**Ref: G4/58C**

# Code of Practice

## Pursuant to the Protection of Critical Infrastructures (Computer Systems) Ordinance

## For Retail Payment System Infrastructure Operators designated by the Monetary Authority as Critical Infrastructure Operators

A Code of Practice issued by the Monetary Authority under Section 8(1)(b)

15 October 2026

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# 1. INTRODUCTION

## 1.1 Purpose and scope

1.1.1 This Sectoral Code of Practice (this Code) is published by the Monetary Authority (the MA) in consultation with the Commissioner of Critical Infrastructure (Computer-system Security) (the Commissioner) pursuant to section 8 of the Protection of Critical Infrastructures (Computer Systems) Ordinance (the Ordinance).

1.1.2 This Code is applicable to a Retail Payment System Infrastructure operator designated by the MA as a Critical Infrastructure (CI) operator (Designated RPSI).

1.1.3 This Code provides practical guidance on how a Designated RPSI complies with category 1 obligations and category 2 obligations. A Designated RPSI should refer to guidance published by the Commissioner in relation to category 3 obligations, which can be found in section 7 of the Code of Practice (Generic) published on the website of the Office of the Commissioner (hyperlink to https://www.occics.gov.hk/en/industry/code-of-practice/index.html).

1.1.4 A Designated RPSI should refer to relevant sections and/or schedules of the Ordinance at all times when applying guidance provided in this Code to ensure compliance with legal obligations.

1.1.5 This Code is not subsidiary legislation, nor would failure to comply with the provisions of this Code in itself constitute an offence. However, the MA may issue written directions to require a Designated RPSI to take appropriate actions in relation to the compliance with category 1 obligations and category 2 obligations if there has been non-compliance or defective compliance with such obligations, which may be considered with reference to this Code. Failure to comply with such directions would be an offence.

1.1.6 A Designated RPSI should provide information, which is accessible in or from Hong Kong, to the MA upon request in relation to the compliance with category 1 obligations and category 2 obligations.

1.1.7 This Code sets the baseline requirements for protecting critical computer systems (CCSs) of Designated RPSIs, and does not target personal data nor trade secrets of Designated RPSIs. A Designated RPSI should apply enhanced security measures, appropriate to its circumstances and commensurate with the computer-system security risk of its CCSs.

1.1.8 The MA may, in consultation with the Commissioner and industry stakeholders, from time to time review and amend the requirements stipulated in this Code according to the latest technological development and industry best practices.

## 2. DEFINITIONS AND CONVENTIONS

### 2.1 Definitions

2.1.1 The terms defined in the Ordinance are applicable to this Code.

2.1.2 The terms used in Section 2 to 6 of this Code are defined as follows –

| | |
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| access control | means the control feature that ensures that access to assets is authorized and restricted based on business and security requirements; |
| accessible from Hong Kong | means a computer system which can be accessed from an entry point in Hong Kong regardless of the physical location of that system; |
| accessible in Hong Kong | means a computer system which is physically reachable within Hong Kong; |
| availability | means the property of being accessible and usable on demand by an authorized entity; |
| Code | means this Sectoral Code of Practice for the Protection of Critical Infrastructures (Computer Systems) Ordinance published by the MA; |
| Commissioner | means the Commissioner of Critical Infrastructure (Computer-system Security) appointed under section 3(1) of the Ordinance; |
| compromise | means the violation of the security of an information system; |
| computer-system security risk | means the risk that a vulnerability in a computer system may be exploited by a malicious actor thus resulting in a computer-system security incident. It refers to the likelihood of the risk event occurring and the resulting impact; |
| confidentiality | means the property that information is neither made available nor disclosed to unauthorized individuals, entities, processes or systems; |
| C-RAF | means Cyber Resilience Assessment Framework for Stored Value Facility Licensees; |

