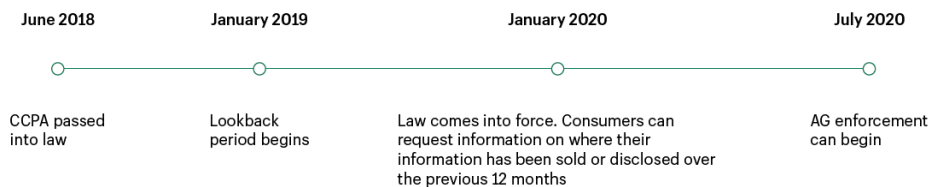
We also support a rich partner ecosystem which allows developers with fresh ideas to offer merchants a wide range of apps through the Shopify App Store. Our partner ecosystem also includes a large network of designers that help merchants create beautiful stores, and experts to set up and customize stores to fit a merchant's needs.

3 What is the CCPA?

3.1 Timeline

The California legislature passed the California Consumer Privacy Act (CCPA) in June 2018.

Businesses that are subject to the law must comply by January 1, 2020. The California Attorney General (AG) may start enforcing the law on July 1, 2020.



3.2 Transparency requirements

Starting January 1, 2020, California consumers can request that businesses share: - the categories and specific pieces of personal information that the business collects about them; - the categories of sources of that information; - the purpose for which that information is used; and - the categories of personal information that the business disclosed about the consumer for a business purpose over the previous twelve months.

As a result, if you are subject to the law, you should begin to gather documentation on your data management practices, looking back as far as January 1, 2019.

3.3 Opt-out of sale

If you sell the personal information of consumers, on January 1, 2020 California residents will have the right to: - request a list of the categories of their personal information that you sold; - request a list of the buyers of that personal information, by category of personal information, over the previous twelve months; and - “opt-out” of the sale of their personal information going forward.

“Sale” is defined broadly to include any exchange of personal information for either money or other “valuable consideration”.

3.4 Individual rights

The CCPA gives consumers the right to request access to and deletion of the personal information that a business stores about them. Read more about this in the **Data Subject Rights Request** section below.

3.5 Who does it affect?

Not all Shopify merchants and partners are subject to the CCPA. The CCPA only applies to businesses that collect personal information of California residents, and that:

- have an annual gross revenue of more than \$25 million USD;
- annually buys, receives for a “commercial purposes”, sells, or shares for “commercial purposes”, the personal information of 50,000 or more California consumers, households, or devices; or
- derive 50% or more of its annual revenue from selling California consumers’ personal information.

Businesses are not subject to the law if they do not have a physical presence in California and their ‘commercial conduct takes place wholly outside of California’ (for example, their website is not visible to residents of California). If you’re using Shopify to power your online store, this exclusion likely does not apply to you.

3.6 Does the CCPA apply to me?

We can’t give you legal advice about which laws may apply to your business, but we can provide you with some data on how your business uses Shopify so that you can answer this question yourself.

3.6.1 Annual revenue of more than \$25 million USD

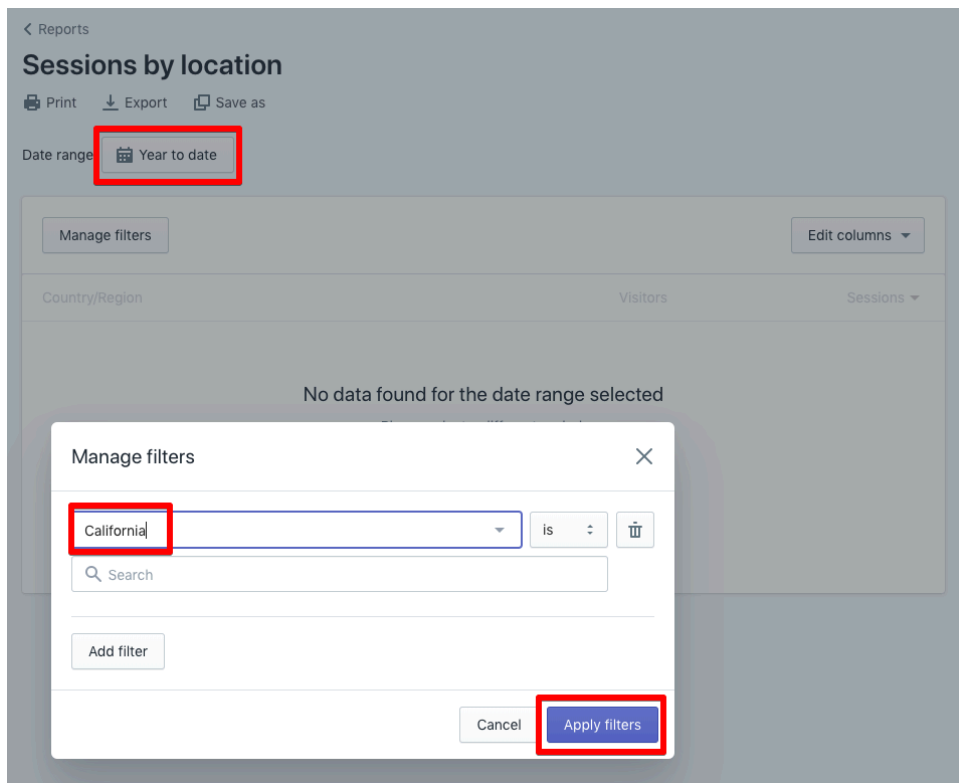
To check your business’s annual revenue, navigate to the **Analytics** tab in your admin. Change the date range to the year you are investigating.

