Notice No.: TCA-N05

Issue Date: 21 June 2013

NOTICE ON TECHNOLOGY RISK MANAGEMENT

Introduction

1 This Notice is issued pursuant to section 76 of the Trust Companies Act (Cap. 336) (the "Act") and applies to all trust companies licensed under the Act ("trust companies").

Definitions

2 For the purpose of this Notice—

"critical system" in relation to a trust company, means a system, the failure of which will cause significant disruption to the operations of the trust company or materially impact the trust company's service to its protected parties, such as a system which—

(a) processes transactions that are time critical; or

(b) provides essential services to protected parties;

"IT security incident" means an event that involves a security breach, such as hacking of, intrusion into, or denial of service attack on, a critical system, or a system which compromises the security, integrity or confidentiality of any protected party information;

"relevant incident" means a system malfunction or IT security incident, which has a severe and widespread impact on the trust company's operations or materially impacts the trust company's service to its protected parties;

"system" means any hardware, software, network, or other information technology ("IT") component which is part of an IT infrastructure;

"system malfunction" means a failure of any of the trust company's critical systems.

3 Any expression used in this Notice shall, except where expressly defined in this Notice or where the context requires, have the same meaning as in the Act.

Technology Risk Management

4 A trust company shall put in place a framework and process to identify critical systems.

5 A trust company shall make all reasonable effort to maintain high availability for critical systems. The trust company shall ensure that the maximum unscheduled downtime for each critical system that affects the trust company's operations or service to its protected parties does not exceed a total of 4 hours within any period of 12 months.

6 A trust company shall establish a recovery time objective ("RTO") of not more than 4 hours for each critical system. The RTO is the duration of time, from the point of disruption,

within which a system must be restored. The trust company shall validate and document at least once every 12 months, how it performs its system recovery testing and when the RTO is validated during the system recovery testing.

7 A trust company shall notify the Authority as soon as possible, but not later than 1 hour, upon the discovery of a relevant incident.

8 A trust company shall submit a root cause and impact analysis report to the Authority, within 14 days or such longer period as the Authority may allow, from the discovery of the relevant incident. The report shall contain—

(a) an executive summary of the relevant incident;

(b) an analysis of the root cause which triggered the relevant incident;

(c) a description of the impact of the relevant incident on the trust company's—

i. compliance with laws and regulations applicable to the trust company;

ii. operations; and

iii. service to its protected parties; and

(d) a description of the remedial measures taken to address the root cause and consequences of the relevant incident.

9 A trust company shall implement IT controls to protect protected party information from unauthorised access or disclosure.

Effective Date

10 This Notice shall take effect on 1 July 2014.