

RE: PROPOSED REGULATION 23 NYCRR 500 – CYBERSECURITY REQUIREMENTS
FOR FINANCIAL SERVICES COMPANIES

Further to ELANY Bulletin No. 2016-23, ELANY has submitted comments to the Department of Financial Services and made a number of recommendations to change the Proposed Regulation. That letter is attached for your review.

A number of brokers have asked ELANY what steps should be taken now in reaction to the Proposed Regulation. ELANY recommends brokers take the following steps:

- If you do not yet have a Cybersecurity Policy and a Cybersecurity Program, then designate an appropriate employee or committee to flesh out a draft policy and draft program based upon the elements set forth in the Proposed Regulation; or
- If you have an existing Cybersecurity Policy and Program, delegate an appropriate employee or committee the responsibility to compare your existing Cybersecurity Policy and Program to the requirements of the Proposed Regulation.

While taking the steps noted above makes sense as good preparation for cybersecurity that a broker might choose to adopt without regard to the promulgation of a regulation, **be aware** that the regulation may be substantially amended before it is implemented and its current planned implementation date of January 1, 2017 could be delayed. As such, it is a good idea to prepare a Cybersecurity Policy and Plan. However, you may want to be careful not to incur significant expenses until the requirements of a final adopted regulation are clear.

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