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| encryption | means a cryptographic transformation of data (called "plaintext") into a form (called "ciphertext") that conceals the data's original meaning to prevent it from being known or used. If the transformation is reversible, the corresponding reversal process is called "decryption", which is a transformation that restores encrypted data to its original state.<br><br>Practical examples:<br>• Data at-rest: applicable to data on disk rather than in-memory. May consider disk encryption, file or folder level encryption, data encryption, etc.<br>• Data in-transit: applicable to end-to-end data transfer from one endpoint to another. May consider HTTPS (SSL, TLS), IPsec VPN, etc.<br>• Data in-use: applicable to data stored in memory, CPU cache, or CPU register. May consider full memory encryption to limit clear text data to the CPU internal cache. |
| malware | means software designed with malicious intent containing features or capabilities that can potentially cause harm directly or indirectly to computer systems; |
| patch management | means systematic notification, identification, deployment, installation and verification of operating system and application software code revisions. These revisions are known as patches, hotfixes, and service packs; |
| regulating authority | means the Commissioner or a designated authority; |
| remote connection | means access to organizational information systems by users (or processes acting on behalf of users) communicating through external networks (e.g. the Internet); |
| removable storage media | means portable electronic storage media such as magnetic, optical, or flash memory devices, which can be inserted into and removed from a computing device. Examples include external hard disks or solid-state drives, floppy disks, zip drives, optical disks, tapes, memory cards, flash drives, and USB storage devices; |
| sensitive digital data | means any electronically stored, processed, or transmitted information which unauthorized access, disclosure, alteration, or loss could cause significant harm to individuals, organizations or society; |

| | |
|---|---|
| supplier | means an individual or an organization that enters into an agreement with the acquirer for the supply of a product or service. A supplier can be a vendor, contractor, seller, producer (collectively known as "external service provider"), or a party that is in the same organization; |
| supply chain | means a linked set of resources and processes between multiple tiers of developers that begin with the sourcing of products and services and extend through the design, development, manufacturing, processing, handling, and delivery of products and services to the acquirer; |
| vulnerability | means a weakness in the design, implementation, or operation of an asset or the internal controls of a process, which may expose the computer system to computer-system security risks. |

## 3. DESIGNATION OF CRITICAL COMPUTER SYSTEMS

### 3.1 Designating critical computer systems

3.1.1 The MA will engage bilaterally with each Designated RPSI when determining which of its computer systems should be designated as a CCS under the Ordinance. As Designated RPSIs would be required to provide related information and assessments, this chapter aims to provide further information on the key factors that may be considered and discussed during the process. This chapter should be read in conjunction with section 13 of the Ordinance.

3.1.2 The MA will from time to time review the list of CCSs in consultation with Designated RPSIs.

3.1.3 A computer system will more likely be designated as a CCS if it meets any of the following criteria:

(a) The system plays a material role in respect of the core function of the CI concerned. Whether a system is isolated from the Internet or whether the operation of the computer system, in full or in part, is being outsourced to a Group entity or affiliate or a third-party service provider is irrelevant.

(b) The disruption or destruction of the system would cause severe impact to the core function of the CI. Whether the core function of the CI could be switched to manual processing as a failover solution is irrelevant.

(c) The system stores or processes sensitive digital data that are used directly in the provision of essential services, e.g. a full set of personal data (such as name, identity document number, phone number and residential address) used in relevant services. Whether there is a sophisticated mechanism for data protection or recovery is irrelevant.

(d) The system is highly related to other CI operator(s), which may or may not be a Designated RPSI. Regulating authorities will provide guidance as and when necessary. Examples of these computer systems include centralised processing or data exchange systems within the same sector or across multiple sectors.

(e) Systems directly strengthening the resilience of the CCSs described in paragraph 3.1.3(a)-(d) above (e.g. backup facilities in high-availability systems).

3.1.4 The underlying IT infrastructures of a Designated RPSI's CCSs, such as network components, operating platforms, middleware, may also be regarded as components of the CCS.

## 4. INFORMATION REQUIRED FOR DESIGNATION

### 4.1 Requiring information for designating critical computer systems

4.1.1 Examples of information required by the MA for ascertaining whether to designate a computer system as a CCS include, but are not limited to:

(a) Facts and functions about the computer system, including upstream and downstream dependencies;

(b) Architecture of the computer system;

(c) Nature and volume of sensitive digital data processed by the computer system;

(d) Network diagram of the computer system providing or supporting the core functions of the CI;

(e) Manufacturers and models of computer hardware and software providing or supporting the core functions of the CI;

(f) External information technology or telecommunication services subscribed for providing or supporting the core functions of the CI;

(g) Resilience features, including the design and actual setup of the computer systems providing or supporting the core functions of the CI; and

(h) Documentation illustrating the design and operations of the computer system, such as diagrams or system function descriptions.

## 5. OBLIGATIONS OF DESIGNATED RPSIS – DIVISION 1

### 5.1 Obligation to maintain office in Hong Kong

5.1.1 For the purpose of sections 19(1) and (3) of the Ordinance, an office in Hong Kong should serve not only as the location to which notices and other documents may be given or sent, but also as the location where a Designated RPSI's employees or representatives conduct business activities, such as managing daily operations, making business decisions, interacting with stakeholders, or maintaining business records.

