

The OptimEdge Compliance Explainer

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What is the requirement or protocol?	Best Practice	Industry Standard	National Standard	International Standard	Contractual Requirement	Court Ruling or Judicial Precedent	State Regulatory Regime	Federal Regulatory Regime	Consent Decree	Non-US Regulatory Regime	State Statute	Federal Statute	Non-US Statute
Who defines the requirement or protocol?	Defined and developed by various experts over time	An industry consortium, non-profit organization, or sometimes a for-profit company	A national consortium, professional organization, or quasi-governmental agency	An international consortium	The parties to a binding contract	A state or federal court	A regulatory agency of a US state or territory	A regulatory agency of the US Federal Government	A federal or state regulatory agency	A regulatory agency of a foreign country or group of countries	The legislature of a US state or territory	US Congress	The legislative authority of a foreign country
Where is the requirement or protocol documented?	White papers, journal articles, product documentation, etc.	Specifications or documentation published by the promulgating entity			The contract (which may reference an external standard)	A judicial opinion	A state code of regulations	The Code of Federal Regulations	The consent decree agreement executed by the subject entity	The applicable register(s) of the country's regulations or laws	A state register of laws	The United States Code	The applicable register(s) of a country's laws
Who enforces the requirement or protocol?	No enforcement	In some instances, the promulgating entity; in other instances, third party entities provide compliance and certification programs			A party to the contract	Usually, the party to whom a duty is owed under the standard	The regulatory agency		A regulatory agency or other government authority empowered under the country's laws		A regulatory agency, prosecuting attorney, or (if the statute provides a private right of action) the party to whom a duty is owed		
How is the requirement or protocol enforced?	No enforcement	Audits, inspections, and/or reporting requirements			Lawsuit against a contract counterparty for non-compliance	A party brings a lawsuit in a court of the jurisdiction where the standard is enforceable	The agency launches an investigation (some agencies have regular reporting, inspection, or audit requirements). In some cases, the agency may file a lawsuit against the subject entity.		In some countries, enforcement is handled by other authorities		The agency launches an investigation, a prosecuting attorney files an action in court, or (if the statute provides a private right of action) a private party files a lawsuit (some laws have regular reporting, inspection, or audit requirements)		
What are the penalties for noncompliance?	None	Loss of certification or IP license			Money damages, settlement, or court-issued injunction	Money damages or a court-issued injunction	Usually fines, but the agency may impose other requirements or restrictions		Fines, potentially injunctions	Usually fines or loss of the right to operate in the foreign jurisdiction	Fines, criminal charges for the responsible individuals, and/or a private cause of action filed by the affected entities or individuals		Varies; usually fines or loss of right to operate in the foreign jurisdiction
How is the requirement or protocol updated or revised?	The standard may evolve over time as technology matures or new problems arise	The promulgating entity updates its specification or documentation			The parties amend the contract, or the external standard referenced by the contract is revised	The court ruling is overturned by a subsequent ruling or overridden by statute	The regulatory agency revises the standard after soliciting public comment and publishing proposed changes		In rare instances, the subject entity can negotiate an amendment to the consent decree. In other instances, the agency may broaden the decree or impose additional requirements.	The country revises the standard in accordance with its laws and procedures for amending laws or regulations	An act of the state legislature or a court ruling that the law is unconstitutional	An act of Congress or a federal court ruling that the law is unconstitutional	The country revises the standard in accordance with its procedures for amending laws
What is an example of the requirement or protocol?	Daily data backups	The Payment Card Industry Data Security Standard (PCI DSS)	The Financial Industry Regulatory Authority (FINRA) Rules	The ISO 27001 Information Security Standard	A contractual provision requiring a supplier to carry cybersecurity insurance	The Second Circuit's ruling in <i>McMorris v. Carlos Lopez & Assocs.</i>	The New York Department of Financial Services (NYDFS) Cybersecurity Regulation	The Federal Trade Commission (FTC) Health Breach Notification Rule	The FTC's 2012 Facebook consent decree	The European Union's General Data Protection Regulation (GDPR)	The California Consumer Privacy Act (CCPA)	The Health Insurance Portability and Accountability Act (HIPAA)	The UK's Data Protection Act 2018