

# SEC Cybersecurity Amendments to Regulation S-P



On May 16, 2024, the SEC significantly strengthened its Cybersecurity requirements under Regulation S-P. This directly impacts **Registered Investment Advisors (RIAs), Broker-Dealers, Investment Companies, and Transfer Agents.**

## What's Changed?

- **Incident Response:** Firms must have a robust written plan to rapidly detect, respond to, and recover from Cybersecurity incidents, including provisions for the oversight of service providers.
- **Service Provider Oversight:** Enhanced due diligence and monitoring are mandatory to ensure third-party vendors have implemented reasonable controls to protect customer information. Vendors must notify the covered institution within 72 hours of a breach.
- **Notification Protocol:** Strict timelines have been established for notifying affected individuals (within 30 days) and regulators of data breaches. Covered institutions may enter into agreements with service providers to issue these notifications.
- **Privacy Notices:** Clear and comprehensive initial and annual privacy notices must be provided to clients, explaining how their data is used, shared, and protected, as well as outlining customer rights.
- **Record Keeping:** Detailed documentation of incident response policies, unauthorized access and responses, investigations, notifications, service provider contracts/agreements, and steps taken to comply with the Safeguards and Disposal Rules is now required.
- **Expanded Scope of Customer Information:** The definition of "customer information" has broadened, encompassing information received from third parties, even if an individual no longer has a customer relationship with the covered institution.

## Timeline to Compliance

The amendments will become effective 60 days following their publication in the Federal Register. Firms with assets exceeding \$1.5 billion will have an 18-month compliance period, whereas smaller firms will be granted 24 months to comply. **The implementation timeline is now in motion.**

### How Can We Help?

DLA Cyber specializes in guiding financial services firms through these complex regulatory changes. We offer:

- **Complimentary 30-Minute Consultation:** Assess your current Cybersecurity posture and identify potential gaps.
- **Custom Roadmap:** Develop a clear plan to address any deficiencies and achieve SEC compliance.



You may opt to enroll in a DLA Cyber evaluation to address the gaps identified in the roadmap, or you can choose to manage the roadmap independently.

To schedule your complimentary 30-minute session with our team, please click this link to [schedule your meeting](#).



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