

**MEMO# 16631**

October 8, 2003

## **CALIFORNIA'S NEW STATUTORY PRIVACY NOTICE**

[16631] October 8, 2003 TO: COMPLIANCE ADVISORY COMMITTEE No. 80-03 OPERATIONS MEMBERS No. 31-03 PRIMARY CONTACTS - MEMBER COMPLEX No. 82-03 PRIVACY ISSUES WORKING GROUP No. 6-03 SEC RULES MEMBERS No. 133-03 SMALL FUNDS MEMBERS No. 55-03 TECHNOLOGY ADVISORY COMMITTEE No. 13-03 RE: CALIFORNIA'S NEW STATUTORY PRIVACY NOTICE As we previously informed you, in August, California's Governor signed into law the California Financial Information Privacy Act, which takes effect July 1, 2004. This new law imposes requirements that are more rigorous than those under federal law on the sharing by financial institutions (including mutual funds) of nonpublic personal information with affiliates and non-affiliates.<sup>1</sup> As discussed in our memorandum that summarized this new law in detail, unless otherwise exempt, the sharing of a customer's nonpublic personal information with an affiliate is conditioned on the financial institution providing the customer an annual privacy notice and the opportunity to opt-out of such sharing. The notice either must be a form set forth in the statute or comply with the law's various requirements relating to its contents, wording, headings, and style. As noted in the Institute's previous memorandum, the statutory form was not included in the law at the time of its enactment. The Institute has since obtained a copy of the statutory form, which is attached. While California is currently formatting the form to permit its electronic distribution, at the present time, it is only available in hard copy.<sup>2</sup> Tamara K. Salmon Senior Associate Counsel Attachment (in .pdf format) Note: Not all recipients receive the attachment. To obtain a copy of the attachment, please visit our members website (<http://members.ici.org>) and search for memo 16631, or call the ICI Library at (202) 326-8304 and request the attachment for memo 16631. <sup>1</sup> See Memorandum to Compliance Advisory Committee No. 67-03, Operations Members No. 25-03, Primary Contacts No. 68-03, Privacy Issues Working Group No. 3-03, SEC Rules Members No. 113-03, Small Funds Members No. 43-03, and Technology Advisory Committee No. 10-03 [16477], dated August 28, 2003. <sup>2</sup> Copies may be obtained through the office of the sponsor of the bill, Senator Speier, at (916) 445-0503.