

Implementation of EBA Guidelines in
Luxembourg

CSSF CIRCULAR 20/750 ICT & SECURITY RISK MANAGEMENT

Obligation to review key
aspects of your IT
environment

Context

On 25 August 2020, the Commission de Surveillance du Secteur Financier (CSSF) published Circular 20/750 on requirements regarding information and communication technology (ICT) and security risk management, implementing in Luxembourg the EBA Guidelines on ICT and security risk management (EBA/GL/2019/04).

Scope of application (as per EBA Guideline):

- ▶ banks
- ▶ investment firms
- ▶ payment and electronic money institutions
- ▶ extended the scope to include both specialised and support PSFs (in Luxembourg).

MAIN OBJECTS

- ▶ Address the risks and adverse impacts on the supervised entities' operations
- ▶ Establish a consistent approach to the mitigation and management of ICT and security risks
- ▶ Provide a better understanding of CSSF's expectations on the management of ICT & security risks

MAIN PROVISIONS



KEY REGULATORY ASPECTS

- ▶ Repeals Circular CSSF 19/713 on security measures for operational and security risks of payment services under PSD2
- ▶ Updates Circular CSSF 12/552 on Central administration, internal governance and risk management, notably the requirements related to the IT function (section 5.2.3) and the role of IT function in the 3 lines of defense model (Part II Chapter 2)
- ▶ Additional CSSF Risk Reporting obligations for payment service providers (PSP):
 - Credit institution:
As soon as possible after the closure of the financial year and no later than 30 April of each calendar year
 - E-money & payment institutions:
No later than the last day of the third month after the closure of the financial year

HOW CAN BDO HELP YOU?

- ▶ **BDO Luxembourg** will help organisations improve their ICT risk management framework which includes:
- ▶ **ICT and security risk assessment** – gap assessment against the regulatory requirements outlined in the Circular 20/750
- ▶ **Optimised IT Governance framework** - based on identified gaps from the assessment BDO may help you with a remediation of gaps. Depending on a gap, BDO has a catalogue of services which may help you to stay compliant with the CSSF circular 20/750:
 - IT Strategy & IT Governance
 - Information/Cyber Security Awareness Training
 - Information Security Policy BCP/DRP
 - Security Testing (e.g. Vulnerability & Threat assessment, Penetration testing etc.)
 - Incident Response Simulation
 - IAM/PAM review
 - Social Engineering (e.g. Simulation of a phishing attack or physical security test)
- ▶ **ICT and security risk re-assessment** – regular re-assessment against the regulatory requirements outlined in the Circular 20/750 after a remediation of gaps
- ▶ **Control monitoring program** - our monitoring program helps to manage and plan upcoming modifications and new regulations

FOR FURTHER INFORMATION, FEEL FREE TO CONTACT OUR EXPERTS:



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