

Salesforce's Data Transfer Mechanism FAQs: Binding Corporate Rules and Standard Contractual Clauses

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This document is provided for informational purposes only. 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. For further information on our privacy practices, please see other resources on the Privacy website available <u>here</u>.

At Salesforce, trust is our #1 value. Nothing is more important than the success of our customers and the privacy of our customers' data. We have a robust privacy program that meets the highest standards in the industry and, as part of that program, we offer two transfer mechanisms to legalize the transfer of personal data outside of the European Economic Area ("EEA"), Switzerland and the United Kingdom ("UK"), (together, "Europe"). These are: (i) Binding Corporate Rules for processors, and (ii) Standard Contractual Clauses for the transfer of personal data to third countries, pursuant to Regulation 2016/679.

If you have questions specifically relating to our <u>data processing addendum</u> ("**DPA**"), please see our <u>DPA FAQ</u>.

Table of Contents

GENERAL - TRANSFER MECHANISMS	2
What is a transfer mechanism?	2
How does Salesforce legalize, and also help its customers legalize, transfers of personal data outside of Europe?	3
ADEQUACY	3
What is adequacy?	3
BCRs	3
What are BCRs?	3
Who approved Salesforce's BCRs?	4
To which services do the Salesforce BCRs apply?	4
SUB-PROCESSORS	4
Do the BCRs apply to third party sub-processors?	4
Does Salesforce have back-to-back agreements with third party sub-processors?	4

STANDARD CONTRACTUAL CLAUSES	4
What are the Standard Contractual Clauses?	4
To which services do the 2021 SCCs apply?	5
Other	5
What is the Privacy Shield?	5
What is APEC Privacy Recognition for Processors?	5
What if I have additional questions?	5

GENERAL - TRANSFER MECHANISMS

a. What is a transfer mechanism?

Salesforce offers its services globally, and use of our services involves transfers of personal data. For example, customers can log in to our services and manage their data from anywhere in the world.

Under European privacy laws, personal data cannot be transferred outside of Europe to organizations that are located in third countries (i.e. countries outside of Europe) unless (i) the importing country has been deemed adequate (see "*What is adequacy?*" below), or (ii) the data exporter has appropriate safeguards in place to ensure that the personal data transferred is subject to an adequate level of data protection.

The "appropriate safeguards" include the following transfer mechanisms which Salesforce has incorporated into its Data Processing Addendum ("**DPA**"):

- **Binding Corporate Rules for processors ("BCRs"):** these are company-specific, group-wide data protection policies approved by data protection authorities to facilitate international transfers of personal data from Europe to organisations that are located in third countries that have not been deemed adequate by the relevant regulators. For more information, see "*What are BCRs?*" below.
- Standard Contractual Clauses ("SCCs"): legal contracts entered into between contracting parties who are transferring personal data to third countries. The most recent set of SCCs are those pursuant to Regulation 2016/679 and were released in 2021 ("2021 SCCs"). For more information, see "What are the Standard Contractual Clauses?" below.

b. How does Salesforce legalize, and also help its customers legalize, transfers of personal data outside of Europe?

Salesforce is in the unique position of being able to offer two transfer mechanisms to its customers, each of which is, by itself, sufficient to legalize transfers of personal data outside of Europe. Salesforce has both the BCRs and the 2021 SCCs incorporated into its DPA.

For further information:

- Salesforce's BCRs can be found here.
- A full copy of the 2021 SCCs is available here.
- A copy of the Salesforce DPA can be found <u>here</u>.

ADEQUACY

a. What is adequacy?

The European Commission, the UK government and the Swiss Federal Data Protection and Information Commissioner each have the power to determine whether a country outside of its respective jurisdiction has an adequate level of data protection. The effect of an adequacy decision is that personal data can be transferred from the jurisdiction in question to the adequate jurisdiction without any further transfer mechanism being necessary.

BCRs

a. What are BCRs?

BCRs are company-specific, group-wide data protection policies approved by data protection authorities to facilitate international transfers of personal data from Europe to countries that have not otherwise been deemed adequate. Obtaining BCRs requires intensive consultation with data protection authorities, who approve them based on strict privacy principles.

