



Cyber Security: The changing landscape

September 2016

kpmg.com/channelislands



Agenda

- Introduction
- Cyber
- General Data Protection Regulation
- Questions

Introduction

- Protect your personal, client and business information
- Strategic matters
- Technical versus cultural
- KPMG has global expertise



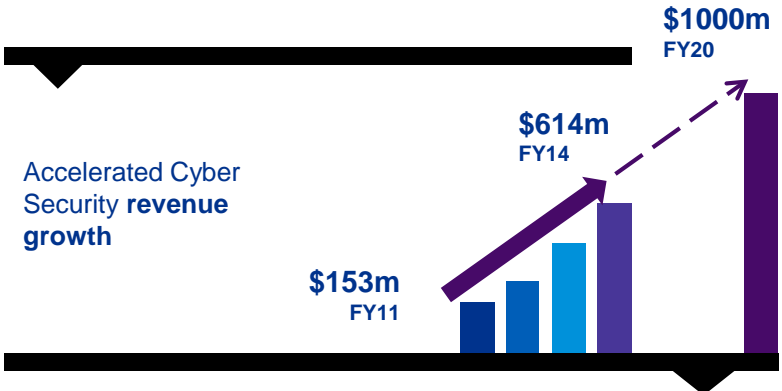


Mika Laaksonen

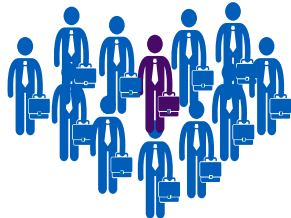
Our cyber security journey - global

6

Made Cyber Security one of our six global multi-disciplinary Strategic Growth Initiatives (SGIs)



Overtaken our direct competitors in many key markets...



...and moved Cyber Security to the heart of KPMG

FIRST POINT GLOBAL

TRUSTEQ



Qubera Solutions



P³
Consulting+Software AG
project/product/process



Zink Security
"thinking solutions"

Completed **five acquisitions** in a year

Increased our range of **clients**

3,810
Clients globally

Deepened and broadened our range of services

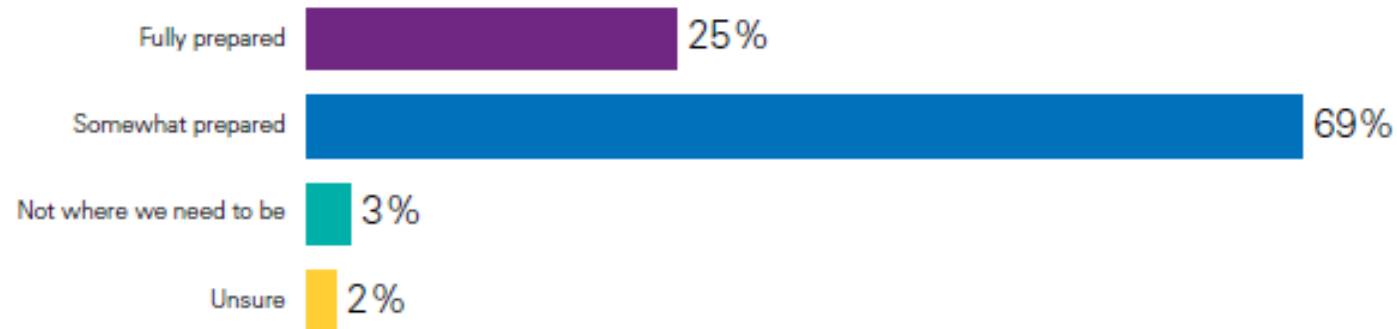
Earmarked **\$165m** for investment in organic growth over five years

40%
Growth target



How prepared are we?

How prepared is your company for a cyber event?



Source: 2016 Global CEO Outlook, KPMG International

Are we prepared? Seventy-two percent of CEOs say they are not fully prepared for a cyber event, significantly higher than in 2015 (50 percent).

Can you be fully prepared? In interviews, CEOs frequently said: “We are as prepared as we can be” or “You can never be fully prepared.”

How to prepare? By practicing the ability to respond to cyber events. Companies need an ability to be agile and deal with the unexpected.



Attacks

Targeted attacks are becoming more common...