5.1.2 Notification by a Designated RPSI of its office address in Hong Kong to the MA under section 19(1) of the Ordinance should be given in the form and way as specified by the MA under section 10 of the Ordinance.

5.1.3 When there is a subsequent change to the office in Hong Kong that has been notified to the MA under section 19(1) of the Ordinance, a Designated RPSI is obligated to notify the MA in writing of the change to the office address in Hong Kong within the specified period as required under section 19(3) of the Ordinance.

### 5.2 Obligation to notify operator changes

5.2.1 While the question of whether an event may constitute an "operator change" (as defined in section 20(4) of the Ordinance) will be determined by the MA based on the facts and circumstances of each particular case, it is the MA's present expectation that the below non-exhaustive scenarios would generally result in an operator change:

(a) The daily operation, management or maintenance of a CI is changed from the existing Designated RPSI to another;

(b) The existing Designated RPSI ceases to provide daily operation, management or maintenance of a CI; or

(c) Merger, acquisition, and other scenarios that result in the existing Designated RPSI ceasing to exist.

5.2.2 Notification by a Designated RPSI to the MA under section 20(1) of the Ordinance should be given in the form and way as specified by the MA under section 10 of the Ordinance.

5.2.3 A Designated RPSI is obligated to notify the MA of the operator change under section 20(1) of the Ordinance, regardless of whether the MA has already had knowledge of such operator change or whether the operator change is occasioned by the MA's decision.

### 5.3 Obligation to set up and maintain computer-system security management unit

5.3.1 For the purpose of section 21(1) of the Ordinance, a computer-system security management unit need not be based in Hong Kong.

5.3.2 For the purpose of section 21(4) of the Ordinance, the employee supervising the computer-system security management unit need not be based in Hong Kong. Besides, having adequate professional knowledge in relation to computer-system security generally means possessing appropriate professional qualifications (e.g. Certified

Information Security Professional (CISP), Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified Information Systems Security Professional (CISSP), etc.) and professional experience in computer-system security commensurate with the risk of their CCSs to discharge the duties effectively. Notification by a Designated RPSI to the MA of the appointment of the employee supervising the computer-system security management unit should be given in the form and way as specified by the MA under section 10 of the Ordinance.

5.3.3 For the purpose of section 21(6) of the Ordinance, while the date of the change pertains to the date of assumption of duty, a Designated RPSI is encouraged to proactively inform the MA as soon as the contract of employment is signed. Notification by a Designated RPSI to the MA of any change in respect of an appointment after it is made should be given in the form and way as specified by the MA under section 10 of the Ordinance.

## 6. OBLIGATIONS OF DESIGNATED RPSIS – DIVISION 2

### 6.1 Obligation to notify material changes to certain computer systems

6.1.1 For the purpose of section 22(1) and section 22(2) of the Ordinance, the date on which the event occurs generally refers to the moment when a change is deployed to production environments. If the deployment is conducted in phases, the date on which the event occurs should be applicable to each individual phase of the change deployment. A Designated RPSI may opt to notify the MA of all subsequent changes collectively at the initial phase of the change deployment.

6.1.2 For the purpose of section 22(3) of the Ordinance, a Designated RPSI should report any material change in a CCS that has high security risk implications to the CI's core function, as identified through a risk assessment process that adheres to relevant control principles outlined in the C-RAF maturity assessment matrix sections 2.2.2 and 3.5.3. Material changes in a CCS (non-exhaustive) may occur in the events below:

(a) Platform migration;

(b) Server virtualisation;

(c) Major version upgrade of a core component (e.g. database);

(d) Changes to the computing platform or hardware;

(e) Application re-design;

(f) Significant code changes;

(g) Changes to the underlying infrastructure that supports the CCS;

(h) Integration with or change in interdependency on external systems or networks;

(i) Changes of mission or major functions that alters the system's operational scope, intended purpose or requirements in security, resources or functions; or

(j) Any system modification that fundamentally alters the characteristics or nature of the CCS.

6.1.3 For the purpose of section 22(1), notification by a Designated RPSI to the MA of material changes to certain computer systems should be given in the form and way as specified by the MA under section 10 of the Ordinance.

### 6.2 Obligation to submit and implement computer-system security management plan

6.2.1 A computer-system security management plan should cover all matters necessary to fulfil the statutory obligation to protect the computer-system security of the CCSs in accordance with Schedule 3 of the Ordinance. In relation to matters specified in Schedule 3 Part 1 of the Ordinance, a Designated RPSI should fulfil the requirements stipulated in sections 6.2.5 – 6.2.27, 6.3 and 6.4 of this Code, which provide relevant practical guidance. In relation to matters specified in Schedule 3 Part 2 of the Ordinance, a Designated RPSI should refer to guidance published by the Commissioner.

