

Why Your Safeguards Plans Shouldn't Change

On Tuesday, November 15th, the FTC postponed enforcement of some, but not all, of the requirements of the revised Safeguards Rule. While you may be tempted to pause your compliance efforts, this extension is based on dealers who have already been working on compliance for 12 months, not those who have yet to begin the process. As a result, we urge all dealers to take action now, and here's why:

1. Many of the rules' critical requirements are still due on December 9th. Cybersecurity measures such as continuous monitoring, security awareness training, and an information security program must be in place. Failing to implement these will leave your dealership exposed to cyber-attacks and in violation of the law.
2. The key requirements that were postponed (MFA, Encryption, and Service Provider oversight) may take the most time to implement. Having breathing room is nice, but collecting service provider agreements and migrating email platforms to enable MFA and encryption take months, not days.
3. Finally – these safeguards protect you and your clients. There is no upside to being hacked or firing employees for clicking that phishing email. As CDK outlined in its [annual report](#)¹, the cost of a ransomware payout increased 17x in 2021, averaging \$220,298 per incident and 16 days of downtime.

For these reasons and the fact that it's the law, we urge every dealer to comply now. Reduce your risk of breaches, lawsuits, and financial loss, and let's get back to selling cars.

For help with any of the Safeguards requirements: [Schedule a Consultation](#)²

What you need at a minimum to comply by December 9th:

- Security Awareness Training for Employees
- Continuous Monitoring
- Unauthorized Activity Monitoring
- Systems Monitoring and Logging
- Data and Systems Inventory
- Written Information Security Program
- Secure Development Practices
- Secure Disposal Practices
- Change Management Procedures
- Annual Report

(1) <https://www.cdkglobal.com/insights/state-cybersecurity-dealership>

(2) <https://www.mosaiccs.com/calendly-scheduler>