In a study of 1,200 companies, security research firm FireEye identified:

24%

of these companies experienced events that matched the patterns of a targeted attack

97%

of these companies were breached.

We did a similar study in Finland, Sweden and Denmark – The results are similar.



The risks - where's the upside?

Cyber security is correlated with performance. More CEOs from top-performing companies believe that they are fully prepared for a cyber event

As the volume of **data grows exponentially, so do the opportunities to use it.** Typically, when services are free, businesses make money from the data, and the consumer becomes, in effect, a product.

Fully prepared for a cyber event



Source: 2016 Global CEO Outlook, KPMG International

KPMG CEO Survey 2016. Growing companies are more prepared

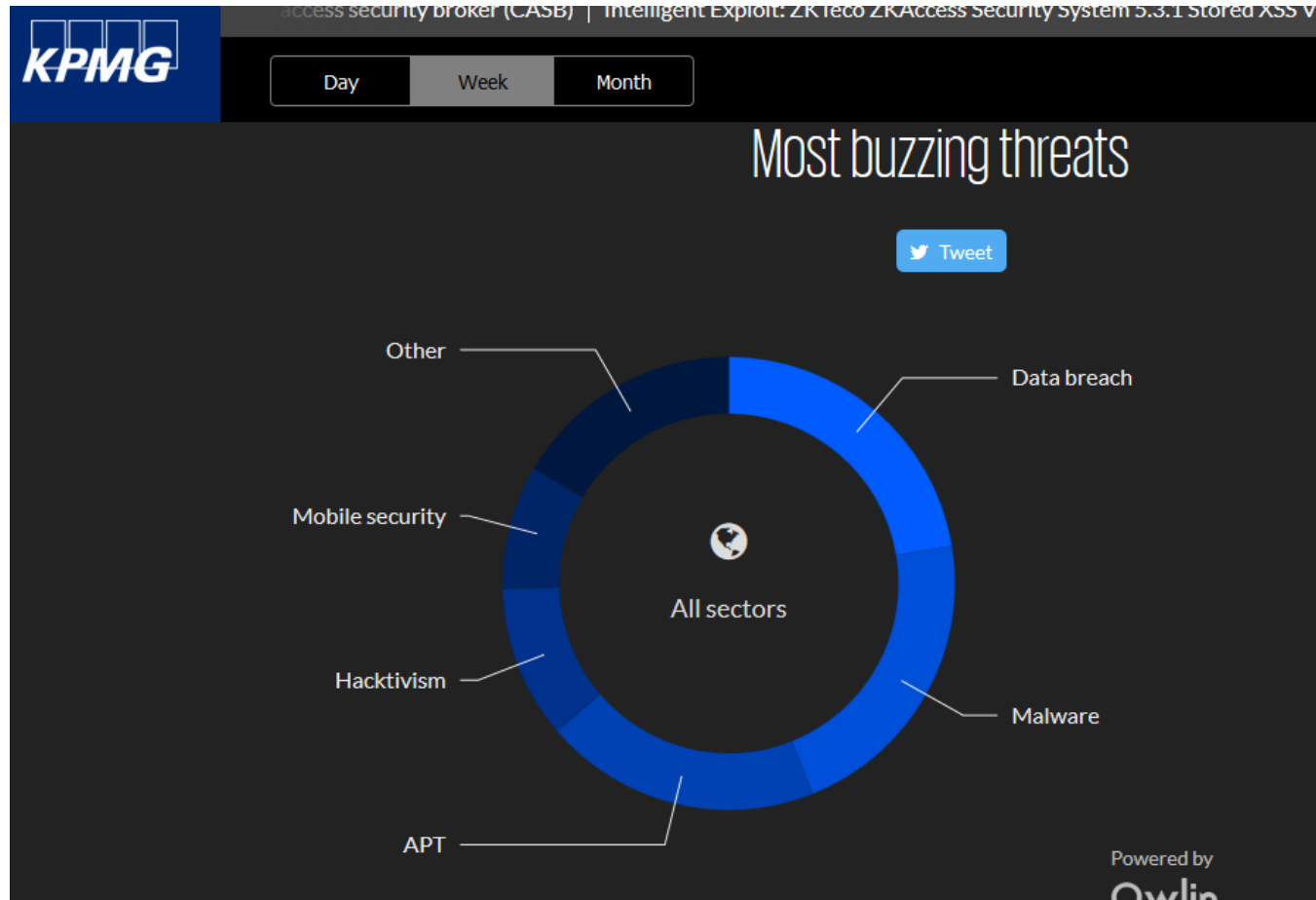
Security prompts innovation in products and services



