Briefing on cyber risk

BANCO DE MÉXICO

Topics

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Introduction

- FMI depends entirely of information technologies for a good behavior. Because of their systemic importance to the economy and the value of the information (the assets and personal data of their customers), FMI are often targets of cybercrime.
- Fraud in the FMI is becoming increasingly sophisticated, and more common in the operation of the FMI. There are a lot of examples where the cybercriminals take advantage of the weaknesses in security at one endpoint in the ecosystem can be exploited to commit payments fraud.
- For this reason is important that international groups and local authorities take actions to prevent and improve the security of the endpoints in the FMI ecosystem.

CPMI Actions

- CPMI has developed a task force to look in to security of wholesale payments that involve banks, financial market infrastructures (FMIs) and other financial institutions. This task force developed a strategy to reduce the risk of wholesale payments fraud related to endpoints of the ecosystem.

- The endpoints of the ecosystem is related with hardware, software, physical access to relevant systems and interfaces, logical access and processes.

- The endpoints of all stakeholders are mainly the entry of all the information and messaging networks of all the ecosystem. If one of this is compromised, exist the risk that all the ecosystem will be affected.

- CPMI propouse seven action lines to identify the risks and take actions to mitigate them.

- The next steps for the CPMI group is to promote tools that belong an auto assessment by the stakeholders and actions to share examples for the implementation of the strategy.

CPMI Recommendations.

- Action 1: Identify and understand the range of risks
- Action 2: Establish endpoint security requirements
- Action 3: Promote adherence
- Action 4: Provide and use information and tools to improve prevention and detection
- Action 5: Respond in a timely way to potential fraud
- Action 6: Support ongoing education, awareness and information-sharing.
- Action 7: Learn, evolve and coordinate

Banco de México Actions

- Banco de México understand that the cybercriminals are a constant threat for all the financial sector ecosystem including the FMIs operates in México
- Banco de México considerate that all technological infrastructure that use de FMI for its operation is ciritical including the endpoint.
- Banco de México as a part of a continues process of cybersecurity improvement the financial sector ecosystem had implemented different actions to reduce of cyber risk and operational risk in the operation of the FMI that operate and regulate.
- Banco de México is agree that the endpoints should be considerated a critical asset of the infraestructure technological
- Some a these actions:
  - Promote regulations that define rules that stakeholders must compliance for operate the FMI and with the FMI.
  - Establish cybersecurity and risk operational requirements for all the FMI and participants of he FMI. Those requirements apply to all the technological infraestructure of the stakeholders including Banco de México as a operator of the FMI. These are continuesly reviewd and updated.
  - Promote the continues cybersecuirty assesment of all the technological infraestructure. These assesments are developed by internal cibersecurity areas and third party especialized on cybersecurity.
  - Requirements for incidents response (operational, technological and cybersecurity) and conitnues communication between authsorities and stakeholders.
  - Requirements for ongoing education and security awereness.

Conclusions

- The threats and cybercrime are a constant in the financial servcices and frauds are growing up.
- Identifiying cybersecuirty and operational risks must be a priority for all the stakeholders in the FMI to prevent frauds.
- The Central Banks and other authorities regulators should promote cybersecurity and operational risk requirements.
- The Central Banks and authorities should promote incentives for stakeholders implement action that allow to reduce risks.
  - Regulations
  - Supervision
  - Assesments

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