

Singapore and UK financial watchdogs announce new cooperation efforts to strengthen cybersecurity

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Cyber attacks are a national security concern in the UK. While individuals can be victims of such attacks, private sector institutions are often the direct targets¹. Cyber attacks can critically damage a commercial reputation and a firm's infrastructure. Cyber crime is an international and cross-border issue. In response to the threat from cyber criminals, financial sector regulators are working together on a cross-border basis to help strengthen cybersecurity in the financial sector.

Businesses operating in the financial services sector have been experiencing year-on-year growth in the number of cyber attacks to which they are subject, together with an increase in the costs associated with successful, or partially successful, cyber attacks. Financial services firms are faced with the challenge of defending against continually evolving and sophisticated threats.

Access to a broad range of information concerning the latest cyber threats is a foundational component of a robust cyber defence strategy. The information may come from other financial services firms (e.g., through industry forums such as the Financial Conduct Authority ("FCA") cyber coordination groups) and from guidance and insights published by financial services regulators, who necessarily have a broader view of the issues being faced in the sector.

The threat landscape is complex and the origination of threats is not limited to a single jurisdiction. Understanding current threats, and defending against these, requires cross-border cooperation. The Monetary Authority of Singapore ("MAS"), the Bank of England ("BoE") and the FCA have announced a collaboration aimed at strengthening cybersecurity in their financial sectors. This initiative underlines the importance of such cross-border collaboration and information sharing. MAS, BoE and the FCA will work together to identify ways in which information can be shared effectively, including through staff exchanges. Experiences and information shared between these bodies, operating in leading global financial services markets, will increase awareness of the key threats, will allow developing trends to be identified more quickly, and will ultimately help to improve the cyber defences of financial services firms in their respective markets.

¹ National Crime Agency National Strategic Assessment of Serious and Organized Crime 2019, available at <https://nationalcrimeagency.gov.uk/who-we-are/publications/296-national-strategic-assessment-of-serious-organised-crime-2019/file>

This announcement follows the FCA's recent publication detailing industry insights on cybersecurity. These insights were compiled from the cyber experiences of 175 firms across the financial sector. The insights are a useful source of key themes for organisations to consider when developing their cyber resilience. Although developed based on the experience of firms in the financial services sector, the insights have a broader appeal and are not industry-specific. The announcement is also consistent with the message delivered in the PRA's 2019 / 2020 Business Plan which discusses the intention to support enhancement in the financial sector of cyber incident response tools, threat information sharing, and risk management, through collaboration with external partners and industry bodies.

This is not the first time Singapore and the UK have collaborated in the field of cybersecurity. In 2015, the Cybersecurity Agency of Singapore and the UK Cabinet Office signed a Memorandum of Understanding ("MOU") on cybersecurity cooperation. More recently in April 2018, both countries signed an MOU which aims to deliver cybersecurity capacity building programmes to Commonwealth Member States. Although Singapore has signed MOUs with other countries including Canada, Australia, the United States and India on cybersecurity cooperation, the collaboration between the MAS, BoE and FCA represents the first Singaporean initiative specifically aimed at strengthening cybersecurity cooperation in a critical sector, in this case the financial services sector.

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