# Compliance checklist

* The **compliance regulations and standards** that Botium Toys needs to adhere to are selected (i.e., related to conducting business in the E.U., accepting online payments, user permission policies)
* The need for each regulation and standard selected is **explained**
* **The Federal Energy Regulatory Commission - North American Electric Reliability Corporation (FERC-NERC)**

The FERC-NERC regulation applies to organizations that work with electricity or that are involved with the U.S. and North American power grid. Organizations have an obligation to prepare for, mitigate, and report any potential security incident that can negatively affect the power grid. Organizations are legally required to adhere to the Critical Infrastructure Protection Reliability Standards (CIP) defined by the FERC.

**Explanation:**

* **General Data Protection Regulation (GDPR)**

GDPR is a European Union (E.U.) general data regulation that protects the processing of E.U. citizens’ data and their right to privacy in and out of E.U. territory. Additionally, if a breach occurs and a E.U. citizen’s data is compromised, they must be informed within 72 hours of the incident.

**Explanation:**

to ensure the protection of personal data collected from customers, employees, and suppliers. Compliance with GDPR safeguards individuals' privacy rights, promotes transparency in data processing, and mitigates the risk of data breaches, thus maintaining customer trust, avoiding legal penalties, and upholding responsible data management practices.

* **Payment Card Industry Data Security Standard (PCI DSS)**

PCI DSS is an international security standard meant to ensure that organizations storing, accepting, processing, and transmitting credit card information do so in a secure environment.

**Explanation:**

to ensure the secure handling and protection of customer payment card information. Compliance with PCI DSS helps prevent data breaches, protects customer trust, avoids financial penalties, and safeguards the factory's reputation, ultimately ensuring the confidentiality and integrity of sensitive payment card data.

* **The Health Insurance Portability and Accountability Act (HIPAA)**

HIPAA is a federal law established in 1996 to protect U.S. patients’ health information. This law prohibits patient information from being shared without their consent. Organizations have a legal obligation to inform patients of a breach.

**Explanation:**

* **System and Organizations Controls (SOC type 1, SOC type 2)**

The SOC1 and SOC2 are a series of reports that focus on an organization’s user access policies at different organizational levels. They are used to assess an organization’s financial compliance and levels of risk. They also cover confidentiality, privacy, integrity, availability, security, and overall data safety. Control failures in these areas can lead to fraud.

**Explanation:**

to ensure the security, integrity, and confidentiality of customer data, financial information, and production processes. Compliance with SOC standards helps establish trust with customers, mitigates cybersecurity risks, demonstrates a commitment to data protection, and enhances overall operational efficiency and reliability within the toy manufacturing industry.