Source: 2016 Global CEO Outlook, KPMG International

KPMG CEO Survey 2016. Security prompts innovation

Threats - <http://cyber.kpmg.com/#>



- Data breach
- Malware
- APT
- Hacktivism
- Mobile security

cyber.kpmg.com. Threats (1.9.2016)

Regulatory Focus Areas and Industry Activities

Regulatory Focus Areas

- Evaluation of Cybersecurity Inherent Risk
- Enterprise Risk Management and Oversight
- Threat Intelligence and Collaboration
- Data Classification and Risk-Based Controls
- External Dependency and Vendor Risk Management
- Cyber Incident Management and Resilience (BCP/DR)
- Information Sharing
- Social Engineering and Insider Threats
- Data Loss Prevention (DLP)



Industry Activities

- **Cybersecurity Assessments and Benchmarking**
- Refresh Information Governance Model
- Enhance Data & Information Protection
- **Improve Security Monitoring and Incident Management**
- Participate in the Financial Services Information Sharing and Analysis Center (FS-ISAC)
- Develop and Revise Policy & Standards
- Maintain an Effective End-User Awareness Program
- **Improve Third-Party Vendor Security Assessment Program**

The General Data Protection Regulation ("GDPR")

- Applicable to all organisations that process personal data of EU nationals, including organisations outside EU
- Approved in April 2016
- Two year transition period → binding 25 May 2018
- Significant increase in sanctions (up to €20m / 4% of global turnover)



Security measures apply both to personal data and other critical data



Teijo Peltoniemi

Welcome to the Channel Islands



Perfect storm

Why is this important?

4.3 million phishing attempts / hour

1.8 million malware attacks / hour

74% UK SME companies report breaches

20% of all attacks target SMEs

The cost of an attack often exceeds £300k

Source: EU, McAfee, UK Gov



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And regulations...



Good security practices are needed to protect the information

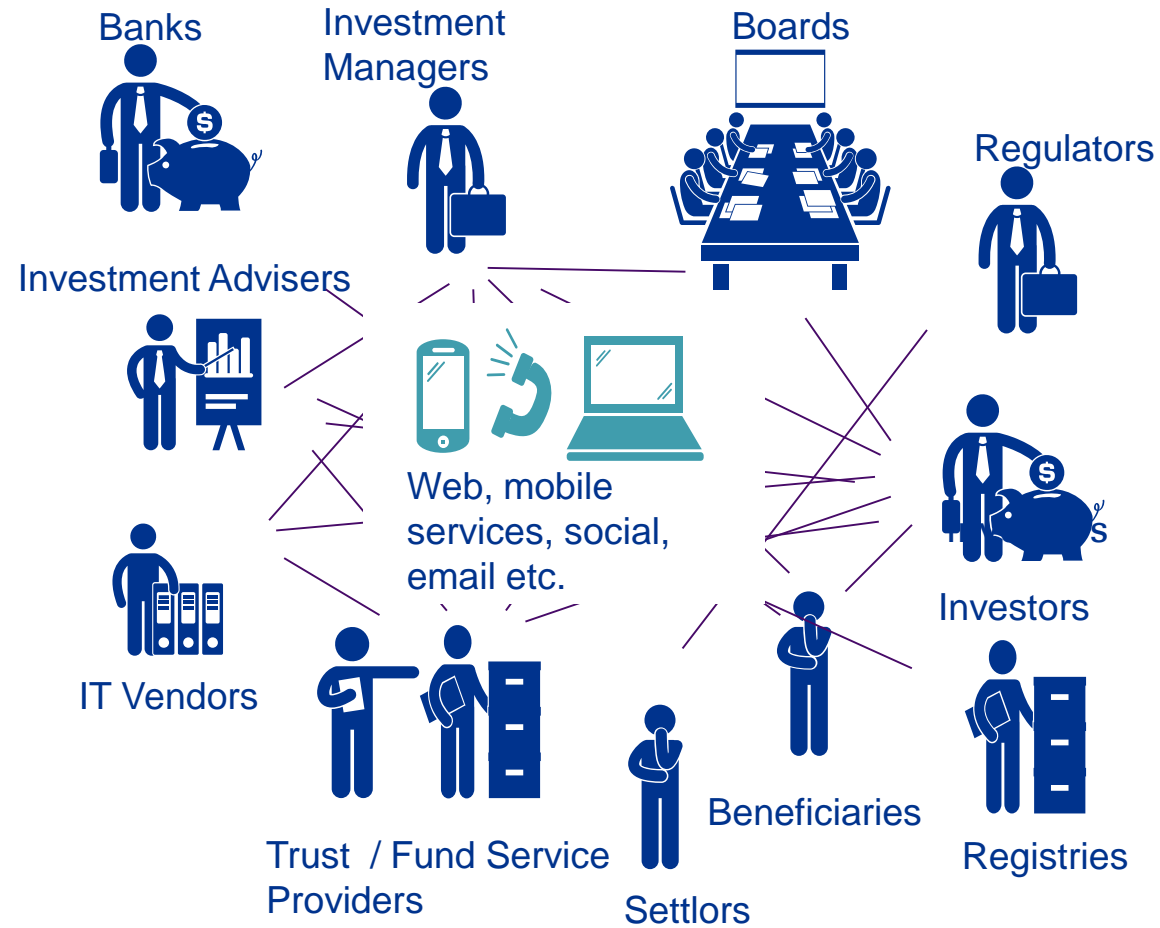
You will be accountable!

