



May 12, 2026

The Honorable Michael Marcotte, Chair
The Honorable Edey Graning, Vice Chair
The Honorable Kirk White, Ranking Member
Vermont Committee on Commerce and Economic Development
Vermont State House
115 State Street
Montpelier, Vermont 05633-5301

**RE: S 71 – An Act Relating to Consumer Data Privacy and Online Surveillance –
Amendments Requested**

Dear Chair Marcotte, Vice Chair Graning, Ranking Member White and Members of the Vermont House Committee on Commerce and Economic Development:

The Securities Industry and Financial Markets Association (SIFMA)¹ is a national trade association representing over 350 large, medium, and small broker-dealers, investment banks and asset managers, many of whom have a strong presence in Vermont. In fact, nearly 8,500 people employed by the financial services industry in Vermont, including more than 600 employees in the securities industry.²

As passed by the Senate, S. 71 recognizes the need offer an exemption for a *financial institution or data subject to Title V of the Gramm-Leach-Bliley Act*.³ Since 1999, securities firms have been subject to consumer data privacy standards through the Gramm-Leach-Bliley Act. This law has been expanded on by the Securities and Exchange Commission (SEC) through the adoption of Regulation of S-P in 2000 and was recently updated in 2024.⁴ We believe this exemption recognizes the federal privacy regime placed on the securities industry that are appropriately tailored to financial institutions by striking a balance between a consumer's privacy interest and the need for information to complete financial transactions with robust privacy and data security standards and the need to comply with anti-fraud, money laundering and illicit financing requirements.

¹ SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. For more information, visit <http://www.sifma.org>.

² US Department of Labor - Bureau of Economic Analysis (2024)

³ The full exemption can be found in § 2417(6) and reads: "financial institution or data subject to Title V of the Gramm-Leach-Bliley Act, Pub. L. No. 106-102, and regulations adopted to implement that act."

⁴ <http://www.sec.gov/newsroom/press-releases/2024-58>.

SIFMA understands that the Committee, like other states, is considering an amendment to narrow broad-based industry exemptions.⁵ This amendment replaces this broad-based GLBA exemption with a narrower exemption, still recognizing need for an exemption for financial services firms, but not fully covering the industry.⁶ As currently drafted, this amendment exempts data that is *collected, processed, sold or disclosed* in accordance with the Gramm-Leach-Bliley Act. This amendment also exempts state or federally chartered banks and credit unions.

Unfortunately, the definition of financial institution under federal law does not align with the definitions in Vermont, leaving the securities industry without an exemption despite being subject to the same federal legal framework and supervised for compliance by the Securities and Exchange Commission and the Vermont Department of Financial Regulation. The ultimate effect of the current exemption language is that securities-related activity taking place through a bank or bank affiliate would be exempt from the Act, while identical activity taking place through firms exclusively engaged in the securities business would be subject to the Act. This would ultimately lead to a disproportionate impact among industry participants and could confuse investors about their rights with respect to their personal financial information, depending on which firm they use and how they are legally structured.

In keeping with your desire to narrow the GLBA exemption we offer the following amendment that is narrowly tailored to regulated securities firms subject to oversight and examination.

Suggested Amendment

§2415c EXEMPTIONS

(a) This subchapter does not apply to:

An agent, broker-dealer, investment adviser, or investment adviser representative, as such terms are defined in 9 V.S.A. § 1502 who is regulated by the Department of Financial Regulation or the Securities and Exchange Commission.

Thank you for your consideration. We look forward to an ongoing dialogue on these important issues. Please do not hesitate to contact me at aguggenheim@sifma.org or (202)962-7444 if you have any questions.

Sincerely,



Andrew Guggenheim
Managing Director & Associate General Counsel
SIFMA

⁵ Last year, the State of Connecticut approved legislation to more narrowly tailor the exemption in their consumer data privacy law to ensure that it was targeted at financial firms. In Section 7 of this bill, the legislature specifically identified that they wanted agents, broker-dealers investment advisers and investment advisers as defined in their securities code to be exempt to the extent that those entities are regulated by either their state securities regulator or by the SEC.

<https://www.cga.ct.gov/2025/ACT/PA/PDF/2025PA-00113-R00SB-01295-PA.PDF>.

Several other states including Delaware ([HB 380](#)) and Massachusetts ([H. 4746](#) / [S. 2619](#)) are considering bill that follow Connecticut's approach.

⁶ SIFMA sent a [letter](#) to the Committee raising similar concerns on June 3, 2025.