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Security in RegTech's playground

Dr. John ILIADIS

CMgr MCFI, CISSP-ISSMP, CISM
(ISC)² Hellenic Chapter, Board Member

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- » (ISC)² = International Information Systems Security Certification Consortium, established in 1989
 - » Non-profit consortium of information security industry leaders
 - » Supports security professionals throughout their careers
 - » Global Standard for information security: (ISC)² CBK[®]
 - » Over 150,000 certified professionals; over 170 countries
 - » 260 members in Greece, established in 2015



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Security in RegTech's playground

Neighborhood kids in the same enterprise playground:

- Security
- Privacy
- Compliance
- Audit



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Security vs Privacy

- » a Tug of War ?
- » Mutual damage ?



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Privacy over Security

- » GDPR (2018)
- » California Privacy Rights Act (CPRA, 2020)
- » Dubai International Financial Centre Data Protection Law (2020)
- » South Africa Protection of Personal Information Act (full force by 2021)
- » Canada Digital Charter Implementation Act (2021)
- » Australia Privacy Act (TBC 2021)
- » China Personal Information Protection Law (TBC 2021)





Security and Privacy – Part 1

- » Not a zero-sum game.
- » PIAs and DPIAs paving the way for privacy & security mechanisms [1]; they may take some time, but they are worth it.
- » Regulation-imposed relationship leading to mutual benefits.
- » Enhanced governance: common ground for privacy & security risk treatment.





Security and Privacy – Part 2

- » 60% believe a “strong privacy posture” is important to achieving cyber resilience.
- » 57% cited complying with GDPR and CCPA as important to achieving cyber resilience.

IBM “Cyber Resilient Organization Report 2020” [2]



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...meanwhile – Part 1...

COVID-19 : The Digital Transformer

- » A state of flux.
- » Tele-everything: working, studying, shopping ...
- » Rapid changes externally imposed; Transformation.
- » Even our home will change! [3].
- » Zero Trust; the perimeter is gone; long live the perimeter.
- » Companies use best practices to secure remote workforce (41%) but they could be doing more (50%) [4].





...meanwhile – Part 2...

...Third Party Risk...

- » Supply chain attacks ballooned by 78% in 2018 [5].
- » 52% of legal & compliance leaders are concerned about third-party risk since COVID-19 [6].
- » 73% of InfoSec professionals observed increased third-party risks, but TPRM capabilities underdeveloped [7].





The name of the game

- Change is the only constant.
- Boosted privacy concerns and security requirements causing further changes.
- Many new regulations [8], [9], [10] requiring compliance while risk levels fluctuate highly.
- Cloud is gaining market share over On-Prem [11], increasing the need for security transformation and adaptation.
- Some organisations even consider Cloud certifications like the (ISC)² CCSP as a prerequisite for employment in certain security roles [12], nudging those pursuing an infosec career towards cloud security training [13].





RegTech?

- » *“providing technologically advanced solutions to the ever-increasing demands of compliance” [14].*
- » *“the management of regulatory processes within the financial industry through technology... regulatory monitoring, reporting, and compliance.” [15].*





Where does RegTech fit in?

RegTech offers solutions mostly in these domains, according to a recent research [14], [16]*:

- » Compliance 41%
- » Identity management and control 23%
- » Risk management 14%
- » Regulatory reporting 14%
- » Transaction monitoring 8%

*many other market segmentation proposals exist [17]





RegTech & Risk Management

- RegTech disrupting the 3LoD siloed risk management model [18]?
 - Digitally embedding advanced risk intelligence and management across new product lifecycle
 - Reengineering 3LoD to be real-time
 - Extending real-time 3LoD to include partners as well (third party risk)





RegTech & Compliance Management

- New compliance management standard ISO 37301
 - “integrating compliance management right across the organization, to be embedded in its financial, risk, quality, environmental and health and safety management processes” [19].
- Regarding risk and compliance management activities, “...the next major step is to make them more efficient using RegTech applications” [16].
- RegTech will ultimately lead to increased effectiveness [20] and efficiency [17], [21] in compliance management





Risks & Obstacles for RegTech

A recent research [17] identified risks & obstacles for RegTech; some of them:

- » Regulatory treatment of RegTech not always clear
- » Potential buyers of RegTech solutions see the sector as immature or unproven
- » Regulated industries are risk-averse; transforming (relinquishing?) the control of process and information might discourage RegTech attempts



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Thank you !

j.iliadis {at} isc2-chapter.gr



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