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Press Release

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Alaska Division of Banking and Securities Surveys
Investment Advisers
to Determine Cybersecurity Vulnerability
National Pilot Project Finds Few Security Breaches

September 10, 2014 - The Alaska Division of Banking and Securities (Division), within the Department of Commerce, Community and Economic Development (DCCED), today announced that it is participating in a project to better understand the cybersecurity practices of state-registered investment advisers, which account for more than half of the registered investment advisers conducting business in the United States.

“The security of confidential information is a critical concern at the Division and we are interested in learning more about how issues of cybersecurity impact investment advisers under our jurisdiction,” Kevin Anselm, Division Director, said.

The Division has already received responses from about a quarter of the Alaska registered investment advisers.

The cybersecurity survey was developed by the North American Securities Administrators Association (NASAA), of which Division is a member. As part of a pilot project, NASAA administered it to 440 registered investment advisers with assets under management of less than \$100 million in nine states. The results showed that 4.1 percent of responding investment adviser firms had experienced a cybersecurity incident and even fewer, 1.1 percent, had experienced theft, loss, unauthorized exposure, or unauthorized use of or access to confidential information. The survey also found that 62 percent of firms have undergone a

cybersecurity risk assessment and 77 percent have policies and procedures related to technology or cybersecurity.

“With incidents of cyber-attacks in the financial services industry increasing, I encourage investment advisers registered in Alaska to participate in our survey and take adequate steps to ensure that their cybersecurity policies and procedures are up to date,” Director Anselm said.

The survey was designed to help regulators better understand the technology and data practices of state-registered investment advisers; how these advisers communicate with clients; and what types of policies and procedures these advisers currently maintain. The project also focuses on specific uses of technology and websites, with a goal of understanding the safeguards used by state-registered investment advisers to protect client information; to inform state examination programs; and to identify national cybersecurity trends relevant to state-registered investment advisers.

A compilation of the pilot project survey results is available on the NASAA website at www.nasaa.org.

The Division of Banking and Securities along with the Alcoholic Beverage Control Board, the Regulatory Commission of Alaska, the Division of Insurance, and the Division of Corporations, Business and Professional Licensing are tasked with protecting consumers in Alaska. For additional information about DCCED and its agencies, please visit www.commerce.alaska.gov.

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