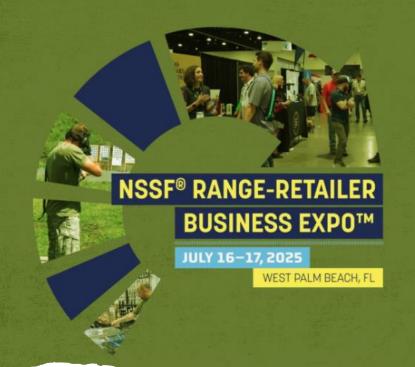


The Role of Cyber in **FFL Compliance**









About Fellsway Group

Cyber Risk Advisory Services Provider

- Help organizations strengthen cyber resilience
- Proud partner of NSSF
- Committed to help firearms industry protect its businesses, customers, and operations from growing cyber threats.



Steve Leventhal, CEO





Overview

Federal Firearms License (FFL) holders are responsible for managing and protecting sensitive information.

WEBINAR TOPICS

- Intersection between Cyber and FFL Compliance
- Regulatory Requirements
- Potential Threats
- Protecting Sensitive Data
- Best Practices







Intersection of Cyber and FFL Compliance

FFL's use digital systems to manage records and conduct business operations.

- Cyber threats pose risks to the confidentiality, integrity, and availability of sensitive information.
- Incident could lead to unauthorized access
 - Firearm transaction records
 - Personal information of customers
 - Inventory details
- Risk: Violation of ATF regulations and damaged business reputation







Regulatory Requirements for FFLs

Federal regulations for ownership traceability

- Record Keeping
- Reporting Theft or Losses
- Background Checks

Failure to comply can lead to penalties, fines, revocation of the FFL, and criminal charges.







Potential Threats to FFL Holders

FFL holders face various cybersecurity threats.

- Data Breaches
- Ransomware Attacks
- Phishing Schemes

Recognizing these threats is the first step toward implementing effective cybersecurity measures.



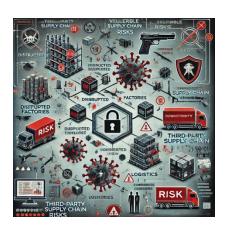




Protecting Sensitive Data

Safeguard Sensitive Information and Ensure Compliance.

- Data Encryption
- Access Controls (i.e. Role Based Access, MFA, etc)
- Regular Software Updates
- Employee Training
- Incident Response Planning







Best Practices

Key Actions and Considerations

- Physical Security for Digital Assets
- Third Party Vendors
- Secure Backup and Data Redundancy
- Network Segmentation (Business vs. Guest)
- Data Privacy Laws
- IoT and Connected Devices
- Data Breach and Cyber Liability Insurance







Physical Security for Digital Assets

Protecting the physical components of digital systems is crucial.

- Secure Facilities
- Environmental Protections
- Surveillance Measures







Third Party Vendors and Sensitive Data

Using vendors for services (i.e., payment processing, inventory management, etc.), may involve sharing sensitive information.

- Vendor Security Assessments
- Contractual Security Obligations
- Continuous Monitoring







Secure Backup and Data Redundancy

To prevent data loss:

- Regular Backups
- Data Redundancy
- Backup Security



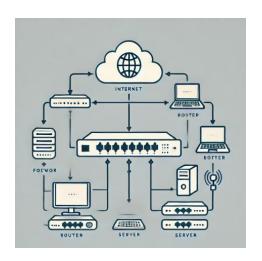




Network Security and Segmentations

Separating network traffic enhances security.

- Network Segmentation
- Firewall Implementation
- Guest Network Policies







Compliance with Data Privacy Laws

Numerous states have now enacted consumer data privacy laws.

- Stay Informed
- Policy Development
- Employee Training







IOT and Connected Devices

Securing Internet of Things (IoT) devices connected to the network involves:

- Device Inventory
- Network Segmentation for IOT
- Regular Updates







Data Breach and Cyber Liability Insurance

Mitigating financial risks associated with cyber incidents.

- Risk Assessment
- Insurance Coverage
- Policy Review







Conclusion

Incorporating cybersecurity practices is not only essential for protecting sensitive information, but also for ensuring compliance with federal regulations.

By proactively addressing cybersecurity risks, FFL holders can safeguard their businesses, maintain the trust of their customers, and contribute to the overall safety and security of the firearms industry.





Next Steps

Review the guidance in NSSF's Good, Better, Best document for some great suggestions!

Feel free to reach out with any questions!







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