



November 10, 2008

The Honorable Deval L. Patrick  
State House, Room 350  
Boston, MA 02133

RE: 201 CMR 17.00, Standards for the Protection of Personal Information of  
Residents of the Commonwealth

Dear Governor Patrick:

The Securities Industry and Financial Markets Association (SIFMA)<sup>1</sup> is writing to strongly encourage you to delay the effective date of the third party vendor certification requirement of 201 CMR 17.00 by at least eighteen months. As you well know, under the new information security regulations, entities that “own, license, store or maintain personal information” about Massachusetts residents must both comply with the heightened requirements and must obtain written certification from third party vendors that they are likewise in compliance. SIFMA believes that it will be virtually impossible for financial services firms to get written certifications from their third party vendors by the regulations’ January 1, 2009 effective date.

Given the nature of their business, financial services firms have a large number of third party vendors. For example, brokerage firms typically use vendors to print and mail brokerage and tax statements. They utilize check printing companies for accounts that offer check writing. They likely use law firms, audit firms, and data verification and consumer reporting firms. They may also use data processing companies for such things as web hosting and backup data centers.

These vendors, many of whom reside outside of the state, may have little, if any, awareness of these requirements. These regulations were not finalized until September 22, 2008 which has created significant challenges in complying with some of the proposal’s unprecedented new mandates in a short time period. It will take time for entities to inform their vendors of the new requirements. It will take time for the vendors to become

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<sup>1</sup> The Securities Industry and Financial Markets Association brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA's mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public's trust and confidence in the markets and the industry. SIFMA works to represent its members’ interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.

compliant themselves. It may also take time for the firms' vendors to get certifications from their own vendors. All of this cannot realistically be accomplished by January 1, 2009.

In addition, most vendors are operating under existing contracts that do not require such certification. Contract renegotiation may take some time. Likewise, it is possible that some vendors will not want to take on these heightened requirements. To provide time for an appropriate transition, the certification requirement should be applied prospectively to new or renewed contracts.

SIFMA appreciates the state's interest in protecting the personal information of Massachusetts residents. Realistic timetables, however, need to be part of the equation.

Thank you for the opportunity to express our views. Please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Kim Chamberlain". The signature is written in a cursive, flowing style.

Kim Chamberlain  
State Government Affairs

cc: Secretary Daniel O'Connell  
cc: Undersecretary Daniel Crane