



# WHAT YOU NEED TO KNOW ABOUT THE CHANGING DATA SECURITY AND PRIVACY LANDSCAPE

February 24, 2023



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## Gramm-Leach-Bliley Act Safeguards Rule

(Effective June 9, 2023)

- Designate a qualified individual
- Conduct written risk assessments
- Access controls
- Data inventory
- Encryption
- Secure development practices
- Multifactor authentication
- Secure disposal
- Change management
- Monitoring and logging access
- Continuous monitoring of systems OR annual penetration testing and biannual vulnerability assessments
- Training
- Oversee service providers
- Evaluating and adjusting infosec program
- Written incident response plan
- Annual Board reporting in writing



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# Federal Trade Commission Privacy Rulemaking

On August 16, 2022, the FTC announced an advance notice of proposed rulemaking (ANPR) to request public comment on the prevalence of harmful commercial surveillance and data security practices.

The FTC invites comment on whether it should implement new trade regulation rules or other regulatory alternatives concerning the ways in which companies:

- (1) collect, aggregate, protect, use, analyze, and retain consumer data, as well as
- (2) transfer, share, sell, or otherwise monetize that data in ways that are unfair or deceptive.

First public comment period recently ended on November 21, 2022.



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# Consumer Financial Protection Bureau

- On August 11, 2022, the CFPB issued a circular stating that financial companies may be engaged in UDAAP violations when they fail to safeguard consumer data.
  - Multi-factor Authentication: Multi-factor authentication greatly increases the level of difficulty for adversaries to compromise enterprise user accounts, and thus gain access to sensitive customer data.
  - Adequate Password Management: Unauthorized use of passwords is a common data security issue, as is the use of default enterprise logins or passwords.
  - Timely Software Updates: After updates, hackers immediately become aware that companies using older versions of software are potential targets to exploit.
- On September 20, 2021, the CFPB updated its Supervision and Examination Manual to include a new “Compliance Management Review-Information Technology (CMR-IT)” section.



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# Federal Legislation (Pending)

## American Data Privacy and Protection Act (HR 8152)

- Introduced in the House on June 21, 2022
- Covered Data – identifies or links to an individual
- Sensitive Covered Data – e.g., govt. numbers, health, financial
- Individual – natural person in the the United States
- Covered Entity – Subject to FTC Act, Common Carrier, Non-Profit
  - Not banks, thrifts, and federal credit unions
  - Includes any entity or person that controls, is controlled, by, is under common control with, or shares common branding with a covered entity
- Large Data Holder - \$250,000,000 annual revenue, and 5,000,000 data points or 200,000 sensitive data points



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## State Privacy Laws

- January 1, 2023
  - California Privacy Rights Act amendments to the California Consumer Privacy Act
  - Virginia Consumer Data Protection Act
- July 1, 2023
  - California Privacy Rights Act enforcement date
  - Colorado Privacy Act
  - Connecticut Act Concerning Personal Data Privacy and Online Monitoring goes into effect.
- December 31, 2023
  - Utah Consumer Privacy Act
- January 1, 2025
  - Colorado Privacy Act regulations



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## New York Department of Financial Services Cybersecurity Regulation

- Class A company requirements
- Require risk assessments to be conducted at least annually
- Enhanced access controls
- Annual penetration testing
- Expanded data inventory
- Email monitoring, filtering, and phishing training
- 24-hour notification requirement for ransomware payments
- Board-level approval of information security program on annual basis
- Etc.



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## Questions/Discussion

If you would like to ask a question, you can **ASK** or type your question into the **CHAT** feature NOW.

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