

## What Is Outsourced Technology Law?

### Outsourced Technology Law

States and the federal government have addressed the various areas of **outsourced technology law**, which deals with the outsourcing of information technology tasks. Though some states have outsourcing regulations, U.S. federal law does not specifically guide outsourcing transactions. However, outsourced activities must still meet any regulatory requirements of the government, whether the outsourced technology services are in the U.S. or overseas. The Federal Trade Commission states that U.S. companies who use outsourcing vendors are still legally responsible for the business performed by the outsourced firm. For example, banks are responsible for data security, whether that information is in their hands or being stored by an outside company, locally or overseas.

Any outsourcing entity working on behalf of a U.S. company must adhere to federal laws and FTC guidelines. This includes meeting the requirements found in specific laws, such as the Children’s Online Privacy Protection Act, Gramm-Leach-Bliley Act, and the Telemarketing and Consumer Fraud and Abuse Prevention Act.

### Related Capabilities

Privacy & Data Security

Technology, Media & Telecommunications