6.2.2 A Designated RPSI should ensure that the computer-system security management plan and any subsequent changes (other than contact point or editorial updates such as reformatting or typographical corrections) submitted to the MA are endorsed by the Board of Directors (the Board), or a functional sub-committee delegated by the Board, or the senior management overseeing the operation of the concerned CI (e.g. Chief Executive Officer, Chief Operating Officer, or their equivalent). The plan should be reviewed as circumstances require, and, in any case, at least once every two years, to ensure its effectiveness and validity.

6.2.3 In the event that the computer-system security management plan consists of a collection of policies, standards and guidelines, a Designated RPSI should provide a clear cross-reference that maps each applicable requirement between relevant sections of the plan and sections 6.2.5 – 6.2.27, 6.3 and 6.4 of this Code.

6.2.4 If a Designated RPSI cannot fulfil any of the requirements stipulated in sections 6.2.5 – 6.2.27, 6.3 and 6.4 of this Code, the Designated RPSI should implement alternative security controls that achieve comparable results. The alternative controls should be documented in the computer-system security management plan, with a detailed description showing how they effectively mitigate the relevant risks.

6.2.5 Computer-System Security Management Unit

(a) When setting up the computer-system security management unit for the purposes described in section 21(1) of the Ordinance, a Designated RPSI should adhere to relevant control principles outlined in the C-RAF maturity assessment matrix section 1.3.1.

6.2.6 Policies, Standards and Guidelines

(a) A Designated RPSI should define and enforce computer-system security policies, standards and guidelines that provide management direction and support for protecting CCSs in accordance with business needs and security requirements, and enable the Designated RPSI to satisfy requirements and/or guidance stipulated in sections 6.2.5 – 6.2.27, 6.3 and 6.4 of this Code.

(b) When drafting its policies, standards and guidelines, a Designated RPSI should consider its own requirements on security, this Code, the relevant supervisory requirements and applicable national and international computer-system security standards.

(c) A Designated RPSI should establish a mechanism to ensure the policies, standards and guidelines are effectively communicated to and easily accessible by all personnel involved in the operation of CCSs.

6.2.7 Computer-System Security Risk Management Approach

(a) A Designated RPSI should formulate and implement an approach to identify, assess, mitigate and monitor computer-system security risks of CCSs, adhering to relevant control principles outlined in the C-RAF maturity assessment matrix section 1.3.2 and subdomain 2.2.

(b) In addition, when formulating the computer-system security risk management approach, a Designated RPSI should also refer to nationally or internationally recognised methodologies and standards for computer-system security risk management.

6.2.8 Security by Design

(a) A Designated RPSI should implement a secure development process to ensure the security of the CCS throughout the system development life cycle, adhering to relevant control principles outlined in the C-RAF maturity assessment matrix subdomain 3.4.

6.2.9 Asset Management

(a) A Designated RPSI should define and document the identification approach, selection criteria, and the regular review mechanism for CCSs based on guidance provided by the MA for the designation of CCSs.

(b) A Designated RPSI should maintain up-to-date inventories and conduct regular reviews of the inventories, adhering to relevant control principles outlined in the C-RAF maturity assessment matrix subdomain 2.1.

(c) A Designated RPSI should ensure that access to the inventories is restricted and on a need-to-know basis. Where applicable, the following information should be included in the inventories:

(i) descriptions, major functions, physical / logical locations, and owners or key personnel of CCSs; and

(ii) the associated assets, including hardware assets (name, manufacturer, model, firmware version, etc.), software assets (name, publisher, version, etc.), applications, valid warranties, service agreements and legal / contractual documents.

6.2.10 Access Control and Account Management

(a) A Designated RPSI should ensure proper access and account management of CCSs by implementing measures adhering to relevant control principles outlined in the C-RAF maturity assessment matrix section 3.1.1 and relevant requirements outlined in Appendix 1.

(b) Furthermore, a Designated RPSI should:

(i) define and document procedures for password delivery and password reset;

(ii) review user privileges and data access rights at least once per year, with records for access rights approval and review maintained; and

(iii) arrange for a notification message (in the form of a system notification or physical notice) that provides appropriate security notices (e.g. system usage may be recorded and monitored, unauthorized use is prohibited) to be displayed to the users of CCSs before they are authenticated to use the CCSs.

6.2.11 Privileged Access Management

(a) A Designated RPSI should manage privileged access by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix section 3.1.2, and relevant requirements outlined in Appendix 1.

