

## Facebook Launches New Business Tool Feature To Support CCPA Compliance

**July 1, 2020**

- Businesses that use Facebook Pixel and other Facebook Business Tools may be “selling” users’ personal information to Facebook without realizing it.
- With CCPA enforcement beginning, Facebook is offering a new “Limited Data Use” option to restrict how its Business Tools process personal information.
- If your business wants to avoid “selling” personal information, activating Limited Data Use is one of several steps it should consider.

With the California Attorney General’s enforcement of the California Consumer Privacy Act (“CCPA”) beginning as of July 1, 2020, every covered business should regularly scrutinize how they use social media tools as part of compliance efforts. This includes Facebook’s popular “Business Tools,” such as Facebook Pixel, which often send users’ data to Facebook in the background during browsing sessions on sites that have integrated one or more Business Tools. Facebook recently made compliance a little bit easier by launching a new feature for its Business Tools. As Facebook explains:

*To support businesses with their compliance efforts, we’re introducing a new feature businesses can use to limit how we use the data they send to Facebook, called Limited Data Use. When a business applies this feature, it will direct Facebook to process information about people in California as the business’s Service Provider. That means we will limit how this information is processed as specified in our State-Specific Terms.<sup>1</sup>*

Using this feature, a business can inform Facebook when a California user has opted out of the “sale” of their personal information as defined by the CCPA, which will enable Facebook to identify that user and process their data solely as the covered business’s “service provider.” Or, if the business wants to avoid “sales” of Californians’ personal information altogether, it can use the tool to have Facebook automatically filter California residents from data sharing.

### Without Activating Limited Data Use, Your Business Could Be “Selling” Personal Information To Facebook

The CCPA requires every business to declare in its privacy policy whether it “sells” personal information, and making the wrong declaration can subject the business to civil penalties. The act defines “sale” broadly to include “making available, transferring, or otherwise communicating” personal information to a third party “for monetary or other valuable consideration.” Generally, when a business uses Facebook’s Business Tools such as the Facebook Pixel, that business’s users may unknowingly have their IP address, browsing history, or other data that may be considered personal information sent to Facebook via the tool. In some circumstances, the business’s use of the tool and associated marketing benefits could be construed as “valuable consideration”

<sup>1</sup> <https://www.facebook.com/business/news/helping-businesses-comply-with-the-california-consumer-privacy-act-ccpa>

it receives for making that user data available to Facebook. Under that interpretation, your business may be branded a “seller” of personal data, even if it doesn’t sell data in any traditional sense.

However, activating Limited Data Use may help avoid being labeled with the CCPA’s “scarlet letter.” By choosing to have Facebook operate as a “service provider,” or flat-out abstain from receiving data about your California users, your business will likely be able to limit the extent to which it “sells” personal data.

### This is Not an End-All-Be-All Solution.

While the Limited Data Use feature may help limit a business’s “sales” of personal information to Facebook, it is only one step towards limiting overall data sharing. A business will still need to consider, and possibly modify, data flows relating to every partner, vendor and customer it works with, update its service provider agreements, and ensure its privacy policies and data collection notices are up to date and consistent with CCPA requirements. Other popular analytics and marketing tool vendors, such as Google, are offering similar features to support CCPA compliance.<sup>2</sup>

### Weigh The Benefits Of Data Sharing Restrictions Against Potential Downsides.

The CCPA is a broad and complex regulatory framework governing how a covered business may collect, use and share personal information of California residents. But many compliance choices carry real business costs, and Facebook’s Limited Data Use Feature is no exception. In fact, Facebook warns that “[w]hen Limited Data Use is enabled, businesses may notice an impact to campaign performance and effectiveness, and retargeting and measurement capabilities will be limited.”<sup>3</sup> If you decide that the cost of limiting how your business uses Facebook Business Tools and similar online tools is too great, be sure to consult with a trusted legal advisor about what that choice means for your CCPA compliance obligations.

#### Authors:

Travis P. Brennan  
949.725.4271  
[tbrennan@sycr.com](mailto:tbrennan@sycr.com)

Ahmad Takouche  
949.725.4153  
[atakouche@sycr.com](mailto:atakouche@sycr.com)

---

<sup>2</sup> <https://support.google.com/google-ads/answer/9614122?hl=en>

<sup>3</sup> <https://www.facebook.com/business/news/helping-businesses-comply-with-the-california-consumer-privacy-act-ccpa/#>