

This is your Release #2 (May 2018)

Cybersecurity

A Practical Guide to the Law of Cyber Risk

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Among the many developments in this fast-moving field that are reflected in this release are:

General Data Protection Regulation: The EU's new General Data Protection Regulation (GDPR), effective May 2018, applies to most companies that collect personal data from individuals in the EU. The GDPR sets forth requirements for maintaining substantive security safeguards and notifying the supervisory authority and impacted individuals of breaches, and provides for significant financial penalties for noncompliance. See chapter 2, *The General Legal Landscape for Information Security*, **new section 2:11, Europe: The General Data Protection Regulation.**

OCIE Risk Alert pertaining to broker-dealers: In an August 2017 Risk Alert, the SEC Office of Compliance Inspections and Examinations summarized observations from its second cybersecurity survey of broker-dealers and investment advisers, and noted a number of areas where compliance and oversight merited attention, signaling the issues on which it intends to focus in its yearly examinations. See chapter 5, *Cybersecurity in Regulated Sectors*, section 5:2.4.

Regulation of cybersecurity in the financial services industry: The discussion in chapter 5, *Cybersecurity in Regulated Sections*, is expanded to cover additional governmental agencies and industry associations that regulate financial services, with new sections devoted to: the FTC (section 5:2.5), the Consumer Financial Protection Bureau (section 5:2.6), the Federal Deposit Insurance Corporation (section 5:2.7), the Federal Reserve (section 5:2.8), the National Credit Union Association (section 5:2.10), National Futures Association (section 5:2.14), National Association of Insurance Commissioners (section 5:2.16), as well as state financial regulators (section 5:2.17).

Requirements for defense contractors: In September 2017, the Director of the Defense Pricing/Defense Procurement and Acquisition

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Policy issued guidance that recognizes that NIST Special Publication 800-171 avoids mandating specific solutions and provides latitude to contractors for how they choose to implement security controls and assess their own compliance with cybersecurity requirements. The guidance is notable because it allows small businesses with limited IT or cybersecurity expertise to meet the requirements of the special publication. See chapter 5, Cybersecurity in Regulated Sections, *new section 5:5.4[C], Safeguarding Covered Defense Information (DFARS 252.204-7012)*.

Cybersecurity of Federal Networks and Critical Infrastructure: President Trump's Executive Order 13800 directs a broad examination of cybersecurity vulnerabilities at federal agencies; it also reaffirms the Obama administration's approach to cybersecurity protections for critical infrastructure, seeking to promote the growth and sustainment of the nation's cybersecurity workforce in the public and private sectors. See chapter 3, The Executive Framework for Cybersecurity: Executive Orders, the NIST Framework, CISA, and the SAFETY Act, *new section 3:7, President Trump's Executive Order 13800: "Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure."*

In addition, this release includes new appendices in chapter 2 listing all state laws on data breach notification, data security, unfair deceptive acts and practices, unauthorized access to computers, and denial of service attacks. There are several new end-of-book appendices as well.

Thank you for purchasing *Cybersecurity: A Practical Guide to the Law of Cyber Risk*. If you have questions about this product, or would like information on our other products, please contact customer service at info@pli.edu or (800) 260-4PLI.

FILING INSTRUCTIONS

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