

Summary of The Policy Approaches to Strengthen Cyber Security in the Financial Sector (Oct. 2018)

Background

- The Policy Approaches to Strengthen Cyber Security in the Financial Sector was formulated and announced (July 2015), and the relevant measures have been promoted in line with the Policy Approaches.
- Since then, the situations surrounding cyber security in the financial sector have changed significantly, such as **accelerating digitalization** in the financial sector, advancing **international discussion** on cyber security, hosting of **the Tokyo Olympic and Paralympic Games in 2020**, etc. Furthermore, the Cybersecurity Strategy, Japan's basic strategy, was revised in July 2018.

Basic Concept

- Based on the progress and assessment of past initiatives, further strengthen cyber security in the financial sector with close public-private collaboration addressing new challenges.

Policy Approaches

Addressing new challenges

1. Responses to accelerating digitalization
 - ✓ Identify and analyze the impact of the development of digitalization on the financial industry, its cybersecurity-related risks and the countermeasures thereof, etc.
 - ✓ Encourage financial institutions to respond to changes and study the monitoring method employed by the competent authority responding to these changes.
2. Contribution and responses to international discussion
 - ✓ In collaboration with the authorities of each country, contribute and respond to discussions on cybersecurity-related international cooperation including the G7 Finance Ministers and Central Bank Governors meetings.
3. Responses to Tokyo Olympic and Paralympic Games in 2020, etc.
 - ✓ Build crisis management in closer cooperation with relevant government agencies and related organizations with the aim of improving communication in the financial sector.
 - ✓ Conduct threat intelligence from a broader scope, in preparation for an increase in cyber attacks, and the occurrence of cross-sectoral attacks and large-scale incidents.

Based on the progress and assessment of the past initiatives

1. Strengthening of cyber security management systems of financial institutions
 - a. Cyber security measures as usual

Large	• Constructive dialogue (Considering best practices of major overseas FIs and global trends)
Small Medium	• Enhancement through industry groups (Encouraging industry to take necessary actions) • Cybersecurity assessment (Accelerating FI's improvement) • On-site inspection (For FIs with high risks and little possibility of voluntary improvement)
 - b. Incident responses

Large	• Participation in international exercises (G7 joint exercises, etc.) and promotion of threat-led penetration testing (TLPT)
Small Medium	• Exercises conducted by the FSA (The contents shall be revised) • Coordination with other exercises such as those by NISC
2. Improvement of the information sharing framework
 - ✓ As the first step of the initiative "mutual help," regional information sharing will be promoted in cooperation with Financial ISAC, FISC, etc.
3. Strengthening of human resources development in the financial sector
 - ✓ Hold Regional Seminars for Senior Executives in cooperation with the Local Finance (Branch) Bureaus.
 - ✓ Promote dissemination of "strategic management level" as presented in the "Cybersecurity Strategy" and their cultivation.