(b) A Designated RPSI should prevent unauthorized devices from connecting to the internal network by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix section 3.2.1, and allow only authorized devices equipped with security controls to access privileged accounts by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix sections 3.3.1 and 4.1.1.

6.2.12 Cryptography

(a) A Designated RPSI should ensure proper and effective use of cryptography for the protection of data-at-rest, data-in-transit and data-in-use by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix sections 3.1.1, 3.1.5, 3.1.6, 3.2.1, 3.3.1, 3.3.2 and 7.1.1.

(b) A Designated RPSI should manage cryptographic keys by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix section 3.1.8 and relevant requirements outlined in Appendix 1, and referencing to the latest international standards.

(c) Commensurate with the risk, keys used to process sensitive digital data should be stored and distributed separately from the corresponding encrypted information.

(d) A Designated RPSI should refer to the latest national or international computer-system security standards regarding the use of cryptographic algorithms and methods.

6.2.13 Password Management

(a) A Designated RPSI should manage passwords by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix section 3.1.1 and relevant requirements outlined in Appendix 1.

(b) Furthermore, a Designated RPSI should ensure that all passwords are promptly changed if they have been or are suspected of being compromised. In addition, where a password is the single authentication factor used by suppliers for maintenance and support (e.g. operations requiring elevated privilege or access to sensitive data), the password should be changed after every use.

6.2.14 Physical Security

(a) A Designated RPSI should implement physical access management by adhering to:

(i) relevant control principles outlined in the C-RAF maturity assessment matrix sections 3.1.1, 3.1.4 and 4.3.1; and

(ii) relevant requirements outlined in Appendix 1.

(b) Furthermore, a Designated RPSI should:

(i) protect the deployed surveillance systems from unauthorized access or interruption;

(ii) protect the power and communication cables of CCSs against damage and interception; and

(iii) label the power and communication cables of CCSs to facilitate physical identification and inspection.

6.2.15 Configuration Management and System Hardening

(a) A Designated RPSI should implement configuration management and system hardening controls by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix section 3.2.2 and relevant requirements outlined in Appendix 1.

(b) Both the least functionality principle and the least privilege principle should be adopted when performing system hardening.

6.2.16 Change Management

(a) A Designated RPSI should implement change management controls by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix section 3.5.3, and relevant requirements outlined in Appendix 1.

6.2.17 Patch Management

(a) A Designated RPSI should implement patch management controls by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix sections 3.5.1 and 3.5.2, and apply appropriate change management controls with reference to section 6.2.16 Change Management of this Code when deploying the patches.

(b) A Designated RPSI should adopt a risk-based approach to determine an appropriate patch management strategy for CCSs, adhering to relevant control principles outlined in the C-RAF maturity assessment matrix subdomain 2.1 and section 2.2.3.

6.2.18 Remote Connection

(a) When implementing security measures for remotely accessing the CCS from outside a Designated RPSI's premises, a Designated RPSI should adhere to relevant control principles outlined in the C-RAF maturity assessment matrix section 3.1.5 and relevant requirements outlined in Appendix 1.

(b) Where a Designated RPSI permits the use of privately-owned equipment for remote access, it should, in addition to section 6.2.18(a) specified above, establish relevant policies and procedures, require user acknowledgement of security responsibilities before use, support the separation and protection of sensitive digital data on the equipment, and consider enabling location tracking of equipment and remote data wiping.

6.2.19 Storage Media

(a) For any storage media of CCS that store sensitive digital data, a Designated RPSI should:

(i) ensure proper authorization for the disclosure, modification, removal and destruction of sensitive digital data;

(ii) apply relevant encryption controls described in section 6.2.12 Cryptography of this Code; and

(iii) completely erase and destroy the sensitive digital data from storage media before disposal or re-use. A suitable deletion method, such as degaussing, electronic overwriting or cryptographic erasure, should be employed to avoid data leakage.

(b) In addition, where a portable computing device or removable storage media is used, a Designated RPSI should:

(i) protect sensitive digital data stored on portable computing devices and removable storage media by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix sections 3.2.2, 3.3.1 and 3.3.2;

(ii) perform malware scans on portable computing devices and removable storage media to prevent a CCS from malware infection; and

(iii) protect the portable computing devices and removable storage media that store or process sensitive digital data directly involved in the provision of essential services from unauthorized access or misuse.

6.2.20 Backup and Recovery

(a) A Designated RPSI should implement backup and recovery measures for its CCSs and associated data by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix sections 5.1.2, 5.2.3, and relevant requirements outlined in Appendix 1.

