

*Banking Development,  
Stability and Sustainability*

*Fintech, digital banking, and  
the **cybersecurity dilemma***

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# Disclaimer

The views, thoughts, and opinions expressed in this presentation belong solely to the author, and do not necessarily express the official position of the Banco Central do Brasil.

# Why is cyber risk one of the top priorities on the supervisors' agenda?

- The number of cyber attacks on financial systems is increasing.
- The complexity of cyber attacks is increasing.
- Financial institutions should respond to cyber incidents faster and faster.

# Cybersecurity challenges

## A new mindset

- There is no fail-safe security system.
- Institutions should build a layered security strategy: detect fast to respond faster.
- The security system should evolve continuously.

# Cybersecurity challenges

## Growing connectivity

- Innovation and new players.
- The role of third party service providers.
- Distributed processes: possibility of contagion.

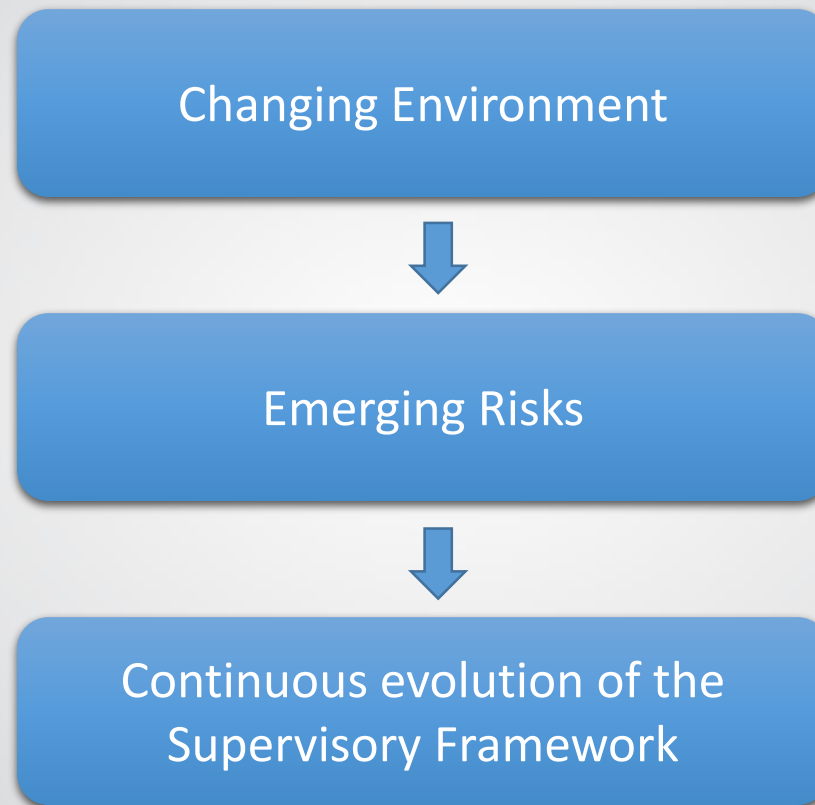
# Evolving towards a secure financial ecosystem

- Develop “secure-by-design” business processes.
- Information sharing and cyber intelligence.
- The dilemma of the weakest link.

# Cybersecurity in an innovative environment

- Successful cyber attacks: impact on customer confidence.
- Develop **secure** customer-centric innovation.

# BCB's approach for cyber resilience





# BCB's approach for cyber resilience

- Regulatory framework:
  - Resolution CMN 4,658 of April 26, 2018:
    - Provides for the **cyber security policy** and the requirements for contracting services of data processing, data storage and cloud computing to be observed by **financial institutions** and other institutions licensed by the Central Bank of Brazil.
  - Circular BCB 3,909 of August 16, 2018:
    - Provides for the **cyber security policy** and the requirements for contracting services of data processing, data storage and cloud computing to be observed by **payment institutions** licensed by the Central Bank of Brazil.

# BCB's approach for cyber resilience

- Resolution CMN 4,658:
  - Incorporation of cyber risk into the integrated risk management framework;
  - Dissemination of cyber security culture;
  - Requirements for contracting data processing, data storage and cloud computing services;

# BCB's approach for cyber resilience

- Resolution CMN 4,658:
  - Cyber resilience safeguards:
    - Business continuity scenarios and crises management;
    - Information sharing;
    - Communication on contracting relevant services of data processing, data storage and cloud computing (mapping between cyber network and financial services)

# BCB's approach for cyber resilience

## Additional actions

- Cybersecurity incident simulation exercises.
  - Banks, financial market infrastructures and the BCB participate in a cybersecurity exercise called Guardião Cibernetico.
- BCB crises management framework
  - Improvements In progress to deal with cybersecurity incidents.

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