



# Department of Justice rule for bulk transfer of personal information





# Introduction

**The Department of Justice's (DOJ)** final rule prohibiting and restricting bulk transfers of sensitive personal data to “countries of concern” (e.g., China, Russia, Iran) (the Data Rule) went into effect **April 8, 2025**. Compliance with certain provisions, including due diligence, audit, and reporting requirements, will begin **October 6, 2025**.

The DOJ Data Rule implements the **February 28, 2024** Executive Order (14117), “Preventing Access to Americans’ Bulk Sensitive Personal Data and United States Government-Related Data by Countries of Concern,” and aims to address ongoing national security risks and concerns stemming from advancements in artificial intelligence, high-performance computing, and big-data analytics that may enable potential exploitation of sensitive national data by countries of concern and individuals and entities under their control (covered persons). The rule will directly impact industries with cross-border data activities.

This white paper provides an overview of the DOJ Data Rule, its implications for organizations, and recommended practices for compliance.



# Background and compliance



The DOJ Data Rule regulates transactions involving **six categories** of sensitive personal data:



Personal identifiers



Precise geolocation data



Biometric identifiers



Human genomic data  
(and other types of human 'omic data)



Personal health data



Personal financial data

As a result, healthcare, life sciences, biomedical, and research firms are most heavily impacted by the guidance. U.S. persons and companies are expected to align their practices, contracts, and systems with these requirements to mitigate risks and comply with emerging guidelines. The rule takes effect 90 days from publication (April 8, 2025), with due diligence, reporting, and auditing requirements taking effect 270 days after publication (October 6, 2025). Key compliance requirements include:

## Reporting and Recordkeeping

- Provide information under oath upon request, submit annual reports, and document rejected prohibited transactions.
- Maintain accurate records of transactions subject to the Rule for at least ten years, with an annual certification of compliance by a senior official.

## Transaction Review & Compliance

- Conduct annual, independent audits of the Data Compliance Program covering the previous 12 months, and report findings within 60 days, retaining reports for ten years.
- Develop a written policy that describes the data compliance program and that is annually certified by an officer, executive, or other employee responsible for compliance.

- Implement cybersecurity measures developed by the Department of Homeland Security's Cybersecurity and Infrastructure Agency (CISA).

## Risk Management

- Establish risk-based procedures to verify and log data flows in restricted transactions, including data types and volumes, transaction party identities, and data end-use and transfer methods.
- Implement risk-based procedures to verify vendor identities, including periodic screening against the Covered Persons List to ensure current and prospective vendors are not covered persons.

# Striking a balance – Limiting risk and enabling business value

KPMG LLP has developed a proprietary Risk & Compliance Program Framework that integrates US federal guidelines for compliance programs as the foundation and incorporates years of industry experience and guidance from key regulators.

## Data obfuscation

Techniques for reducing the value of data if obtained by an unauthorized user, including encryption, de-identification, hashing, variance, substitution, and shuffling

## Data loss prevention

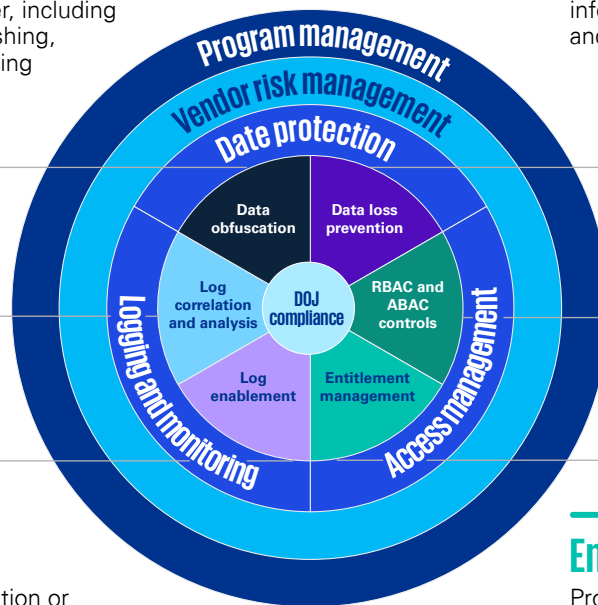
Capabilities to monitor and prevent sensitive information during external transmissions and other movement within an organization

## Log correlation and analysis

Centralization of collected logs across the organization for performing in-depth security monitoring for unusual behavior and/or activity

## Log enablement

Generation of logs at the application or endpoint level to track local user activity



## RBAC and ABAC controls

Controls for limiting access to a particular file, application, system, and data set based on an end user's job role or a particular attribute (e.g., geolocation, citizenship status)

## Entitlement management

Processes for identifying resource groups, defining policies or access rights, and allowing users to submit requests for access.

## Key areas of focus to comply with the rule include:

### Data compliance program development:

Establish a program management office, governance structure with defined roles and responsibilities, stakeholder groups, and required policy and standard updates.

**Vendor identification:** Identify and document vendors involved in direct and indirect processing of personal data. This includes vendors and other third and nth parties onshore that may transmit in-scope personal information to countries in question, as well as offshore vendors located in those countries with whom data is shared.

**Data flow identification:** Identify and document structured and unstructured flows of bulk personal data to in-scope countries. This should capture details around data transferred, technical and procedural controls protecting the data, frequency of transfer, identified risks, and the purpose of the data transfers.

### Implementation of technical measures:

Implement technical measures required by the Cybersecurity and Infrastructure Security Agency, including multifactor authentication, strong access controls, data masking, encryption, data loss prevention, and other privacy-enhancing controls.

