

FTC Safeguards Rule:

Accelerating compliance with the revised rule

The Federal Trade Commission (FTC) revised its Standards for Safeguarding Customer Information (Safeguards Rule) which went into effect on June 9th, 2023. The revised rule requires covered financial institutions to develop, implement, and maintain an information security program with administrative, technical, and physical safeguards designed to protect customer information. The objectives of your company's information security program are to:

- Ensure the security and confidentiality of customer information
- Protect against anticipated threats or hazards to the security or integrity of that information
- Protect against unauthorized access to that information that could result in substantial harm or inconvenience to any customer

Details of the rule:

One critical element is the designation of a qualified individual to implement and supervise your information security program. This can either be an employee, an affiliate, or a service provider. This individual must maintain an information security program that maps to the following elements below.

While a qualified individual must be named to implement and supervise your information security program, maintaining compliance and risk management still falls to your company. Given this, selecting a service provider that provides the necessary security capabilities and risk management strategy to help your business maintain FTC Safeguards compliance is critical.

Under the Safeguards rule, below are the following requirements to adopt:

Safeguards rule element	How we can help
Conduct a risk assessment	As part of our services, we conduct regular vulnerability scans and security assessments to understand your risks
Design and implement safeguards to control the risks identified through your risk assessment	This element includes several sub-steps that we cover in detail on the Closer Look section on the backs page
Regularly monitor and test the effectiveness of your safeguards	We leverage a Security Information & Event Management (SIEM) and a 24x7 managed security operations center (SOC) to continuously monitor your systems
Train your staff	We have different training options, from phishing training to security awareness training
Monitor your service providers	Our SIEM and Governance, Risk & Compliance (GRC) reports can help streamline compliance by consolidating technical controls with documentation
Keep your information security program current	We leverage best-in-class technology that constantly adapts to the ever-changing landscape to stay one step ahead of the latest threats
Create a written incident response plan	We have frameworks and Policies and Procedures documentation to help develop an incident response plan on your behalf
Require your Qualified Individual to report to your Board of Directors	We have experience presenting to BoDs and senior executives, and with our SIEM and GRC we can provide real-time reporting and assurance

Why It Matters

With the change, and as your operations evolve, you may fall subject to the increased compliance requirements of the FTC's Safeguards Rule.

The rule requires information security programs to be written and be appropriate for the size and complexity of your business, the nature and scope of your activities, and the sensitivity of the information at issue. One critical item to note with the revised rule is the act can enforce both business and personal liability.

Covered companies include but are not limited to:

- Financial Institutions
- Retailers that extend credit
- Auto Dealerships
- Real Estate Appraisers
- Accountants and Tax Preparers
- Travel Agencies
- Mortgage Broker
- Investment Advisory
- Insurance

A Closer Look:

Accelerating compliance with the revised rule with Todyl

Adopting the necessary safeguards and capabilities to adhere to the rule can be a daunting task. There are eight different parts of this process that the FTC highlights in the revised Safeguards Rule. To help simplify compliance adherence with the Safeguards Rule, Todyl's comprehensive, unified security and networking platform helps satisfy the requirements in the following ways.

Safeguard Controls

Controls we offer

Implement and periodically review access controls

- Implement granular access controls at the WAN with SASE and LAN with LAN ZeroTrust
- Leverage GRC's Policy and Procedures to document personnel access, authentication, and verification.

Know what you have and where you have it

- Use GRC's Policy and Procedure documentation
- Leverage SIEM to support the inventory audit for devices use SIEM along with our data integrations

Encrypt customer information on your system and when it's in transit

- Utilize SASE, which automatically encrypts and anonymizes all traffic

Assess your apps

- Use SIEM to ingest, analyze, and provide actionable alerts across apps via our SIEM Integrations
- When paired with MDR, you'll have additional triage, investigation, and response capabilities

Implement multi-factor authentication (MFA) for anyone accessing customer information on your system

- Use a platform that integrates with an identity provider and enables you to implement conditional access policies for sensitive resources

Dispose of customer information securely

- Use GRC's Policy and Procedure documentation to lay out the best practices you follow for disposal

Anticipate and evaluate changes to your information system or network

- Leverage an all-in-one security and networking platform that dynamically adjusts to environments in real-time with ongoing guidance you can implement

Maintain a log of authorized users' activity and keep an eye out for unauthorized access

- Use a SIEM to log activity and alert on any unauthorized access
- Leverage a Managed 24x7 SOC to provide audit logs of authorized users' activity and alert you to any unauthorized access, helping to remediate if it's a potential threat.

If you'd like to learn more about how we can help accelerate your journey to FTC Safeguard Rule Compliance, contact us today at sales@todyl.com.

For more information on the FTC's Safeguards Rule, please visit:

1. <https://www.ftc.gov/business-guidance/resources/ftc-safeguards-rule-what-your-business-needs-know>
2. <https://www.ecfr.gov/current/title-16/chapter-I/subchapter-C/part-314>