



How the DOJ's "Bulk Data Rule" Is Reshaping Data Practices

What You Need to Know



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Department of Justice's "Bulk Data Rule"

A Major Shift in International Transfers of Data

Today's *Packed* Agenda:

- "Quick Hits" on the DOJ Bulk Data Rule
- Who and What Is Covered?
- Compliance and Enforcement
- Resources
- Q&A

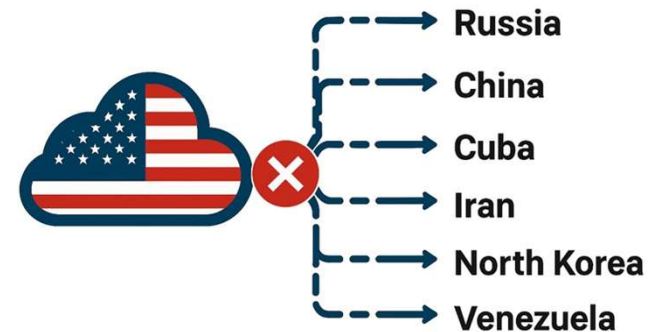


“Quick Hits” on the DOJ Bulk Data Rule

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Establishment of an International Data Transfer Regulatory Regime at the Federal Level

- The Bulk Data Rule aims to address national security risks from foreign access to bulk U.S. data.
- Focuses on entities and persons in “countries of concern.”
- Seeks to prevent misuse of U.S. sensitive personal data and government-related data.
- Aligns with broader U.S. data protection and national security initiatives.



What the Rule Means

- Prohibits or restricts certain cross-border data transfers to covered persons or countries of concern (currently China, Cuba, Iran, North Korea, Russia, and Venezuela).
- Covers “bulk” U.S. personal data and any amount of U.S. government-related data.
- Requires companies to mitigate risks via new security requirements, adopt new contractual requirements, and in some cases completely block certain data transactions.
- Requires implementation of new data compliance programs, audits, recordkeeping, and annual reporting associated with specified transfers.



Who and What Is Covered?

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Covered Data Types

Applies to companies handling or transferring—

- Bulk U.S. sensitive personal data, to include:
 - human genomic data on over 100 U.S. persons
 - biometric identifiers on over 1,000 U.S. persons
 - precise geolocation data on over 1,000 U.S. devices
 - personal health data on over 10,000 U.S. persons
 - personal financial data on over 10,000 U.S. persons
 - certain covered personal identifiers on more than 100,000 U.S. persons or
 - combined data (where any individual type meets the threshold)
- Government-related data, to include:
 - Certain location data
 - Sensitive personal data linkable to current or recent former employees, contractors, or former senior officials of the U.S. government



Covered Entities

- Any company organized under the laws of the United States, to include its foreign branches.
- The U.S. subsidiary of a foreign company, if the U.S. subsidiary is organized under the laws of the United States (regardless of the degree of ownership of the foreign parent).
- *Any* such entity that engages in international transfers of bulk U.S. sensitive personal data or any amount of government-related data is subject to these laws and will have certain compliance obligations, even if they don't operate in one of the countries of concern.



Compliance and Enforcement

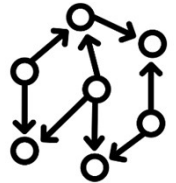
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Key Dates: Compliance and Enforcement



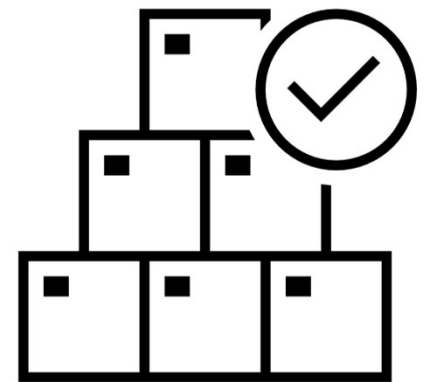
Compliance Obligations

- **Meet Specified Requirements.** No prohibited restrictions. Comply with contractual requirements regarding onward transfers. Establish security measures with respect to restricted transactions.
- **Implement Security Program.** Maintain a data compliance program to ensure compliance with specified requirements.
- **Audits.** Perform annual audits.
- **Reports.** Notify the DOJ of any unlawful data transfer offers. Submit an annual report if engaged in certain data transfers.
- **Recordkeeping.** Keep detailed records for 10 years.



Potential Compliance Approach

- **Create customer screening** to identify foreign and covered persons who may receive data from you.
- **Identify high-risk systems** that have covered data.
- **Analyze employee and vendor access** to those systems.
- **Remediate transactions**, as necessary.
- **Develop and implement a compliance program** and diligence, recordkeeping, and reporting systems.



Enforcement Has Begun

- **Penalties.** Failure to comply with the DOJ Bulk Data Rule can lead to:
 - Criminal liability for willful violations.
 - Significant civil penalties for noncompliance.
- **No enforcement actions to date**, but:
 - The Rule is relatively new.
 - The DOJ has signaled ongoing enforcement focus and intends to ensure compliance.
- **Civil lawsuits** have already been filed against some companies for alleged breaches of the Bulk Data Rule.



Resources

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Client Alerts

November 04, 2024 - Rob Hartwell, David M. Bonelli, Kelly DeMarchis Bastide, Matthew Stern and Ian R. Williams

10min

Key Insights: DOJ's Proposed Rule to Protect Bulk Sensitive Personal Data—What Companies Need to Know

January 16, 2025 - Michael A. Signorelli, Kelly DeMarchis Bastide, Rob Hartwell and Matthew Stern

DOJ Issues Final Rule on Bulk Sensitive Personal Data

March 17, 2025 - Kelly DeMarchis Bastide, Michael A. Signorelli, Rob Hartwell and Matthew Stern

A Brave New World: Four Considerations When Building a Bulk Data Rule Compliance Program

May 01, 2025 - Rob Hartwell, Michael A. Signorelli, Julia Tama, Kelly DeMarchis Bastide, Jennifer Daskal and Allaire Monticello

DOJ Data Security Program Key Developments: A 90-Day "Good Faith" Extension, Compliance Guide, and Extensive FAQs

June 03, 2025 - Jennifer Daskal, Kelly DeMarchis Bastide and Caitlin Clarke

A Closer Look at the Data Security Requirements in DOJ's Bulk Data Rule

October 03, 2025 - Kelly DeMarchis Bastide, Jennifer Daskal, Rob Hartwell and Matthew Stern

October 6 New Compliance Deadlines: DOJ's Bulk Data Rule



Q&A | Please Use the Q&A Function

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