Questions we ask related to GDPR/cyber

- **Personal data?**
- **What are “logical” personal data registers?**
- **Who should own the data?**
- **What policies are needed?**
- **What are the responsibilities?**
- **Is training needed?**

- **What contracts should be amended?**
- **What is your policy on data retention?**
- **What logging and audit trail are needed?**
- **How do you meet the right of access/right to be forgotten/data portability?**
- **What are your detection and forensic capabilities?**
- **User management?**

Implications in the Channel Islands



Key questions to be addressed

Business processes

**What are the business processes processing personal data?
What type of data is that?
Who are the participants in the process?
What are the IT systems involved?**

Product/service information

**What personal data is stored in association to products/services?
IT systems and participants?**

Information flows

What are the information flows between services?

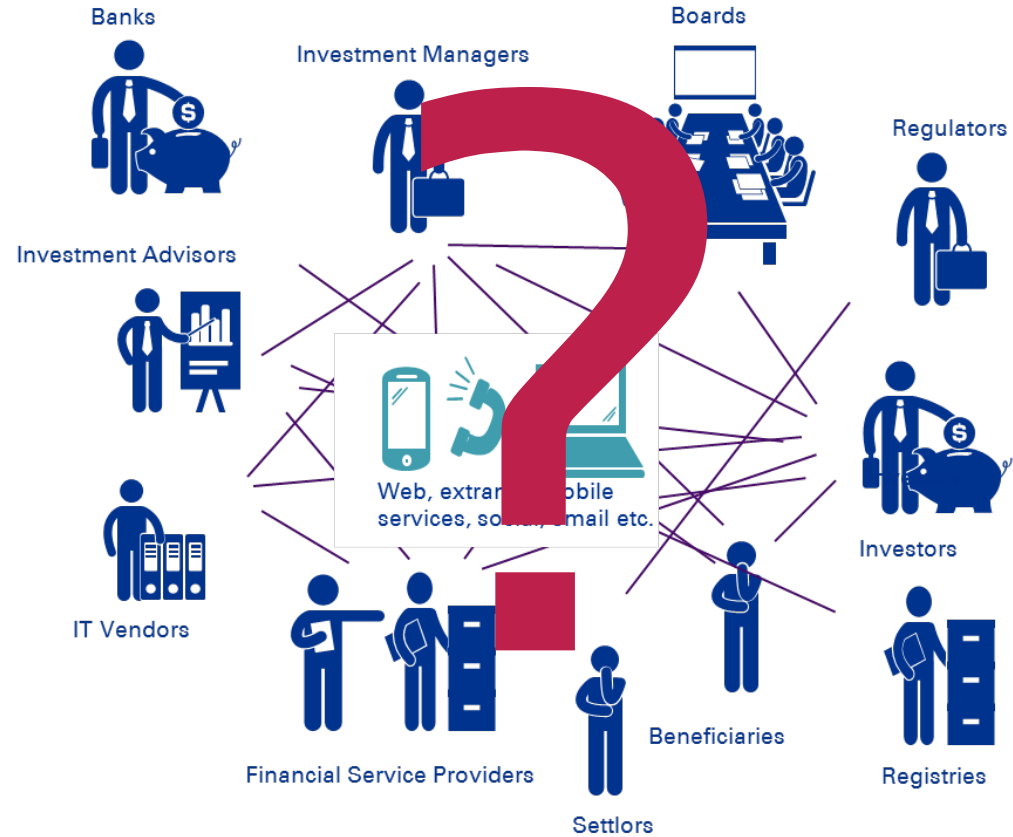
Outsourced services

**What processes or services are outsourced?
To whom and where?**

Access to information

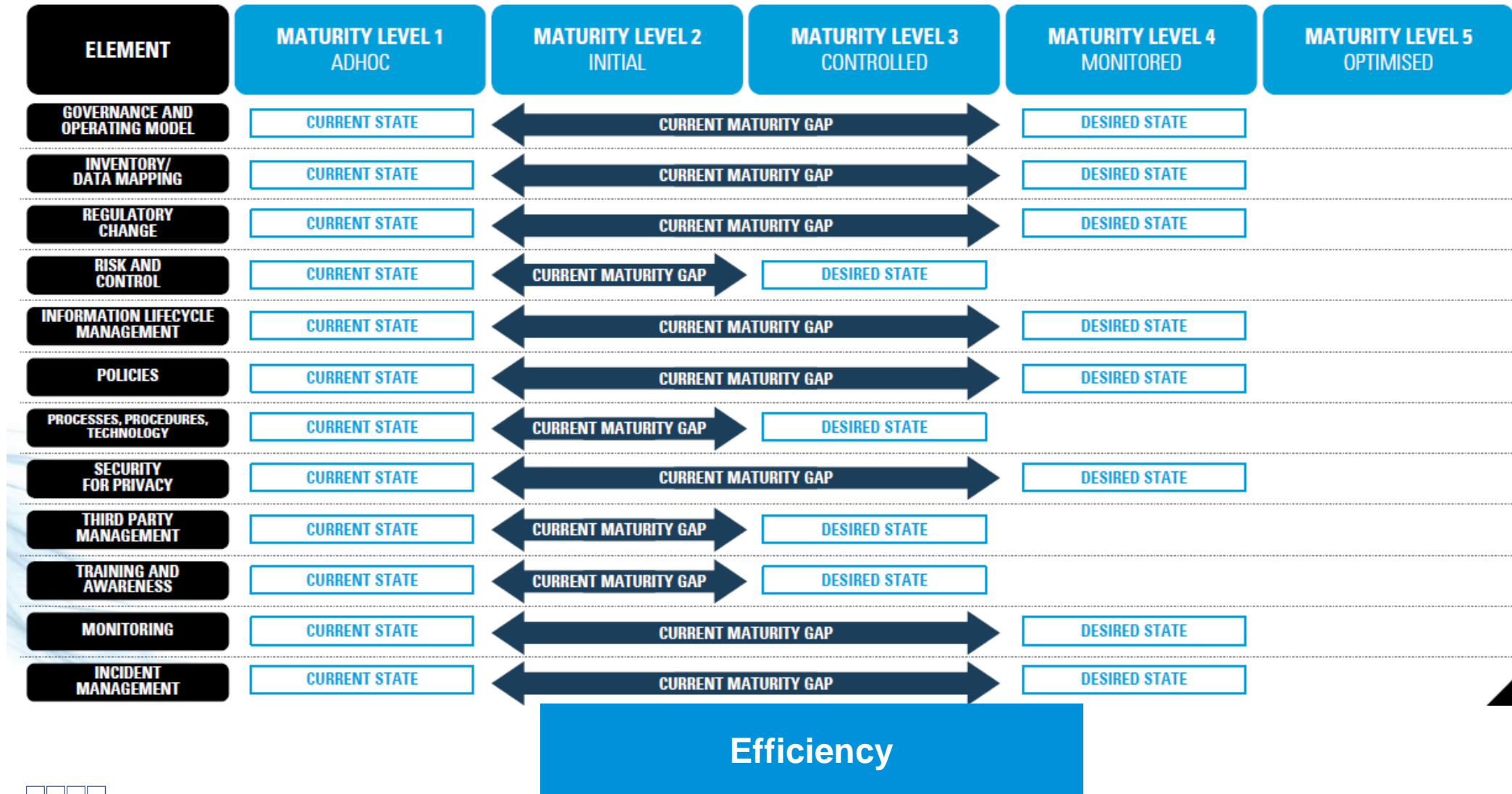
**Who has access to the information?
What is the purpose?**

