

International Transfers of EU Personal Data to Salesforce's Services

Published: July 16, 2020

This document is provided for informational purposes. It is not intended to provide legal advice. Salesforce urges its customers to consult with their own legal counsel to familiarize themselves with the requirements that govern their specific situations. This information is provided as of the date of document publication, and may not account for changes after the date of publication. Please visit Salesforce's Privacy website for the latest information.

This document provides information about legalizing transfers of EU personal data to Salesforce's services in light of the July 16, 2020 decision of the Court of Justice of the European Union ("CJEU"). The CJEU confirmed the validity of the European Commission's standard contractual clauses as a legal mechanism for the transfer of EU personal data, but invalidated the EU-US Privacy Shield framework. This means that companies may no longer rely on the EU-US Privacy Shield framework to transfer EU personal data to the US. However, Salesforce's customers may continue to use our services, relying on the <u>Salesforce's Processor Binding Corporate Rules</u> and the European Commission's standard contractual clauses, both of which are already included in our <u>Data Processing Addendum</u>.

Table of Contents

General Information about the CJEU's Decision on International Transfers of EU Person Data	al 3
What is the case about?	3
What was decided?	3
How the CJEU's Decision on Transfers of EU Personal Data Impacts Salesforce's Customers	4
How does this decision impact customers using Salesforce's services? What action do customers need to take?	4
Does my organization have an existing Data Processing Addendum?	5
Where is my data located?	5
Where can I find more information about the recent expansion of Salesforce's Processor Binding Corporate Rules?	or 5
How does Salesforce handle government requests for access to data?	5
Salesforce's Mechanisms for the Transfer of EU Personal Data	6
Binding Corporate Rules	6
What are binding corporate rules?	6
Who approved Salesforce's Processor Binding Corporate Rules?	6
To which services do Salesforce's Processor Binding Corporate Rules apply?	6
Have Salesforce's Processor Binding Corporate Rules been updated?	6
Do I need to take any action to benefit from updates to Salesforce's Processor Binding Corporate Rules?	7
European Commission's Standard Contractual Clauses	7
What are the European Commission's standard contractual clauses?	7
To which services do the European Commission's standard contractual clauses apply?	8

General Information about the CJEU's Decision on International Transfers of EU Personal Data

What is the case about?

The case centers around whether the European Commission's standard contractual clauses are a lawful mechanism for transferring personal data outside of the EU. While not in the initial scope of the case, the CJEU also considered the validity of the EU-US Privacy Shield framework.

Under European data protection law, companies that transfer personal data outside of the EU must have a legal basis to ensure the continued protection of such data. Until this decision, the recognized legal bases included the European Commission's standard contractual clauses and the EU-US Privacy Shield framework. The European Commission's standard contractual clauses are legal contracts entered into between the parties that are transferring EU personal data outside of the EU. The EU-US Privacy Shield framework is an agreement between the US Department of Commerce and the European Commission to enable US companies with a mechanism to comply with EU data protection requirements when receiving EU personal data.

What was decided?

The CJEU confirmed the validity of the European Commission's standard contractual clauses as a legal mechanism for the transfer of EU personal data, but invalidated the EU-US Privacy Shield framework. Salesforce's customers may continue to use our services, relying on Salesforce's Processor Binding Corporate Rules and the European Commission's standard contractual clauses, both of which are already included in our Data Processing Addendum. Binding corporate rules are company-specific, group-wide data protection policies approved by European data protection authorities to facilitate international transfers of EU personal data and are seen as the "gold standard" of transfer mechanisms because they are based on strict privacy principles and require intensive consultation with and approval by European data protection authorities.

In its decision, the CJEU determined that organizations relying on the European Commission's standard contractual clauses should conduct diligence to help ensure that all parties are in compliance with their respective obligations under EU data protection law, including in respect of any access by government authorities. Salesforce makes available a number of resources on our Privacy website to help support our customers conduct such assessments, such as Salesforce's Principles for Government Requests for Customer Data and our Data Protection Impact Assessment.

How the CJEU's Decision on Transfers of EU Personal Data Impacts Salesforce's Customers

How does this decision impact customers using Salesforce's services? What action do customers need to take?

For most customers, no action is needed to update their respective Salesforce contracts to comply with the CJEU's decision. Despite the invalidation of the EU-US Privacy Shield framework, EU personal data may still be transferred to and within Salesforce's services pursuant to Salesforce's Processor Binding Corporate Rules and the European Commission's standard contractual clauses, both of which are already incorporated by reference into Salesforce's Data Processing Addendum. Customers do not need to take any additional steps to benefit from these transfer mechanisms with the following exceptions:

- customers that have signed older Salesforce Data Processing Addenda that do not include reference to Salesforce's Binding Corporate Rules and/or the European Commission's standard contractual clauses (both of which were incorporated into Salesforce's Data Processing Addendum in late 2015); and
- customers of Salesforce's Tableau Online services (which were added to the scope of Salesforce's Data Processing Addendum, including Salesforce's Processor Binding Corporate Rules and the European Commission's standard contractual clauses, in July 2020).

We encourage these customers to sign and return our latest <u>Data Processing Addendum</u>. Importantly, the preamble of the Data Processing Addendum states 'This DPA shall not replace any comparable or additional rights relating to the processing of Customer Data contained in Customer's Agreement (including any existing data processing addendum to the Agreement).' This confirms that by signing Salesforce's new Data Processing Addendum, customers are only adding to, and not reducing, their contractual privacy protections.