The screenshot shows the Shopify Overview dashboard. On the left sidebar, the 'Analytics' menu item is highlighted with a red box. The main content area is titled 'Overview dashboard' and features a 'Date range' filter set to 'Custom'. Below this, the 'Starting' date is '2019-01-01' and the 'Ending' date is '2019-12-31'. A calendar view shows December 2018 and January 2019. The 'Today' button is highlighted with a red box. Below the calendar, there is a checkbox for 'Compare to previous dates' which is checked, and a dropdown menu for 'Compare to' set to 'Previous period'. At the bottom, there are 'Cancel' and 'Apply' buttons.

Your total sales for that time period are one report you will see. Please note that it displays your [calculated revenues](#) in the currency that you have set as default in your settings (not necessarily USD).

3.6.2 50,000 Californian visitors

Under **Analytics > Reports > Acquisition**, you can generate a report titled **Sessions by location**, which shows you roughly how many visitors your website has from California. Change the date range to match the year you are investigating, click **Manage Filters**, and apply **California**.



3.7 Roles under the CCPA

The CCPA imposes specific obligations on parties depending on their role and relationship with the individual whose data is being processed. It then defines those roles with some specificity (though it's important to note that those roles don't directly map onto other laws, like the GDPR, which use different terminology).

The CCPA defines a **consumer** as a natural person who is a California resident for tax purposes. We think this term includes customers who visit a storefront powered by Shopify.

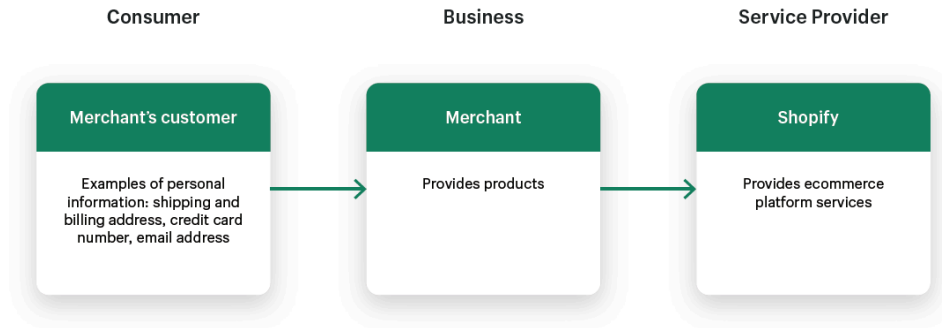
We described a **business** above as an organization that operates for profit that collects personal information of California residents, and that alone or jointly determines the purpose and means of the processing of personal information. We think this term includes merchants who run Shopify-powered stores, or partners who participate in our Partner Program (if they meet the thresholds described above).

A **service provider** is an organization that processes information on behalf of another business. A business may disclose personal information to a service provider only to provide the services described in a contract between the business and the service provider. The service provider cannot use the consumers' personal information for its own purposes. We think this term includes parties like Shopify, who process a merchant's customer information on behalf of the merchant.

A **third party** is an organization that buys personal information or receives personal information for a business purpose. It is not the entity that originally collects the personal information nor a service provider. A third party may not sell personal information that it has bought unless it provides consumers explicit notice and the opportunity to opt-out.

3.7.1 Shopify's Role

We believe that we process information about our merchants' customers as a service provider to our merchants. This is in part because we are contractually restricted from using merchants' customer data for our own independent purposes, as set out in Section 2.2.1 of our [Data Processing Addendum](#). If you are a Plus merchant, you may have a bespoke Data Processing Addendum, and so the section numbers may vary.