Know where you are



Sanctions

Know where you are (cont'd)



Jersey stats

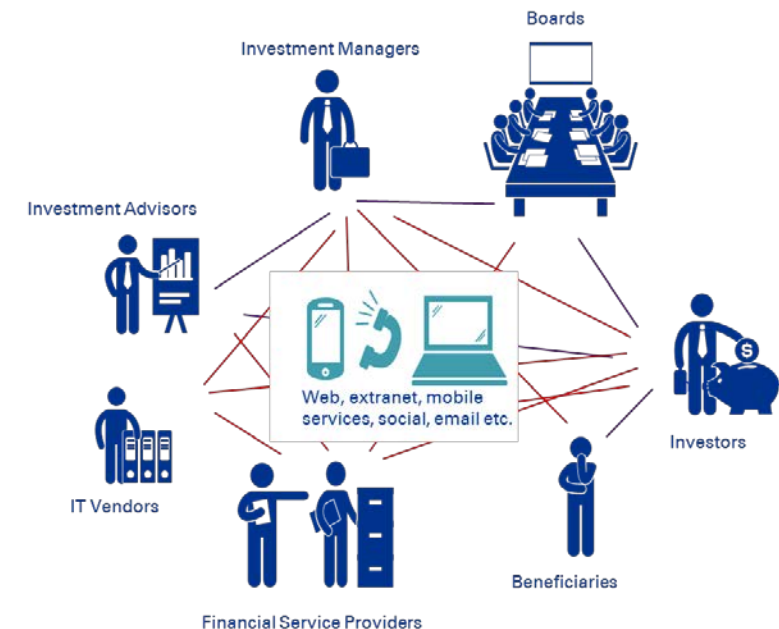
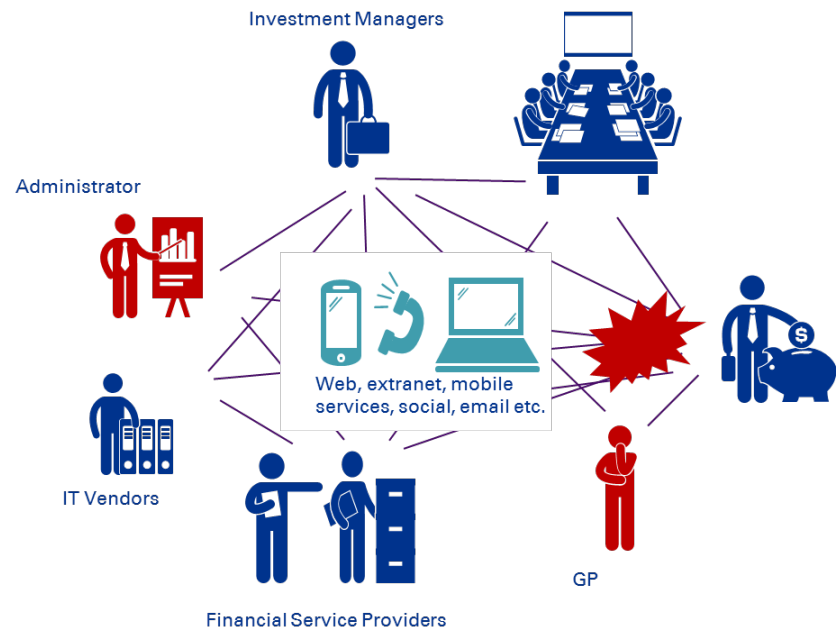
Guernsey stats unavailable at this time