Customers of Salesforce's Vlocity services may reach out to their Account Executive if they have questions regarding the CJEU's decision.

To assist our customers in performing diligence regarding compliance with EU data protection laws, Salesforce's <u>Privacy website</u> provides resources to help support our customers conduct such assessments, including our <u>Data Protection Impact Assessment</u> and <u>Salesforce's Principles for Government Requests for Customer Data</u>.

Does my organization have an existing Data Processing Addendum?

If you are unsure if you have a Data Processing Addendum in place with Salesforce, please reach out to your Account Executive.

Where is my data located?

For more information about where your data is located, please see our <u>Trust and Compliance Documentation</u>, specifically the 'Infrastructure and Subprocessors Documentation' document linked to the specific services used by your organization. Information about the location of Salesforce data centers is available here.

Where can I find more information about the recent expansion of Salesforce's Processor Binding Corporate Rules?

Please see the "Salesforce's International Transfers of Data FAQs" section below and this Knowledge Article for more detail.

How does Salesforce handle government requests for access to data?

Salesforce may on occasion receive a request from a government agency or law enforcement authority seeking access to data belonging to a customer. Please see <u>Salesforce's Principles for Government Requests for Customer Data</u> for more information on how we handle any such requests. Our goal is always to protect our customers' data, while complying with applicable laws. Salesforce's Processor Binding Corporate Rules contain specific protections around requests for disclosure of personal data by a law enforcement authority or state security body (section 10) which have been approved by all EU data protection authorities.

Salesforce's Mechanisms for the Transfer of EU Personal Data

Binding Corporate Rules

What are binding corporate rules?

Binding corporate rules ("BCRs") are company-specific, group-wide data protection policies approved by European data protection authorities to facilitate international transfers of EU personal data. BCRs are seen as the "gold standard" of transfer mechanisms because they are based on strict privacy principles and require intensive consultation with and approval by European data protection authorities. Salesforce was the first top 10 software company to achieve approval for BCRs. Salesforce's Processor Binding Corporate Rules contain specific provisions around requests for disclosure of personal data by a law enforcement authority or state security body (Section 10).

Who approved Salesforce's Processor Binding Corporate Rules?

We received approval for Salesforce's Processor Binding Corporate Rules from European data protection authorities in November 2015. The French data protection authority, known as the CNIL, served as Salesforce's lead authority, and the Dutch and Bavarian data protection authorities served as co-lead authorities. Additionally, all other EU data protection authorities, in addition to the data protection authorities of Iceland, Liechtenstein, and Norway, were part of the approval process.

To which services do Salesforce's Processor Binding Corporate Rules apply?

Salesforce's Processor Binding Corporate Rules apply to EU personal data submitted to Salesforce's services listed in <u>Appendix A</u> to the Salesforce Data Processing Addendum.

Have Salesforce's Processor Binding Corporate Rules been updated?

We have updated Salesforce's Processor Binding Corporate Rules three times since our initial approval in November 2015.

In November 2018, we updated Salesforce's Processor Binding Corporate Rules to (i) bring them in line with the GDPR (our Processor Binding Corporate Rules were originally adopted under the EU Data Protection Directive) and (ii) expand the scope to apply to additional services. The GDPR update was required by November 2018 under Salesforce's annual BCR

reporting to the CNIL and did not need to be completed by May 2018, when the GDPR took effect.

In November 2019, we expanded the scope of Salesforce's Processor Binding Corporate Rules to include additional services, updating Sections 5 and 6 and Appendix A. Salesforce notified CNIL of this further update under Salesforce's annual BCR reporting to the CNIL.

In July 2020, we updated Salesforce's Processor Binding Corporate Rules to include additional new services. Salesforce will notify the CNIL of this update in November 2020 as part of our annual BCR reporting to the CNIL.

No services previously covered by Salesforce's Processor Binding Corporate Rules were removed during these updates.

Do I need to take any action to benefit from updates to Salesforce's Processor Binding Corporate Rules?

For most customers, no action is needed to update their respective Salesforce contracts to benefit from updates to Salesforce's Processor Binding Corporate Rules except for the following:

- customers that have signed older Salesforce Data Processing Addenda that do not include reference to Salesforce's Binding Corporate Rules (which were incorporated into Salesforce's Data Processing Addendum in late 2015); and
- customers of Salesforce's Tableau Online services (which were added to the scope of Salesforce's Data Processing Addendum, including Salesforce's Processor Binding Corporate Rules, in July 2020).

We encourage these customers to sign and return our latest <u>Data Processing Addendum</u>. Importantly, the preamble of the Data Processing Addendum states 'This DPA shall not replace any comparable or additional rights relating to the processing of Customer Data contained in Customer's Agreement (including any existing data processing addendum to the Agreement).' This confirms that by signing Salesforce's news Data Processing Addendum, customers are only adding to, and not reducing, their contractual privacy protections.

European Commission's Standard Contractual Clauses

What are the European Commission's standard contractual clauses?

The European Commission's standard contractual clauses are legal contracts entered into between parties that are transferring EU personal data outside of the EU. The standard contractual clauses were drafted and approved by the European Commission in 2010.

To which services do the European Commission's standard contractual clauses apply?

The services to which the European Commission's standard contractual clauses apply can be found in Schedule 3 to our <u>Data Processing Addendum</u>.