(b) Furthermore, a Designated RPSI should implement the following requirements:

(i) The CI operators should perform backups at regular intervals to enable the recovery from loss of data in CCSs. The CI operator should formulate backup and recovery policies for its CCSs. Backup restoration tests should be conducted without affecting the production environment. The frequency of backup reviews and restoration tests should be defined and documented;

(ii) Local and off-site backups should be maintained. Off-site data backups should be stored at a secure and remote location at a sufficient distance to escape from the disasters at the main site;

(iii) Proper procedures should be established for storing and handling of backup data. An immutable copy or a copy that is physically disconnected from a CCS should be stored to avoid corruption of backup data if the CCS is compromised;

(iv) Access to the backup media should be limited to authorized personnel in accordance with the established mechanism. Unauthorized access to the media library or off-site storage room should not be permitted; and

(v) The CI operator should ensure adequate resilience to meet the availability requirements of CCSs.

6.2.21 Network Security

(a) A Designated RPSI should implement network security controls by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix section 3.2.1.

(b) Access to CCSs via wireless communications should be carefully planned to mitigate security risks. Where the use is justified by operational necessity, a Designated RPSI should assess the relevant security risks and implement compensatory security measures by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix sections 3.1.6 and 3.2.1, and implement logging practices with reference to section 6.2.23 Log Management of this Code.

6.2.22 Application Security

(a) When developing or making changes to any application in relation to CCSs, a Designated RPSI should implement a secure development process described in section 6.2.8 Security by Design of this Code and apply change management controls described in section 6.2.16 Change Management of this Code. In addition, a Designated RPSI should ensure only authorized software are installed by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix subdomain 2.1.

(b) A Designated RPSI should protect the source code that it owns, maintains or customises from unauthorized access by implementing proper access control and account management.

(c) Data used for testing should be carefully selected, protected and controlled. In particular, a Designated RPSI should adhere to relevant control principles outlined in the C-RAF maturity assessment matrix section 3.3.2 and relevant requirements outlined in Appendix 1.

6.2.23 Log Management

(a) A Designated RPSI should properly retain and manage system logs that support detection and response to computer-system security incidents concerning CCSs with reference to section 6.2.26 Monitoring and Detection of this Code, and adhere to relevant control principles outlined in the C-RAF maturity assessment matrix section 5.3.1.

(b) Furthermore, a Designated RPSI should define policies for logging activities and retaining logs of CCSs to facilitate computer-system security incident investigations. The policies should include but not be limited to the requirement to log:

(i) Log-on attempts;

(ii) Password change attempts;

(iii) Access attempts to critical files (e.g. software configuration files, password and key files, etc.);

(iv) Use of privileged rights, such as addition and deletion of user accounts;

(v) Changes to user access rights;

(vi) Modifications to audit policies; and

(vii) Activation and de-activation of protection systems, such as anti-malware systems and intrusion detection systems.

(c) The logs should be retained for a minimum period of 6 months. Such logs should be secured so that they cannot be deleted or altered, and can be read only by authorized persons.

(d) Retained logs should contain sufficient information to support after-the-fact investigation of computer-system security incident(s), including the effectiveness of security measures.

6.2.24 Cloud Computing Security

(a) There has been a growing trend of adopting cloud computing via the engagement of third-party Cloud Service Providers, and the scope of function and cloud deployment models varied. In light of this, a Designated RPSI should take note of relevant guidance issued by the HKMA from time to time, as well as internationally recognised standards and best practices, and implement controls for CCSs commensurate to the nature and criticality of its cloud adoption.

(b) In addition, a Designated RPSI should take into account security requirements and guidance stipulated in section 6.2.25 Supply Chain Management of this Code when managing risks associated with cloud adoption.

6.2.25 Supply Chain Management

(a) A Designated RPSI should manage supply chain risks of CCS arising from the engagement with suppliers by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix subdomain 2.1, domain 7, and relevant requirements outlined in Appendix 1.

(b) A Designated RPSI should implement appropriate measures, commensurate with the identified supply chain risk and geopolitical risk, to avoid over-dependence on a single or a few suppliers and better enable management of risks arising from drastic events such as an unplanned vendor exit or product / service unavailability.

6.2.26 Monitoring and Detection

(a) A Designated RPSI should implement measures to detect computer-system security incidents affecting CCSs by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix sections 4.2.1, 4.2.2, 4.3.1 and 4.3.2.