- **JFSC:** 4,000 attacks per day (spikes up to 12,000)
- **States of Jersey:** estimated at 10% of the JFSC's threat level
- **Jersey Police:** receives significant cyber crime reports, with huge increase year on year and they estimate that this is significantly under reported
- Relatively **low awareness** covering cybersecurity (95% of breaches involved human error in 2014)
- **NO** local centralised emergency operation

Threats to the Channel Islands

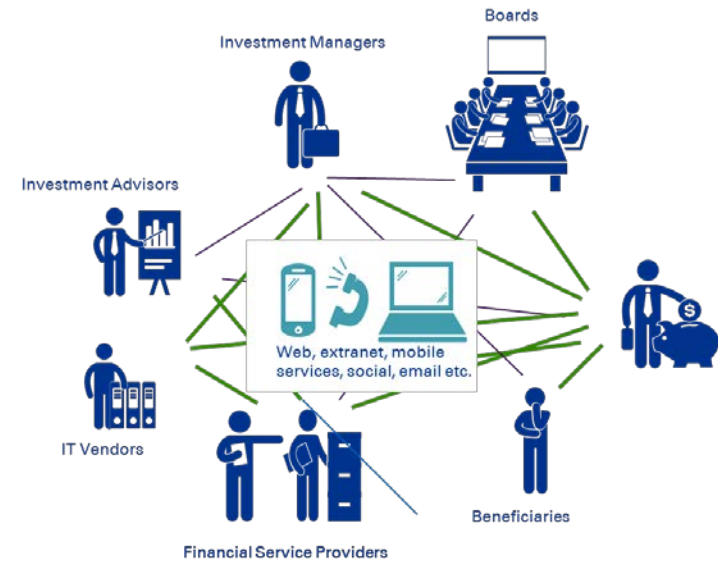
Locally, we have seen a sharp increase in:

- Whaling
- Distributed denial of service
- Insider threat
- Ransomware
- Data loss



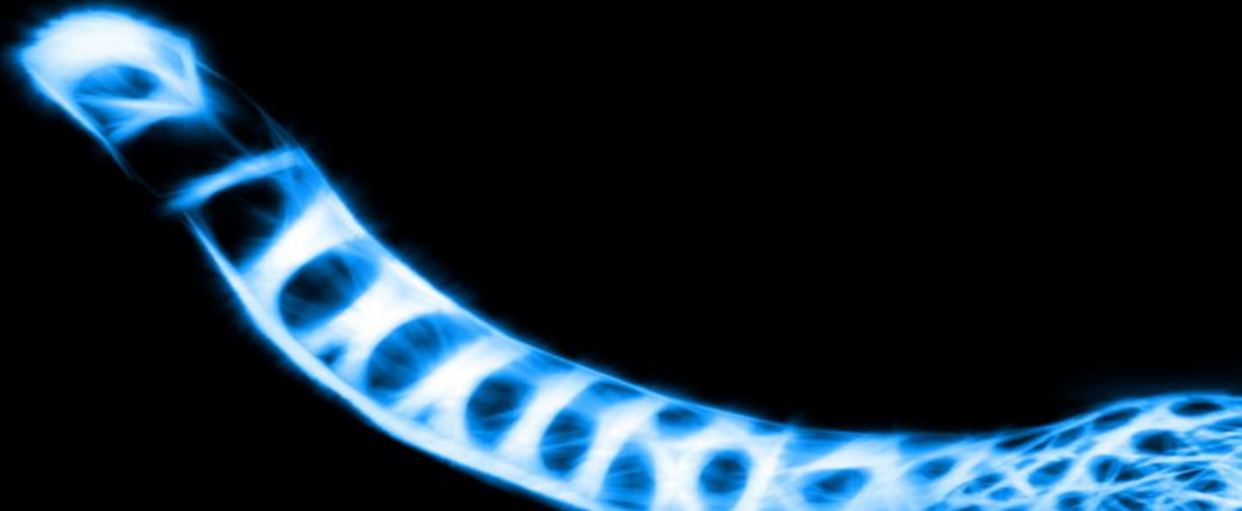
Topical in the Channel Islands

- Awareness
- Information sharing
- GDPR
- ISO 27001 (information security management standard)
- SIEM (security information and event management)





Thank you





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