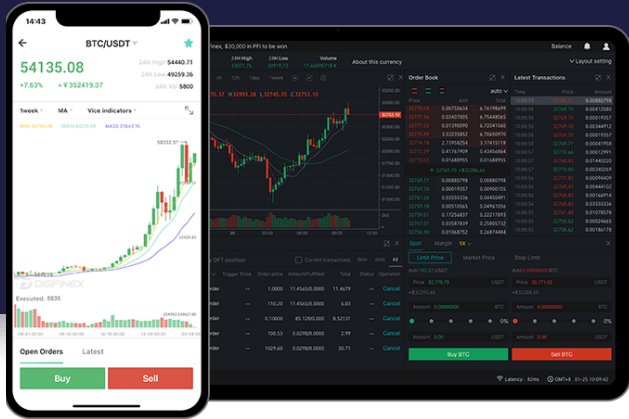




MAS TRM GAP ASSESSMENT

Assess, Identify, Remediate





ABOUT  DIGIFINEX

DigiFinex is a global digital assets trading platform that provides users access to facilities enabling them to trade in cryptocurrencies. DigiFinex's global presence makes it the preferred trading platform for more than 4 million users across the globe.



PROACTIVE COMPLIANCE

As a financial institution enabling the transaction of digital assets, DigiFinex recognises its exposure to a wide range of technology risks, including cyber risks. With cyber attacks becoming increasingly sophisticated, DigiFinex actively seeks to maintain a robust risk management framework to ensure IT and cyber resilience.



COMPLIANCE REQUIREMENTS

DigiFinex is an applicant of the **Payment Services Act (PSA) License** as a **Digital Payment Token (DPT) Service Provider** in Singapore. They are expected to comply with the **Monetary Authority of Singapore (MAS)** requirements like **Cyber Hygiene Notice** and **Technological Risk Management (TRM) guidelines**.

Hence, DigiFinex has partnered with Privasec as a third-party assessor to conduct a gap assessment to review their cyber security posture against MAS guidelines.

Find out more DigiFinex's PSA Licensing Journey [here](#).

WHY PRIVASEC?

At Privasec, our consultants have the relevant expertise and industry knowledge. We first take the consultative approach to understand the organisation's unique needs, challenges, governance mechanism, and maturity levels. We then adapt the assessment process to their business to meet their goals and minimise disruptions for business continuity.



Privasec has extensive experience in cybersecurity. Coupled with their ability to conduct efficient fieldwork on our business processes, they have demonstrated remarkable acumen to learn, understand and identify the various vulnerabilities in our business.

Jonathan Cheong
Chief Legal and Compliance Officer
DigiFinex

THE RESULTS

DigiFinex was able to effectively improve its security posture by having an independent party test and assess the robustness of its underpinning technology operation processes.

Privasec created a bespoke roadmap identifying potential gaps and areas of improvement to its technological governance processes. Armed with prudent solutions, the roadmap also detailed specific, practical, and relevant advice and suggestions in dealing with the gaps and exploring areas of improvement.

MONETARY AUTHORITY OF SINGAPORE TECHNOLOGY RISK MANAGEMENT GUIDELINES

Since January 2021, MAS has introduced revised TRM guidelines covering a wide range of cyber activities.

The MAS TRM Guidelines outline risk management principles and best practices to guide financial institutions in Singapore on establishing robust technology risk governance and oversight, in addition to maintaining IT and Cyber Resilience.

DigiFinex is expected to set out technology risk management principles and adhere to a feasible set of best practices based on their business's nature, size, and complexity. Going beyond just compliance, DigiFinex would be expected to ensure adequate oversight and governance of their IT controls and processes to maintain their information assets' availability, integrity, and confidentiality.

BUSINESS CHALLENGES

1. Organising Processes and Controls In An Efficient Manner

While DigiFinex had documented its processes, its documentation had inefficiencies. Through the gap assessments and its underlying proposals, it was able to refine its processes, allowing a more efficient approach to the identification of risk, monitoring of control measures and the application of processes allowing a more efficient approach to the identification of risk, monitoring of control measures and the application of processes.

2. Expeditious Timeframe

DigiFinex has a global presence with employees located in different jurisdictions. They needed to work with an independent assessor that was able to meet the time resources of various key stakeholders as well as to complete the assessment within an expeditious timeframe to meet the expectations of the regulator.

MAS TRM GAP ASSESSMENT

For many financial institutions, the requirements on TRM may seem daunting yet necessary in an age where cyber risk is prevalent in the industry. Hence, with a gap assessment, an organisation can identify the areas of gaps, risks, and potential areas of improvement between your organisation's policies and prevailing MAS TRM guidelines. With the findings, an organisation can then remediate to better its security posture and be compliant with the regulations.

In this engagement, a thorough assessment of DigiFinex's current IT compliance posture, including people, process and technology-related control measures against the prevailing MAS TRM guidelines and the Notice on Cyber Hygiene, is conducted.

Following that, Privasec crafted a list of practical recommendations with detailed implementation guidance to mitigate the identified gaps. This includes a road map for DigiFinex where quick wins were highlighted to address the critical gaps and effectively uplift DigiFinex's security posture. For mid to long term solutions, a risk register was then designed to help DigiFinex track and monitor their gaps and risk assessment, mitigation, and treatment plan.

KEY SOLUTIONS



Establishing A Robust Governance Framework

Many companies look at audits and assessments from a point-in-time perspective. However, the TRM Guidelines outlines a governance process, which involves areas such as Senior Management's involvement and risk management, to ensure that oversight of security controls happens on an ongoing basis.

Privasec provided DigiFinex with the tools to ensure a robust governance structure in place, such as establishing processes to identify, evaluate, and monitor its risk.



Compliance for Data Security

Privasec has identified Data Security in the MAS TRM guidelines as one of the key focus areas.

This is where protecting customers' information is not only just a regulatory obligation but also a responsibility that organisations owe their clients when providing goods or services.

As such, Privasec conducted a thorough assessment on the Data Security domain. With the experience Privasec consultants have in the industry, Privasec was able to provide professional advice on whether current controls were reasonably adequate and identified areas and opportunities for improvement on top of the existing controls that DigiFinex has in place.



Detailed Remediation Plan

Privasec provided both a tactical and strategic remediation approach for DigiFinex to improve its security posture. An example of a tactical solution is streamlining the access provisioning process to improve the immediate risks pertaining to access control. In the long run, Privasec recommended Privileged Access Management solutions and also provided guidance to DigiFinex on how to design processes around them.



They have efficiently performed an analysis of these gaps and proposed effective governance processes and solutions to suitably and practically meet the challenges of these vulnerabilities

*Jonathan Cheong
Chief Legal and Compliance Officer
DigiFinex*

Despite the expeditious timeframe, Privasec completed the engagement before time to provide a buffer time for DigiFinex to perform some remediation. DigiFinex also promptly remediated the quick wins and documented their risk register. In consideration to enhance DigiFinex's application success rate, Privasec also reviewed their remediation and came up with a revised gap assessment report against their updated security posture.

CLOSING THOUGHTS

Because of their high value, businesses in banking and financial services are attractive targets for malicious actors. As reported by Boston Consulting Group, the banking and financial institutes are 300 times more at risk of cyber attack than other companies. Privasec leverages on our understanding of industry guidelines (such as MAS TRM) to formulate a cyber security strategy. We work with financial institutions like DigiFinex to design their strategic direction, define cybersecurity goals and meet their business objectives.