(b) A Designated RPSI should monitor and analyse threat intelligence in relation to CCSs, and take appropriate actions, adhering to relevant control principles outlined in the C-RAF maturity assessment matrix subdomains 4.4 and 6.1.

(c) A Designated RPSI should implement procedures to authorize, control and monitor the use of mobile codes (e.g. JavaScript, VBScript, ActiveX controls, Microsoft Office macros) and scripts within the CCS.

6.2.27 Computer-System Security Training

(a) A Designated RPSI should formulate and implement a training programme by adhering to relevant control principles outlined in the C-RAF maturity assessment matrix section 1.5.2, and regularly evaluate the effectiveness of training activities via user feedback and post-training assessments.

(b) A Designated RPSI may require an external service provider involved in CCS operation through contractual agreements to provide training to its personnel.

### 6.3 Obligation to conduct computer-system security risk assessments

6.3.1 For the purpose of section 24(1) of the Ordinance, a Designated RPSI should refer to nationally or internationally recognised methodologies and standards for computer-system security risk assessment.

6.3.2 The computer-system security risk assessment should include, but not be limited to, all applications, hosts, and network devices of the CCSs.

6.3.3 After conducting the computer-system security risk assessment, a Designated RPSI should document the identified risks to the CCSs, including the likelihood and severity, the level of risks that the CCSs can tolerate, and the required risk mitigation measures and monitoring.

6.3.4 The computer-system security risk assessment should include a vulnerability assessment and a penetration test which, among other steps, identify security and control weaknesses.

6.3.5 The vulnerability assessment in the computer-system security risk assessment should involve various vulnerability identification activities, including but not limited to vulnerability scanning, source code reviews (for internally developed and vendor-provided custom applications), and configuration reviews, to identify potential security loopholes and vulnerabilities. The vulnerability assessment should be conducted under the supervision of a qualified security professional having suitable knowledge, relevant experience and appropriate professional qualifications.

6.3.6 The penetration test in the computer-system security risk assessment should be carried out from the position of a potential attacker or based on threat intelligence, and can involve active exploitation of possible vulnerabilities of the CCSs. The test should include, but not be limited to, the areas of network security, system software security, client-side application security and server-side application security. The penetration test should be conducted by a tester having suitable knowledge, relevant experience and appropriate professional qualifications.

6.3.7 The computer-system security risk assessment report, covering both vulnerability assessment and penetration test, should include at least the following information:

(a) Assessment scope, objectives, methodology, time of assessment, and assumptions for what is and is not covered;

(b) Detailed findings of identified vulnerabilities, including potential impacts, exploitability and priority of each vulnerability, as well as any weakness relating to security control; and

(c) Treatment plan for each finding, with timeline and responsible party for executing and monitoring the implementation of the plan.

6.3.8 When preparing the computer-system security risk assessment report, a Designated RPSI may leverage the results of similar assessment(s) conducted with a different scope or performed at different times, provided that:

(a) the leveraged assessment(s), collectively, covers all CCSs;

(b) the leveraged assessment(s) can achieve the objectives stated in Schedule 4 of the Ordinance;

(c) the leveraged assessment(s) fulfil the requirements and guidance stipulated under sections 6.3.1 to 6.3.7 of this Code; and

(d) the assessment frequency aligns with the specified period stated in section 24(1) of the Ordinance.

6.3.9 A Designated RPSI leveraging the result(s) of similar assessment(s) per section 6.3.8 of this Code should supplement an analysis justifying the applicability of the leveraged assessment(s) in relation to section 6.3.8(a) to (d).

**6.4 Obligation to arrange to carry out computer-system security audits**

6.4.1 A computer-system security audit should assess whether a Designated RPSI's computer-system security management plan is implemented and whether the security controls and measures comply with the computer-system security management plan.

6.4.2 A Designated RPSI should appoint an assessor to conduct the computer-system security audit for their CCSs and adhere to relevant principles outlined in C-RAF Chapter 1 section 1.2.6.

6.4.3 Nationally or internationally recognised methodologies and standards, or computer-system security best practices should be referenced when conducting a computer-system security audit.

6.4.4 The assessor should include at least the following in its conclusion of the audit report:

(a) whether and to what extent the computer-system security management plan is implemented;

(b) whether and to what extent the security controls implemented adhere to the requirements / guidance stipulated in this Code, including the reasonableness and efficacy of any alternative controls employed; and

(c) with respect to items (a) and (b) and findings identified, the overall condition of the computer-system security for the CCSs.

