

Red Flags implementation delayed until "Aug. 1

Yesterday, on the brink to the latest delayed implementation date for the Red Flags Rule regarding prevention of ID theft, the FTC announced another delay. An excerpt from the FTC announcement follows. The good news is that the FTC now seems to recognize that the statute and rule over reach and that low risk entities would benefit from a template for compliance.

The Federal Trade Commission will delay enforcement of the new "Red Flags Rule" until August 1, 2009, to give creditors and financial institutions more time to develop and implement written identity theft prevention programs. For entities that have a low risk of identity theft, such as businesses that know their customers personally, the Commission will soon release a template to help them comply with the law. Today's announcement does not affect other federal agencies' enforcement of the original November 1, 2008 compliance deadline for institutions subject to their oversight.

"Given the ongoing debate about whether Congress wrote this provision too broadly, delaying enforcement of the Red Flags Rule will allow industries and associations to share guidance with their members, provide low-risk entities an opportunity to use the template in developing their programs, and give Congress time to consider the issue further," FTC Chairman Jon Leibowitz said.

To read the full release: <http://www.ftc.gov/opa/2009/04/redflagsrule.shtm>

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