

4 June 2018

General Manager, Policy Development  
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Australian Prudential Regulation Authority

**Via email: [PolicyDevelopment@apra.gov.au](mailto:PolicyDevelopment@apra.gov.au)**

**RE: APRA draft standard CPS 234 Information Security**

The Australian Payments Council (**APC**) is the strategic coordination body for the Australian payment industry. As payment systems are core foundational infrastructure for the financial services industry the **APC** welcomes the opportunity to provide a submission to the Australian Prudential Regulation Authority's (**APRA**) discussion paper, *Information Security management: A new cross-industry prudential standard*.

**Australian Payments Council**

The Australian Payments Council<sup>1</sup> (APC) was established in late 2014 by the payments community with the support of the Reserve Bank of Australia. The APC has representation from across the payments community covering financial institutions, payment schemes, retailers, telecommunications and technology companies.

The APC encourages and facilitates strategic alignment between the payments industry and the RBA's Payments System Board (**PSB**) on significant payments issues and initiatives. The APC's role is to coordinate industry efforts to:

- Drive the strategic agenda for the Australian payments system
- Engage with the Payments System Board on setting and achieving strategic objectives
- Identify strategic issues and emerging trends through constant scanning of the payments environment
- Generate common industry positions for action and adoption by the industry with the endorsement of the PSB
- Identify and remove any barriers to innovation through collaboration.

**Australian Payments Plan**

In December 2015 the Council published the Australian Payments Plan, which lays out a roadmap for guiding the secure, resilient, efficient and accessible evolution of the payments system. The Plan identifies cybersecurity as a strategic priority for engendering trust in the payment system.

Having established a cybersecurity task force, the APC has identified specific payment community needs and is pursuing a path of close collaboration with federal government, inline with the recommendation in the

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<sup>1</sup> <http://australianpaymentscouncil.com.au/>

Financial System Inquiry<sup>2</sup>. These recommendations call out the need to develop mechanisms for public-private sector information sharing, and to clarify public and private sector roles in ensuring cyber security.

The payment community needs identified fall into three categories:

1. Real time intelligence sharing to support the development of an inoculation approach to protection against cyber security threat
2. Cyber security awareness generation across Australia for consumers and business
3. Cyber security exercises to test incident management procedures

### **Information Security**

APRA's information security guidance (Prudential Guidance CPG 234 Information Security) together with APRA's broader risk management prudential standards (Prudential Standard CPS 220 Risk Management and Prudential Standard SPS 220 Risk Management) have framed the industry's information security practices and risk management principles to date.

The Payments Council recognises effective information security management as a critical component of cybersecurity and affirms the increasing criticality of cybersecurity to Australia's finance industry as security attacks evolve and increase in frequency, sophistication and impact.

APRA's initiative, under CPS Information Security Management, to strengthen information security resilience through cross-industry minimum standards for the management of information security, across entities and across their extended business environments, is supported by the Payments Council. While incorporating industry best practice, by imposing minimum standards for managing information security, including ensuring effective information security capabilities to repel cyber criminals and efficiently and effectively respond when a cyber breach does occur, CPS 234 will promote Australia's financial system stability.

The Payments Council also expresses appreciation for APRA's proposal to provide revised guidance on APRA's expectations regarding implementation of CPS 234.

The Payments Council welcomes the opportunity to work with APRA as it develops its approach towards Information Security Management.

Yours Sincerely

Mark Birrell  
CHAIRMAN

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<sup>2</sup> <http://fsi.gov.au/publications/final-report/>