

SEC Continues to Focus on Cybersecurity Risks

September 17, 2015



On September 15, the U.S. Securities and Exchange Commission's Office of Compliance Inspections and Examinations (OCIE) issued a [risk alert](#) regarding the SEC's ongoing cybersecurity examinations of registered broker-dealers and investment advisers, which will build on its first round of examinations, concluded in February. The latest round of examinations will involve more testing to assess implementation of firm cybersecurity procedures and controls. The risk alert provides information regarding the areas the OCIE will emphasize during the examinations. Topics of focus remain governance and risk assessment, access rights and controls, data loss prevention, vendor management, training, and incident response. An appendix to the risk alert includes a sample list of information the OCIE may review when examining registered entities regarding cybersecurity matters. The list is by no means exclusive. In fact, language in both the risk alert and its appendix stresses that the adequacy of any risk management system will depend on an individualized assessment that considers factors such as a firm's business model, systems, and information technology environment. The risk alert is consistent with NIST's February 2014 [Framework for Improving Critical Infrastructure Cybersecurity](#), and the Federal Financial Institutions Examination Council's (FFIEC) [cybersecurity assessment tool](#), which was released in June 2015. While it contains no new standards, per se, it demonstrates the high priority the SEC continues to place on its cybersecurity initiative. Given the SEC's focus—and

the serious nature of the potential risks involved—compliance professionals must tackle the issue, determining the policies and procedures that make the most sense for their organizations.

Related Practices

[Cybersecurity and Privacy](#)

[Securities Litigation and Enforcement](#)

[Technology](#)

Related Industries

[Technology](#)

©2024 Carlton Fields, P.A. Carlton Fields practices law in California through Carlton Fields, LLP. Carlton Fields publications should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information and educational purposes only, and should not be relied on as if it were advice about a particular fact situation. The distribution of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship with Carlton Fields. This publication may not be quoted or referred to in any other publication or proceeding without the prior written consent of the firm, to be given or withheld at our discretion. To request reprint permission for any of our publications, please use our [Contact Us](#) form via the link below. The views set forth herein are the personal views of the author and do not necessarily reflect those of the firm. This site may contain hypertext links to information created and maintained by other entities. Carlton Fields does not control or guarantee the accuracy or completeness of this outside information, nor is the inclusion of a link to be intended as an endorsement of those outside sites.