

Cybersection

SAFETY AND SECURITY

Department Issues Cybersecurity Guidance



Secretary of Banking and Securities Robin L. Wiessmann has been talking to banks and financial industry groups about the issue of cyberthreats, describing the issue as an “existential threat to the financial services industry,” while promoting collaboration within the industry on cybersecurity.

Pointing to the recent announcement from the U.S. Treasury about the formation of the FinCEN Exchange, an information exchange that partners banks and law enforcement agencies, Wiessmann stated, “Banks are not competing with each other on this issue. Using our collective expertise, banks can discover the best approach for their institutions, partners, vendors, and customers.”

Recently, she issued a formal letter to all Pennsylvania state-chartered banks, providing an update on cybersecurity efforts and available resources. The letter can be found [online](#). For the print version of this article, refer to the “Cybersecurity” section of the department’s website:

www.dobs.pa.gov/Businesses/cybersecurity.

“Deliberate cyberattacks and cyberthreats pose substantial risk to Pennsylvania’s financial infrastructure and national security,” Wiessmann stated. “The frequency and complexity of these cyberattacks reinforces the need for every organization to have

conversations about cybersecurity and preparedness.”

The letter also directs banks and other organizations to the following cybersecurity resources:

- The Federal Financial Institutions Examination Council (FFIEC) list of Frequently Asked Questions (FAQs) regarding clarification of points in the 2015 FFIEC Cybersecurity Assessment Tool. These resources are available at www.ffiec.gov. For online edition, the FAQ is [here](#).
- The National Institute of Standards and Technology (NIST) draft update to the Framework for Improving Critical Infrastructure Cybersecurity (Cybersecurity Framework). These resources are available at www.nist.gov.
- The NIST guide for small business owners on cybersecurity issues, “Small Business Information Security: The Fundamentals,” which includes steps to take to better protect information systems. The guide is available at www.nist.gov.

Resources to help banks better protect themselves and customers are available on the department’s website:

www.dobs.pa.gov/Businesses/cybersecurity

Compliance 2017 Identifies Top Issues for Investment Advisers



The Compliance 2017 conference in October was designed to keep investment professionals and their firms up-to-date on changes to federal and state securities laws and regulations. Secretary of Banking and Securities Robin L. Wiessmann identified the most important issues that investment advisers should be addressing:

- Failure to supervise is one of the two most likely issues to result in enforcement orders.
- The recommendation and sale of unsuitable investment products, especially to older investors.
- Forthcoming FINRA Rule 2165, which will become effective in February 2018, will make it easier for broker-dealers to protect their clients with diminished capacity from elder financial abuse.
- Several presentations focused on the necessity of investment advisers and their firms to make cybersecurity a top priority.

“The goals of our regulatory communications and guidance are to be clear and consistent,” Wiessmann stated at the conference, “We want to ensure you and your firms understand the rules under which you are expected to operate, help you navigate Pennsylvania and federal regulatory structures, and learn how to protect your clients from fraud and financial abuse.”