

Summary of Presentation by the Securities Industry Association
GLB Interagency Meeting on the ANPR on Privacy Notices
February 17, 2004
Securities and Exchange Commission Conference Room

Participants:

Richard Dangerfield, Schwab
Steve Durkee, Citigroup
Leigh Feldman, Merrill Lynch
David Hale, Ameritrade
Dan McElwee, Smith Barney/Citigroup Global Markets
Alan Sorcher, Securities Industry Association
Eliot Wagner, Pershing
Stephen Winer, Bear Stearns

Comments:

Alan Sorcher and the other speakers summarized the SIA's general views as follows:

- The purpose of privacy notices is to make firms' privacy practices easily understandable to customers.
- The securities industry has received few customer complaints about the notices.
- Most securities firms do not share information for marketing purposes.
- If regulatory changes result in new notice requirements, firms would need a substantial amount of time to implement the changes.
- Changes to Gramm-Leach-Bliley Act (GLB) privacy notices should be considered in connection with what states are doing in this area and with changes to other notices that industry is required to provide (e.g. FCRA).
- If changes to notice requirements are made, the sample notice in Appendix C is better than the other sample notices.
- The use of standard categories and common placement structure would enhance understanding of the notices.
- Firms will need some flexibility on the exact language of notices.
- Any "short form" notice should be optional, so that firms wishing to use existing notices, which may be longer or equally short, could do so.
- Any "short form" notice requirement should allow for links to longer forms of the notice.

- Regulatory relief should be provided for any liability the firms might face due to differences between their short and long forms.
- Development of a list of general terms for use in notices could be helpful, but use of terms on the list would need to remain voluntary.
- A notice organized along the lines of the Appendix C sample could evolve in a way that would help firms better resolve EU privacy issues.
- Firms that don't share for marketing purposes may need a carve-out from any notice requirement that assumes such sharing.
- There may be attempts to enact legislation to preempt state law-based privacy notices in 2005.
- To require firms to revamp their notices and related systems now could result in duplicate expenses if additional changes are expected to requirements governing these, EU, or state law-based notices, in the near future.
- Firms should not be required to provide details about their security systems.
- The Appendix C sample heading "important information" would be useful for such things as information on identity theft.
- Any short form should allow for the inclusion of state privacy notices.