

## **MEDIA RELEASE**

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### **ABS ISSUES IMPLEMENTATION GUIDE ON CLOUD SERVICES**

The Association of Banks in Singapore (ABS) has developed the Implementation Guide for adoption by the financial institutions when entering into cloud outsourcing arrangements.

This follows closely the release of the Guidelines on Outsourcing by the Monetary Authority of Singapore (MAS) on 27 July 2016. ABS welcomes the clarity of MAS' guidance in expressing support for financial institutions to use cloud computing resources hosted on the Internet to efficiently and securely store, manage and process data.

To assist financial institutions in understanding approaches to due diligence, vendor management and key controls that should be implemented in cloud outsourcing arrangements, ABS has worked closely with the MAS on an implementation guide.

The ABS Cloud Computing Implementation Guide had the inputs from member banks, financial players, cloud service providers, and reflects the knowledge gained by industry practitioners from their experience in dealing with cloud services for the financial sector. This set of industry guidance can also be used by cloud service providers to better deliver cloud solutions that meet the security and control requirements of financial institutions.

Some key areas discussed in the guide include:

- a. Addressing the types of information assets and their materiality, and how these should drive the types of controls deployed, as well as the depth and breadth of due diligence and decision making in cloud outsourcing agreements.
- b. Recommending a minimum set of due diligence and vendor management activities before entering into a cloud outsourcing agreement. These recommendations cover pre-engagement of cloud service providers as well as on-going risk assessment and oversight through a risk-based approach and an applicability assessment to determine the relevance of the recommended activities for specific outsourcing arrangement.
- c. Recommending the set of baseline controls that cloud service providers should have in place when entering into a cloud outsourcing arrangement such as the encryption and tokenisation of data; as well as change management and privileged user management. Financial institutions should work with their cloud service providers to implement additional



specific requirements befitting the uniqueness of their outsourced services and business needs.

Mrs Ong–Ang Ai Boon, Director ABS, said, “As one of the top financial hubs in the region, it is crucial that the financial industry seizes the opportunities presented by innovative technology like cloud services to remain relevant, resilient and ready to stay ahead of the competition. This implementation guide has been written specifically by financial industry practitioners for the industry to provide financial service customers with assurance of high professional standards that their move to the cloud is secure, as well as to support the broader adoption of the technology throughout Singapore’s financial industry.”

Mr Sopnendu Mohanty, Chief FinTech Officer, MAS, said, “Financial institutions are increasingly adopting cloud services to harness the benefits while fulfilling their business and operational needs. MAS expects financial institutions to ensure that their cloud service providers have in place robust access controls to protect customer information. The implementation guide will facilitate the responsible adoption of cloud services by the financial institutions.”

ENDS



**Contact details:**

Ong-Ang Ai Boon, Mrs

Director

The Association of Banks in Singapore

Tel: (65) 6224 4300

E-mail: [banks@abs.org.sg](mailto:banks@abs.org.sg)

Catherine Ong

CEO

Catherine Ong Associates

Tel: (65) 6327 6087

Mobile: (65) 9697 0007

E-mail: [cath@catherineong.com](mailto:cath@catherineong.com)

**About:**

**The Association of Banks in Singapore**

The Association of Banks in Singapore (ABS) plays an active role in promoting and representing the interests of the banking community in Singapore. In doing so, ABS works closely with the relevant government authorities towards the development of a sound financial system in Singapore. Since its establishment in 1973, ABS has promoted common understanding among its members and projected a unifying voice on banking issues. It has brought its members closer together through various guidelines and banking practices as well as the support of projects of mutual benefit to face the challenges of the financial and banking community in Singapore. Today, ABS has a membership of 154 local and foreign banks. Further information on ABS is available on the website: [www.abs.org.sg](http://www.abs.org.sg).