

[Banking and Finance Law Daily Wrap Up, PRIVACY—Proposed cybersecurity regulation for New York financial services companies updated, \(Dec. 29, 2016\)](#)

Banking and Finance Law Daily Wrap Up

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The New York State Department of Financial Services (DFS) has updated its proposed cybersecurity regulation intended to protect banks, insurance companies, and other financial services institutions regulated by the DFS from cyber-attacks. The [proposed regulation](#), which will be effective March 1, 2017, will require those institutions to establish and maintain a cybersecurity program designed to protect consumers and ensure the safety and soundness of New York State's financial services industry.

"New Yorkers must be confident that the banks, insurance companies and the other financial institutions that they rely on are securely handling and establishing necessary protocols that ensure the security and privacy of their sensitive personal information," [said](#) Superintendent Financial Services Superintendent Maria T. Vullo. "This updated proposal allows an appropriate period of time for regulated entities to review the rule before it becomes final and make[s] certain that their systems can effectively and efficiently meet the risks associated with cyber threats."

When the measure was proposed last September, New York Governor Andrew Cuomo called it a "first-in-the-nation" regulation that would protect New York State from the ever-growing threat of cyber-attacks (see [Banking and Finance Law Daily](#), Sept. 13, 2016).

The proposal was updated in response to comments submitted during the 45-day comment period. The updated draft will be subject to an additional final 30-day comment period, and the DFS will focus its final review on any new comments that were not previously raised in the original comment process.

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