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**United States Senate**  
COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

September 25, 2017

The Honorable Jay Clayton  
Chairman  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Dear Chairman Clayton:

We are writing regarding the SEC's existing guidance and rules relating to cybersecurity disclosure for public companies. At your confirmation hearing, you stated that "... cybersecurity is an area where I have said previously I do not think there is enough disclosure." More recently, you stated that "[p]ublic companies have a clear obligation to disclose material information about cyber risks and cyber events." Given your statements, the Equifax breach as well as the increased threat posed by cyber breaches and attacks, we ask you to have the SEC's staff review whether the 2011 guidance provided by the Division of Corporation Finance regarding disclosure obligations relating to cybersecurity risks and cyber incidents should be updated. Additionally, we ask you to consider whether there needs to be other SEC guidance or rulemakings in this area.

Since the issuance of the 2011 guidance, the SEC has held a roundtable on cybersecurity, received comments and recommendations from the public about the topic, bolstered its cyber expertise, incorporated cybersecurity measures into rulemakings, and had several of its Commissioners speak about the importance of addressing cyber risks. Those developments provide the SEC valuable experience and perspective to assess the 2011 guidance. The SEC's review of disclosure requirements should take into account public companies' growing use of technology and greater reliance on data, as well as the current understanding of the magnitude and complexity of cyber breaches and other cyber risks. Improved cyber risk disclosure will better enable investors and the public to understand how companies are coping with and managing those risks.

The U.S. capital markets are vital to our country and the SEC is the steward of the markets. It is critical to investors and the operation of the markets that the SEC's disclosure requirements evolve and adapt to reflect developments in technology and the related risks.

Finally, we are aware of your recent public statement regarding the SEC's cyber risk profile as well as its approach to cybersecurity, which included your disclosure of the breach of the SEC's EDGAR system. We would appreciate you keeping the Committee updated on these matters and please be prepared to discuss them when you testify before the Committee.

Sincerely,



Mike Crapo  
U.S. Senator



Sherrod Brown  
U.S. Senator



Richard Shelby  
U.S. Senator



Jack Reed  
U.S. Senator



Bob Corker  
U.S. Senator



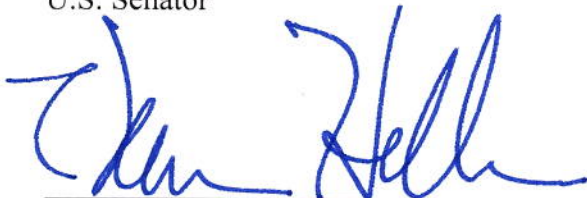
Robert Menendez  
U.S. Senator



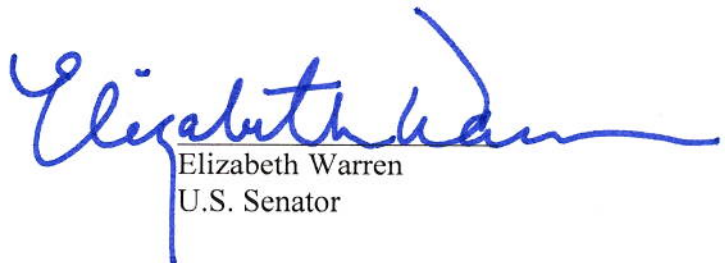
Patrick Toomey  
U.S. Senator



Mark R. Warner  
U.S. Senator



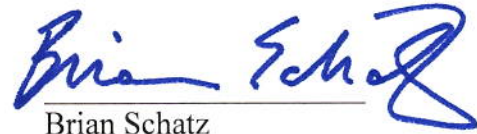
Dean Heller  
U.S. Senator



Elizabeth Warren  
U.S. Senator



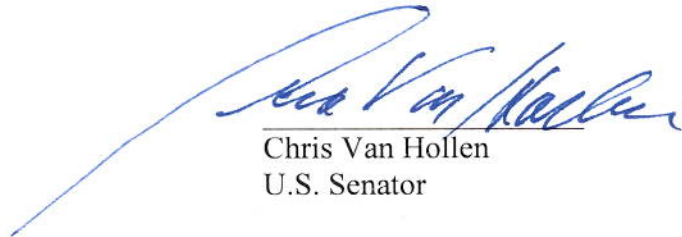
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Brian Schatz  
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Ben Sasse  
U.S. Senator



Chris Van Hollen  
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Tom Cotton  
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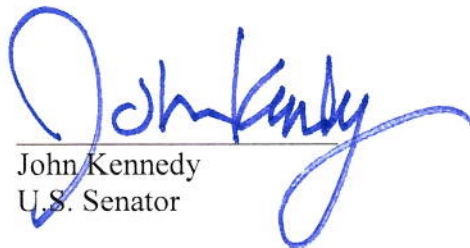
M. Michael Rounds  
U.S. Senator



David Perdue  
U.S. Senator



Thom Tillis  
U.S. Senator



John Kennedy  
U.S. Senator