Salesforce was the first top 10 software company in the world to achieve approval for its processor BCRs. BCRs are seen as the "gold standard" of transfer mechanisms because of the rigorous approval process.

Salesforce has extended the protections offered by its BCRs to Switzerland. Customers established in Switzerland that process personal data in accordance with Swiss local laws, will benefit from the undertakings that Salesforce makes in the BCRs.

b. Who approved Salesforce's BCRs?

Salesforce received approval for its BCRs 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. In accordance with requirements established by European data protection authorities as part of the former Article 29 Working Party (now the European Data Protection Board under the GDPR), EU data protection authorities as well as the data protection authorities of Iceland, Liechtenstein, and Norway, were part of the approval process.

c. To which services do the Salesforce BCRs apply?

To check which services the BCRs apply to please see Appendix A to the BCRs available here.

SUB-PROCESSORS

a. Do the BCRs apply to third party sub-processors?

The BCRs apply only to transfers within the Salesforce group. Salesforce therefore relies on SCCs to transfer personal data to third party sub-processors that are located in third countries. However, the BCRs do contain certain commitments about Salesforce's use of sub-processors, including an obligation to execute a data processing agreement with third party sub-processors.

b. Does Salesforce have back-to-back agreements with third party sub-processors?

Yes, Salesforce has data processing agreements in place with its third party sub-processors. In addition, Salesforce is obliged under both the BCRs and SCCs to ensure that, in respect of personal data transferred to third countries, the obligations set out in the SCCs are likewise put in place with sub-processors.

STANDARD CONTRACTUAL CLAUSES

a. What are the Standard Contractual Clauses?

The Standard Contractual Clauses are legal contracts entered into between contracting parties who are transferring personal data outside of Europe. The original controller to processor Standard Contractual Clauses were drafted and approved by the European Commission in 2010. In June 2021, the European Commission published the 2021 SCCs.

A copy of the 2021 SCCs is available <u>here</u> and you can also find additional information on the 2021 SCCs on the <u>official website of the European Commission</u>.

b. To which services do the 2021 SCCs apply?

The 2021 SCCs apply to all services provided by Salesforce.

Other

a. What is the Privacy Shield?

The EU-U.S. Privacy Shield framework was designed by the U.S. Department of Commerce and the European Commission to provide U.S companies with a mechanism to comply with European data protection requirements when receiving personal data from the EU. The framework was later adopted by the rest of the EEA, and the U.S. later reached a similar agreement with Switzerland. In July 2020, the Court of Justice of the European Union invalidated the EU-US Privacy Shield framework. As a result, Privacy Shield is no longer an appropriate safeguard for the purposes of legitimising the transfer of personal data outside of the EEA or the UK. The Federal Data Protection and Information Commissioner (the Swiss supervisory authority) subsequently followed suit and invalidated the Swiss-US Privacy Shield.

Salesforce nonetheless maintains its EU-US and Swiss-US Privacy Shield certification to demonstrate its compliance with generally accepted privacy principles. A copy of the certification is available <u>here</u>.

b. What is APEC Privacy Recognition for Processors?

The Asia-Pacific Economic Cooperation (APEC) is a regional economic forum established in 1989, aimed at increasing prosperity for the region by promoting balanced, inclusive, sustainable, innovative and secure growth and accelerating regional economic integration. As part of this Cooperation, the APEC Privacy Framework was adopted. The framework sets out a series of non-binding principles and implementation guidelines to ensure continued trade and economic growth and, in particular, the free flow of data.

Salesforce has obtained APEC Privacy Recognition for Processors ("PRP") certification. This certification demonstrates that Salesforce effectively implemented the level of protections set out by the APEC PRP framework and, in effect, means that customers can use Salesforce to transfer customer personal data in accordance with the rules set forth in the APEC Privacy Framework (i.e., it operates as a "transfer mechanism" in certain APEC jurisdictions). More information can be found <u>here</u>.

c. What if I have additional questions?

Please reach out to your dedicated Account Executive who will be able to help with any follow up questions that you may have.