23 NYCRR 500 Assessment, Readiness and Compliance for Financial Services Firms

In 2017, the New York State Department of Financial Services implemented 23 NYCRR 500, commonly known as New York's Cybersecurity Regulation. Although these requirements align with many information governance and cybersecurity best practices, they are extensive in scope.

REQUIREMENTS:

The 23 NYCRR 500 regulation sets out clear requirements for financial services entities and requires certification of compliance with the following by March of 2019:

- Develop and maintain a written cybersecurity policy;
- Appoint a Chief Information Security Officer (CISO);
- Conduct a risk assessment to evaluate and categorize threats;
- Implement multi-factor authentication;
- Maintain data retention, data destruction and audit trails for at least five years;
- Deploy encryption technology;
- Implement specialized training for cybersecurity personnel and awareness training for all personnel;
- Monitor access to information systems;
- Implement written policies and procedures for third-party providers;
- Create a written incident response plan that includes 72-hour reporting requirement to DFS;
- File annual reports of compliance with 23 NYCRR 500.

For financial services companies that do not have the necessary in-house resources to develop, manage or implement a New York Cybersecurity Regulation compliance program, FTI Consulting provides a range of services, including:

- Auditing existing information governance and cybersecurity processes and technology to identify barriers to compliance with 23 NYCRR 500;
- Developing an actionable 23 NYCRR 500 program, including security policy and procedure development;
- Collaborating with IT, Legal and CISO departments to ensure all plans are reviewed and all necessary approvals and "buy in" are secured;
- Leveraging in-house technology or best-of-breed software to identify and defensibly migrate or dispose of data;
- Acting as a "virtual" CISO to conduct penetration testing, and lead vulnerability and risk assessments;
- Documenting activities to aid in compliance certification requirements;
- Creating communication channels, training and other change management best practices to ensure adoption;
- Providing information governance and cybersecurity professionals to ensure "go forward" compliance with effective internal teams, including hiring, training and managing employees and budgets.

FTI Consulting professionals – comprising former regulators, forensic investigators, law firm counsel, litigation support, in-house counsel and IT – follow best practices from leading industry organizations, including the Information Governance Reference Model (IGRM) and the Compliance, Governance & Oversight Council (CGOC).

With FTI Consulting, clients benefit from:

Cybersecurity Expertise

FTI Consulting helps organizations understand their own environments, harden their defenses, rapidly and precisely hunt threats, holistically respond to crises, and sustainably recover their operations and reputation after an incident. Our seasoned experts, including former members of the U.S. National Security Council, bring deep technical and practical experience to the delivery of these solutions.

Financial Services Expertise

FTI Consulting helps banks and financial services clients of all sizes and types navigate through a constantly changing environment of financial regulations and enforcement actions, litigation threats, and economic and competitive challenges. Our financial services consultants work with clients to manage risk, ensure compliance, resolve regulatory inquiries as they arise, and leverage their assets to protect and enhance enterprise value. This team is composed of highly respected CPAs, attorneys, economists, bankers, forensic specialists, technology professionals, strategic communications experts, policymakers and former bank and securities regulators — all of whom are financial services specialists with extensive industry knowledge and experience.

Technical Expertise

From digital forensics professionals to software development engineers, FTI Consulting's team has extensive experience working with diverse data environments, including off-the-shelf and in-house enterprise platforms and applications. The team is also well-versed in efficiently navigating complex IT environments across the globe.

Program Design and Management

FTI Consulting can help clients more effectively create and manage projects from inception through completion. No matter the type or size of the matter, we can leverage proven, out-of-the-box workflows or design custom processes to quickly and cost-effectively deliver results. We work within program parameters to develop standardized processes and templates, implement best practices, and document final workflows that integrate seamlessly with the client's business model.

CHRIS ZOHLEN
Managing Director
+1 (415) 307-4956
chris.zohlen@fticonsulting.com

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