4 How does the CCPA affect my use of Shopify?

4.1 Do I 'sell' my customers' information to Shopify?

We do not believe that you are 'selling' your customers' personal information to Shopify when you use our services to power your store. This is because Shopify operates as a 'service provider' and uses the information to provide its services. The CCPA is clear that disclosures to service providers are not sales. This is particularly true as we are contractually prohibited from using your customers' personal information for our own independent purposes, as set out in Section 2.2.1 of our [Data Processing Addendum](#).

You should also think about whether you use any other vendors or apps and whether your transfer of Californian consumers' personal information to them is a sale under the CCPA.

4.2 Does Shopify 'sell' information it collects as a business?

No. In order to provide the service, we may share information with our service providers. For example, we provide our service in part by storing information with our cloud storage providers. These service providers are bound by contract to perform the services requested, and not to use the information for their own purposes, and do not sell this information further. We therefore believe that our use of those service providers is not considered a 'sale' under the CCPA.

4.3 Am I CCPA compliant if I am GDPR compliant?

The CCPA is similar to the European Union's General Data Protection Regulation (GDPR) that came into effect in May 2018 in the rights it gives consumers over their data and that it defines responsibilities based on the relationship to the data subject. However, the GDPR imposes additional obligations, such as the requirement to ensure that personal data is protected as it crosses borders, and requiring businesses to follow certain rules regarding notice to individuals and regulators when a data breach occurs. You can find more information of what Shopify did to prepare for the GDPR in [Shopify's whitepaper here](#).

While much of the work that Shopify did, and that merchants and partners have done, to prepare for the GDPR applies to the CCPA, complying with the GDPR does not mean that you comply with the CCPA. The GDPR applies to European residents, while the CCPA applies to California residents. The GDPR applies to personal data of data subjects, while the CCPA applies to personal information of consumers and households. The GDPR places requirements on transferring data across borders, while the CCPA places restrictions on the sale of data. Additionally, the GDPR and CCPA have different breach notification requirements and penalties for non-compliance. DataGuidance and the Future of Privacy Forum (FPF) provide an excellent side-by-side [comparison of the CCPA and GDPR here](#).

While this whitepaper is meant to provide general guidance on the CCPA, if you have specific questions about how the CCPA applies to you or what further work your business needs to do to comply, please speak with a lawyer or other privacy specialist.

5 What do I need to do?

5.1 Privacy Policy

You should have a privacy policy available on your website that details the name of your business and your contact information. The CCPA also requires your privacy policy include: - the categories of personal information that are collected and the purposes for which the categories of personal information will be used; - the categories of personal information that you share for business purposes; - a description of California residents' rights under the CCPA; - methods by which they may submit data subject rights requests; and - a list of personal information or categories of personal information the business sells OR that the business does not sell personal information.

Shopify has a privacy policy generator that will generate a template privacy policy for you, available [here](#) or under **Settings > Legal > Privacy policy > Create from template**:

< Settings

Legal

Legal pages

You can create your own legal pages, or create them from templates and customize them. The templates aren't legal advice and need to be customized for your store.

To keep your store secure, it's not possible to add audio, videos, or media widgets.

By using these templates you agree that you've read and agreed to the [disclaimer](#).

Refund policy

When saved, customers can see a link to this on checkout footer, order review page, and menus (optional).

A B I U [List icons] [Link icon] [Image icon] [Media icon]

Create from template

Privacy policy

When saved, customers can see a link to this on checkout footer and menus (optional).

A B I U [List icons] [Link icon] [Image icon] [Media icon]

Create from template

While we do our best to help make this template easy to customize and populate with the information required under CCPA, we are not your lawyers—it's ultimately up to you to make sure your privacy policy complies with relevant laws.

5.2 Data Subject Rights Request

You should make sure that your customers can contact you to make a request relating to their personal information. Under the CCPA, you may need to allow California residents to contact you via toll-free phone number, or by one of the following methods: mail, email, or other consumer-friendly method of contacting a business (such as a retail location or online portal that your business may have for customers). Make sure to include these contact methods in your privacy policy or on your website.

5.2.1 Access

Similar to the GDPR, the CCPA gives California residents the right to request a copy of their personal information. If a customer requests a copy of their personal information, you should respond to the consumer's request within **45 days**. If that is not possible due to the complexity or number of requests, then you should inform the consumer that another **45 days** are necessary. If you decide not to fulfill the request, you should inform the consumer why you will not action the request within **45 days**.

You can request a copy of the personal information that we hold about that customer following these steps:

1. Verify that the identity of the person requesting matches the customer who has made the request.

2. In your Shopify admin, navigate to the Customers tab.
3. Search for the name of the customer.
4. Click 'Request customer data' (Please note that this button is only visible to the Account Owner).
5. The identifiable personal information we store about that customer will be sent to the Account Owner's email.
6. Your request is then sent to third party apps you have currently installed on your store. The third party app developers will independently contact you about this request.
7. You may then combine that information with any other information you may store about the customer and provide it to the customer. When providing this information, you should explain to the consumer what categories and specific pieces of information about them that you collected.

