

ACTION ALERT:

CYBERSECURITY REGULATION 23 NYCRR AMENDMENTS REQUIRE SALESFORCE CONFIGURATION UPDATES

The New York Department of Financial Services (NYDFS) implemented significant amendments to its Cybersecurity Regulation 23 NYCRR (Part 500), effective November 1, 2023. These changes necessitate immediate attention and action from many financial services businesses licensed to operate within New York State.

COMPANIES AFFECTED

The law defines a "Covered Entity means any Person operating under or required to operate under a license, registration, charter, certificate, permit, accreditation or similar authorization under the Banking Law, the Insurance Law or the Financial Services Law."

The amendment provides further guidance for organizations falling under the category of "Covered Entity" and offers exemption guidelines within the statute.

SUMMARY OF CHANGES

Changes

Updated Program Requirements:

Additional Cybersecurity obligations include independent audits, enhanced monitoring of privileged-access activity, and implementing endpoint detection and response solutions.

Enhanced Governance Requirements:

Requirements for additional annual reporting to the board on Cybersecurity, CEO/CISO yearly compliance certification, and regular incident response and business continuity plan testing.

Technical Requirements for All Covered Entities include:

Mandatory multi-factor authentication for system access, stringent monitoring to protect against malicious code, and comprehensive encryption protocols.

Incident Response and Business Continuity Planning:

Updated requirements include detailed incident response plans addressing recovery from backups and comprehensive business continuity and disaster recovery (BCDR) plans.

Breach Notification Obligations:

These involve ransomware notification requirements and continuous updating of information regarding Cybersecurity events.

Impacts to Salesforce

A managed Cybersecurity program covering core systems will become the norm. Salesforce Shield, notably Event Monitoring, and likely log exporting for forensics is a solution.

Additional scrutiny on an organization's IT systems, including Salesforce, and more crossover between executives and business system owners.

Shield Platform Encryption will meet the Encryption at Rest requirements. Requirements encompass additional DevOps and change management.

Ongoing stress testing of systems will be required, including validating backup and test restore procedures.

Like other statutes, NY now requires detailed protocol breach notifications. Keeping disaster recovery plans updated is critical. Shield Event Monitoring, Log Forensics, and Transaction Security Policy are crucial to detect a suspected breach and respond.

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TIMELINE FOR COMPLIANCE



SUGGESTED NEXT STEPS

The substantial changes in the Part 500 further indicate the future expectations for Salesforce administrators and business owners to diligently review their system maturity and take aggressive steps to align with compliance.

RED ARGYLE CAN HELP

Cybersecurity experts at Red Argyle is prepared to assist you in fulfilling these requirements. It's worth noting that there's overlap with current SEC and FINRA requirements, allowing our efforts to address multiple compliance needs at once.

Specific services include:

- Platform audits to determine overall compliance posture.
- Data classification and risk analysis.
- Red Team testing for perimeter endpoints and other disaster scenarios.
- Implementation of Salesforce Shield suite, including Encryption, Event Monitoring, and Transaction Security Policy.
- Implementation and maintenance of other trust systems such as Backups, Log Exports, Data Mask, and Data Detect.
- Ongoing program consulting to measure compliance and provide details to your IT team to maintain compliance.

Check out our [security resource](#) for tools to get started with your Cybersecurity compliance effort.

Also, here's an [FAQ resource](#) from the DFS Cybersecurity Resoure Center

For a free consultation, contact Tony Ferrari at Red Argyle: tony.ferrari@redargyle.com