Instructions on Terminating a Notice of Exemption

Below provides step-by-step instructional information for terminating your exempt status. After you filed a new exemption, there might be a point in time that you no longer qualify for any exemption because your circumstances have changed. If that is the case, then you will need to terminate your previously filed exemption. This termination option should only be used when you no longer qualify for any exemptions, and this action will take precedence over previously filed exemptions. The Department will note that, under Section 500.19(g), if a Covered Entity, as of its most recent fiscal year end, ceases to qualify for an exemption, “such Covered Entity shall have 180 days from such fiscal year end to comply with all applicable requirements of” 23 NYCRR Part 500. To be clear, once you terminate an exemption you are stating you no longer qualify for any exemptions. Under the regulation, you will have 180 days to come into full compliance with the entire regulation since you no longer qualify for the exemption you previously filed.

As a reference, below includes the various exemptions you are terminating.

- **500.19(a)(1)** – You are entitled to this exemption when a Covered Entity has fewer than 10 employees, including independent contractors. This is a limited exemption and you must still design and implement a cybersecurity program that meets some but not all the regulatory requirements.

- **500.19(a)(2)** – You are entitled to this exemption when a Covered Entity has less than $5,000,000 in gross annual revenue in each of the last 3 fiscal years from NY business. This is a limited exemption and you must still design and implement a cybersecurity program that meets some but not all the regulatory requirements.

- **500.19(a)(3)** – You are entitled to this exemption when a Covered Entity has less than $10,000,000 in year-end total assets. This is a limited exemption and you must still design and implement a cybersecurity program that meets some but not all the regulatory requirements.

- **500.19(b)** – You are entitled to this exemption when you are an employee, agent, representative or designee of another Covered Entity and you are following that entity’s cybersecurity program. Under this exemption persons do not need to create their own program, but will be required to identify the Covered Entity’s whose program you are filing to claim this exemption.

- **500.19(c)** – You are entitled to this exemption when a Covered Entity does not operate, maintain, utilize or control any IT systems and does not, and is not required to control, own, access, generate, receive or possess Nonpublic

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1 If you still qualify for an exemption(s) but need to change your current exemption status, you would opt to amend your current exemption, not terminate. To amend an exemption, please see DFS’ Notice of Exemption Amendment Instructions found on the DFS website.
Information. This is a limited exemption and you must still design and implement a cybersecurity program that meets some but not all the regulatory requirements.

- 500.19(d) – You are entitled to this exemption if you are a Covered Entity that is a captive insurance company that does not, and is not required to control, own, access, generate, receive or possess Nonpublic information.

The following information will be necessary for your termination of an exemption filing and DFS suggests locating it prior to commencing your termination of an exemption filing:

- The license number for the companies or individuals for whom you are terminating an exemption filing. Companies and individuals may have different types of license numbers, the DFS portal has been built to support usage of: NYS License #, NAIC/NY Entity #, NMLS #, Institution #. If you do not know your number, a look up feature is included in the portal or on the DFS Website under “Who we Supervise.”
1. First, from the Department of Financial Services webpage (www.dfs.ny.gov), please click on the “Industry Guidance” column.

2. Once in Industry Guidance, click on “Cybersecurity Resource Center” which opens to below:
3. Once selected, go to the middle of the page under “Instructions on How to File” you can click on it to access the DFS Cybersecurity Portal. Please note, filing instruction links can be found under “How to File”.

4. Enter your DFS portal account information and select “Sign In.” If you previously made any cybersecurity filing with DFS the account information you have previously used remains the same and you should not create a new portal account. All prior filings are associated with your existing account and you should use the same account.

   If you have never created a DFS portal account, you will need to create a new account by selecting “Create Account”. Please refer to the details in the next step for creating a new account.
5. Skip to Step 5 if you already have an account. After clicking “Create Account”, you will be prompted to enter information required to create a DFS portal account. The “Text Verification” on the right side of the screen will be unique with each attempt to create an account. Select “Save” to create your DFS portal account.
After selecting “Save”, a confirmation message as shown below will be displayed. Use the password emailed to the email address you entered in the prior screen to sign in.

6. Upon logging in, you will find the landing page shown below.

7. To start your termination of a Notice of Exemption, please select “Begin” under the Notice of Exemption banner.
Identify the Filing Entity – Steps 9-13

8. After clicking Begin, you will need to select the license number that you will be using to identify the regulated company or licensed person for whom you are filing. Please select your NY State License Number, NAIC/NY Entity Number, NMLS Number, Institution Number.

Please note, to facilitate ease of use, DFS allowed the use of different types of license numbers to enable users to identify themselves by various means. The portal includes recommendations for each type of license number. However, most regulated entities and licensed persons have more than one type of license number and the system will accept the filing using any of these types provide you identify the type of number being used, for example, if your company has both an NMLS number and a NYS License number, you can use either to identify yourself in the portal. If you do not know your entity’s number, then please select “Help me find my entity” (Skip to Step 12 for further instructions).
9. If you already know your license number, then you will land on the page below.

10. Please enter your number and click “Search”. A message that an entity or individual has been found and the name of the individual or entity will appear in the box; please verify that the information is accurate. If accurate, click next at the bottom right of the screen and skip to step 14.

11. If your identifying number is incorrect you will receive the following error message.

12. If you receive an error, please check your number was entered correctly and search again, if possible. If you do not know your number, please select “Help me find my entity” located at the bottom left of the page in blue font.
13. Once you select “Help me find my entity” you will see this screen, and you will be able to enter information (your entity name or individual name- including both first name and last name) which will prompt a search for your license number.

Note, when searching as an individual, if you do not enter the first and last name you will receive this error message:

Once you enter your entity information in the Entity name box, then click “Search”, results will appear in blue, which specify the entity name(s) and license number(s) (see
example below). Please select the name that matches you or your entity. The name you selected will display in the upper right corner of the screen.

14. If are still unable to find your entity, please click on “Still can’t find your entity?”. By clicking and moving to this page, you will be able to manually enter more detailed information to make your filing. While filing by name is possible, it will not result in your filing being automatically associated with your license record. We may contact you for further information to confirm your license. You may also get notice of delinquency and missing filings until your Notice of Exemption has been associated with your record.
15. Select “I would like to remove a previously filed exemption”. Only select this option if you no longer qualify for any exemptions. This will serve as a notice to the Department that you no qualify for any exemptions, and this action will supersede previous filings. Under the
regulation, you will have 180 days to come into full compliance with the entire regulation since you no longer qualify for the limited exemption. You will get the message at the bottom of the screen when you select remove (terminate) a previously filed exemption. Select “Next”.

16. In the Contact Information tab, please fill out the required information. You will also need to select the box that swears or affirms that the information you provided throughout this process is accurate. After you fill out the information, click “Submit”.

17. After entering your contact information, please click “Submit”. On the Done tab, you will find your receipt number that will start with the letter E. Please keep this number for your records as you may need to refer to this if any questions arise. You will also receive an email acknowledgement containing similar information from this screen including your receipt number.

Please find your receipt number below.
Receipt Number: E-2018-00000
18. Once these steps are completed you have officially terminated a Notice of Exemption. Under the regulation, you will have 180 days to come into full compliance with the entire regulation since you no longer qualify for the exemption.