In preparing for the CCPA, think about these questions:

- Are you able to provide all of the required personal information if a customer asks for it? Try to plan for a request in advance by maintaining a map of all of the personal information you (or the service providers you use, like Shopify) store about your customers.
- Have you considered other service providers that you might use who may have access to your customers' personal information? These could include third-party apps, channels, and payment gateways.
- Do you have contact information for all of the third-party services you use that might store your customers' personal information?

5.2.2 Deletion

The CCPA also allows California residents to request deletion of their personal information. If you receive a request, you must action it or inform the consumer why you will not action the request within **45 days**. If a customer requests that their personal information be deleted, then follow these steps:

1. Verify that the identity of the person requesting matches the customer who has made the request.
2. In your Shopify admin, navigate to the Customers tab.
3. Search for the name of the customer.
4. Click 'Erase customer data' (Please note that this button is only visible to the Account Owner).
5. Your request is then sent to third party apps you have currently installed on your store. The third party app developers will independently action or contact you about this request.
6. Shopify will process your request after a 10 day buffer period, during which you can cancel the request. To cancel a pending deletion request, please contact [Shopify Support](#), and include your store information and the relevant customer ID.

When you request a deletion, Shopify will only redact identifying personal information (such as name and address). Your anonymized order information will remain intact in case you need it for accounting purposes. Once the relevant personal information has been deleted, we will send you a confirmation email.

By default, Shopify will not delete personal information if the customer has made an order in the last 6 months (180 days), in case a chargeback occurs. If a request for deletion is submitted in that time frame, then it will sit pending, and Shopify will action it once the appropriate time has passed. You do not need to submit another request. If you would like to override this time delay, please contact [Shopify Support](#).

In preparing for the CCPA, think about these questions:

- Are you storing any customer information on your own personal computers or in hard copy?
- Are there other third parties that you may need to contact to request they delete a customer's personal information?

- Are there any local requirements, such as tax laws, that might require you to retain your customers' personal information even if they request deletion? The CCPA provides that personal information does not need to be deleted if needed to:
 - Complete a transaction or perform a contract;
 - Detect or protect against security incidents or illegal activity;
 - Debug or repair functionality of a service;
 - Exercise free speech, allow another to exercise free speech, or to exercise another right provided for by law;
 - Engage in peer-reviewed scientific, historical, or statistical research in the public interest if the subjects have provided informed consent;
 - Enable solely internal uses that are reasonably aligned with the expectations of the consumer based on the consumer's relationship with the business; or
 - Comply with a legal obligation.

5.3 Selling Information - Notice and Opt-Out

If you do not sell personal information of California residents, this section does not apply to you. If you sell personal information of California residents, the CCPA requires you to:

- Provide your California customers the opportunity to opt-out of the sale of their personal information, and include a link titled "Do Not Sell My Personal Information" on every page of your storefront that enables them to opt out;
- Provide upon request a list of companies (or categories of companies) to whom you have sold personal information in the last year;
- Describe California residents' rights and include a link to opt out of the sale of personal information in your privacy policy;
- Train your staff on California residents' rights under the CCPA.

If a customer opts-out of the sale of their personal information, then you will need to make sure that you:

- Do not sell their information;
- Keep track of the date of the request and the steps you took to verify the identity of the requester;
- Do not request that they opt-in for another twelve months; and
- Do not deny them service or provide them with an inferior product.

If you transfer your customers' personal information to other service providers, we recommend reviewing your relationship with those service providers, for example reviewing their contracts to make sure the service provider is contractually required to protect that personal information and only use it to provide you with their services.

5.3.1 Making a CCPA Opt-Out Page

To make a new page on your store, navigate to **Online Store > Pages > Add Page**. The page should have information about your customers' rights under the CCPA, how the customer can contact you, and a link to your Privacy Policy.

To add the page title to your navigation bar or footer, or to change how it appears, see our instructions [here](#).

If you would like to embed a 'Contact Us' form on the page, see our instructions [here](#).

6 Looking forward

The California AG is expected to issue guidance on how the CCPA should be interpreted and applied in 2020.

7 Further Inquiries

We are unfortunately not able to provide you with legal advice. If you have questions about how the CCPA applies to you, please a lawyer or privacy professional.

For general inquiries about Shopify, please contact our [Support team](#). If you are a Plus merchant, please contact your Merchant Success Manager with any questions.