

Mr. Lee Licata
Deputy Section Chief for National Security Data Risk
Foreign Investment Review Section National Security Division
U.S. Department of Justice 950 Pennsylvania Avenue NW Washington, DC 20530

Dear Mr. Licata,

On behalf of the [Marketplace Industry Association](#), I am writing to address the implementation of the DOJ's January 8, 2025, [final regulations](#) on access to U.S. sensitive personal data and government-related data by Countries of Concern (CoC) and Covered Persons. We appreciate the extensive collaboration between the DOJ, Commerce, DHS, and the private sector in developing these critical regulations aimed at safeguarding national security.

Our association and its members fully support the objective of protecting sensitive data from misuse by foreign adversaries. However, the scope and complexity of these regulations—spanning over 400 pages—present significant operational and logistical challenges for our industry. The compliance process demands a fundamental restructuring of internal systems, software, contractual relationships, and service models, creating an urgent need for additional time and clarity to ensure effective implementation.

Specifically, we seek clarification on critical issues that directly impact our compliance efforts:

- Due diligence requirements for "covered persons": Guidance is needed, particularly regarding entities outside CoC jurisdictions.
- Recordkeeping and auditing expectations for Subpart J and K: Details on documentation standards and timelines remain unclear.
- Clarification of "data brokerage" scope: Especially for arm's-length data transactions.
- Treatment of genomic and "other 'omic" data: More precise definitions and exemptions are necessary.
- Exemptions for research-related activities: Clear guidelines are essential to prevent unintended barriers to innovation.

To facilitate a smooth and realistic implementation, we urge the DOJ to adopt the following timeline:

- Effective Date for Prohibited Transactions: At least 60 days after the issuance of final FAQs and Implementation Guidance. We recommend setting October 6, 2025, as the effective date for obligations under 28 CFR § 202.302 and genomic/omic transactions related to human health.
- Effective Date for "Reporting & Recordkeeping" Requirements: Align this with October 6, 2025, to ensure consistency and give companies adequate preparation time.
- End of Non-Enforcement Period for Restricted Transactions: Extend the non-enforcement period through December 31, 2026, and confirm that pre-2027 actions will not be subject to retroactive enforcement.

These adjustments will provide U.S. companies with sufficient time to address the operational and legal complexities of compliance, while prioritizing the highest-risk data transactions involving CoCs or Covered Persons.

We also emphasize the need for a single effective date for all restricted transaction requirements under Subparts D, G, and K, including genomic/omic transactions. A uniform timeline aligns with the DOJ's own rationale, minimizes the burden on businesses, and fosters consistency in applying OFAC and BIS-based due diligence standards.

The scale of compliance cannot be overstated. For example, U.S. companies engaged in cross-border transactions with Canada must navigate CoC ownership criteria, which requires granular analysis of entities and individuals in agreements, roles, responsibilities, and security protocols. These processes will need to be replicated globally, affecting thousands of businesses and potentially millions of personnel. Given the complexity and scope of these regulations, mandating full compliance by April 8, 2025, risks overwhelming businesses and undermining the intended objectives. We respectfully urge the DOJ to announce a revised timeline, providing a clear and predictable path for compliance through updated regulations or a general licensing mechanism.

Thank you for your attention to this critical issue. We remain committed to working collaboratively with the DOJ to achieve these shared goals.

Sincerely,



Jeremy Gottschalk
Executive Director
Marketplace Industry Association

