Cybersecurity

TALKING POINTS

Background

Investment advisers are committed to protecting clients and our own firms from the growing threat of cyber attacks.

Advisers support a national data breach notification regime that is: risk-based, based on the facts and circumstances surrounding the breach, facilitates affected companies' compliance with the law, ensures that clients are protected, eliminates the patchwork of multiple federal and state requirements, ensures individuals and regulators receive timely notice of breaches, and provides an appropriate threshold for required reporting to governmental authorities.

Talking Points

- Need more cybersecurity information sharing among companies and between companies and law enforcement agencies.
- Cybersecurity regulation must be rationalized and coordinated to provide consistency among states and to ease the complicated maze of regulations for financial services firms.
- Cybersecurity should be tailored to the asset management industry and permit advisers to take into account the size and nature of their business.
- The vast majority of investment advisory firms are small businesses and their cybersecurity risk profiles may differ in certain respects from large firms. Rather than take a "one size fits all" approach to cybersecurity rules for all financial institutions, a small firm with limited resources should not be expected to address every cybersecurity element or to the same degree as a very large firm.
- The definition of personally identifiable information (PII) must be modernized. PII must be protected, but it must be recognized that not all data is equally sensitive. Accordingly, the highest protections should be applied to the most sensitive data.
- Advisers favor a reasonable, risk- and principles-based approach that tailors data protection to clients and business models.
- The extent and manner of protection and remediation depends on the type of information and potential harm.

For additional information:

Neil Simon, *Vice President for Government Relations*
neil.simon@investmentadviser.org

Karen Barr, *President & CEO*
karen.barr@investmentadviser.org

Gail Bernstein, *General Counsel*
gail.bernstein@investmentadviser.org

Investment Adviser Association
818 Connecticut Avenue NW, Suite 600
Washington DC 20006
P 202.293.4222 / F 202.293.4223
investmentadviser.org