**Recordkeeping protocols:** Maintain comprehensive records of covered transactions and report them to the DOJ when requested.

**Annual independent audits:** Conduct annual independent audits to ensure ongoing compliance with the DOJ Data Rule and identify areas for continuous improvement.



# Why act now?

Implementing effective compliance practices for the DOJ Data Rule reduces risks, improves regulatory compliance, enhances data protection, integrates business processes, and allows for cohesive management of sensitive personal data, among other benefits. A detailed view into a range of the significant benefits that our clients have achieved, as a direct result of adopting the aforementioned leading practices and making significant investments in their compliance programs, is captured in the visual below:

## Reduce risks and fines

Mitigate risks associated with data breaches, unauthorized access, and regulatory fines for noncompliance. Avoid the risk of business disruption where data flows to targeted countries by addressing obligations proactively.

## Enhance data retrieval

Support data availability and retrieval in an accurate, secure, and timely manner to satisfy business needs or for regulatory or legal review while providing a strong foundation for other data-focused regulations.

## Deepen business process integration

Align data management practices with corporate infrastructure and business processes, enabling seamless compliance.

## Support regulatory compliance

Adhere to DOJ Data Rule requirements, ensuring compliance with identified regulatory mandates, while providing a strong foundation for other data-focused regulations.

## Improve efficiency

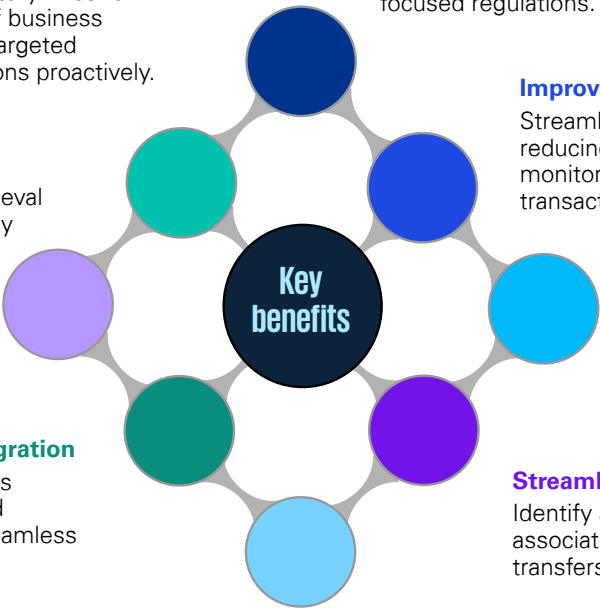
Streamline data management processes, reducing the time and effort required to monitor, report, and audit sensitive data transactions.

## Improve accurate data identification

Enable data across the organization to be accurately identified and assigned retention requirements.

## Streamline business processes

Identify and address process inefficiencies associated with cross-border personal data transfers.



## Enhance data visibility and management

The activities that support compliance with the DOJ Data Rule are foundational to data governance and protection.





# Compliance with the DOJ Data Rule requires an adviser with demonstrated experience

Given the business criticality of compliance with the rule, and implications to noncompliance, it is important to select an adviser that has deep experience in helping companies navigate similar compliance initiatives. We offer a range of services to meet you where you are today as you prepare for your compliance journey.

Our compliance readiness services offer thorough and customizable approaches for organizations to manage complex nuances of data discovery, management, and protection. **We help organizations reduce risk, increase efficiency, align compliance with legal and regulatory requirements, and reduce costs.**

01

PMO build and run

02

Current-state assessment, gap analysis, and detailed roadmap

03

Use case development, requirements definition, and remediation tooling functional design

04

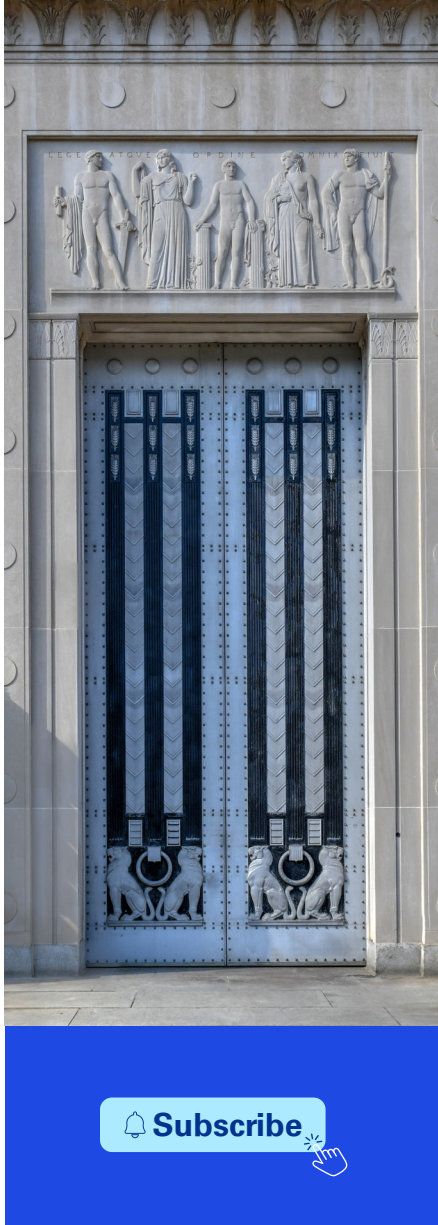
Regulatory responses

05

Hands-on implementation of technical and procedural controls

06

Change management and managed services



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