6.4.5 When preparing the computer-system security audit report, a Designated RPSI may leverage similar assessment(s) conducted with a different scope, provided that:

(a) the leveraged assessment(s), collectively, cover all CCSs;

(b) the leveraged assessment(s) fulfil the requirements stipulated under sections 6.4.1 to 6.4.4 of this Code; and

(c) the assessment frequency and period align with the frequency and specified period stated in sections 25(1) and 25(13), respectively, of the Ordinance.

*** ENDS ***

**APPENDIX 1**

| Section of this Code | Relevant Controls / Requirements |
|---|---|
| 6.2.10 (a) | 1. A Designated RPSI should:<br><br>(a) restrict access to information and application systems through an adequate authentication mechanism associated with access control rules. Access control rules determine what application functions, system resources and data a user can access. For each application system, all users should be identified by unique user-identification codes (e.g. user IDs) with appropriate method of authentication (e.g. passwords) to ensure accountability for their activities; and<br><br>(b) implement effective password rules to ensure that easy-to-guess passwords are avoided and passwords are changed on a periodic basis. Stronger authentication methods should be adopted for transactions/activities of higher risk. These usually entail multiple factors for user authentication which combine something one knows (e.g. passwords) and something one has (e.g. a smart card or hardware security tokens).<br><br>2. A Designated RPSI should establish a security administration function and a set of formal procedures for administering the allocation of access rights to system resources and application systems, and monitoring the use of system resources to detect any unusual or unauthorized activities. In particular, the function should cover the following areas:<br><br>(a) granting, changing and removing user access rights subject to proper approval of the information owners. In particular, proper procedures should be in place to ensure that a user's relevant access rights are removed when the user leaves the Designated RPSI or when the user's job responsibilities no longer require such rights;<br><br>(b) ensuring the performance of periodic user access re-certification (e.g. on an annual basis) that confirms whether user access rights remain appropriate and obsolete user accounts have been removed from the systems;<br><br>(c) reviewing security logs and violation reports in a timely manner; and<br><br>(d) performing incident analysis, reporting and investigation. |

| Section of this Code | Relevant Controls / Requirements |
|---|---|
| 6.2.11 (a) | 1. A Designated RPSI should exercise extra care when controlling the use of and access to privileged and emergency IDs[1]. The necessary control procedures include:<br><br>(a) granting of authorities that are strictly necessary to privileged and emergency IDs;<br><br>(b) formal approval by appropriate personnel prior to being released for usage;<br><br>(c) monitoring of the activities performed by privileged and emergency IDs (e.g. peer reviews of activity logs);<br><br>(d) proper safeguard of privileged and emergency IDs and passwords (e.g. kept in a sealed envelope and locked up inside the data centre); and<br><br>(e) change of privileged and emergency IDs' passwords immediately upon return by the requesters. |
| 6.2.12 (b) | 1. If cryptographic technology is used to protect the confidentiality and integrity of a Designated RPSI's information, the Designated RPSI should adopt industry-accepted cryptographic solutions and implement sound key management practices to safeguard the associated cryptographic keys. Sound practices of key management generally include:<br><br>(a) provision of a secure control environment for generation, distribution, storage, entry, use and archiving of cryptographic keys to safeguard against modification and unauthorized disclosure. In particular, the use of tamper-resistant storage is recommended to prevent the disclosure of the cryptographic keys; and<br><br>(b) adequate off-site back-up and contingency arrangements for cryptographic keys which are subject to the same security controls as the production cryptographic keys. |
| 6.2.13 (a) | 1. A Designated RPSI should implement effective password rules to ensure that easy-to-guess passwords are avoided and passwords are changed on a periodic basis. Stronger authentication methods should be adopted for transactions/activities of higher risk. These usually entail multiple factors for user authentication which combine something one knows (e.g. passwords) and something one has (e.g. a smart card or hardware security tokens). |

[1] Privileged and emergency IDs are system accounts which are created with special authorities and extended access to system resources. These IDs are normally established for system administration (i.e. system administration IDs) or for introducing emergency solutions to system problems of the production environment.

| Section of this Code | Relevant Controls / Requirements |
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| 6.2.14 (a) (ii) | 1. A Designated RPSI should:<br><br>(a) implement physical security measures to protect computer facilities and equipment from damage or unauthorized access;<br><br>(b) house critical information processing facilities in secure areas such as data centres and network equipment rooms with appropriate security barriers and entry controls;<br><br>(c) restrict access to secure areas to authorized personnel only;<br><br>(d) regularly review and update the access rights; and<br><br>(e) ensure that buildings should give minimum indication of their purpose, with no obvious signs identifying the presence of information processing facilities.<br><br>2. In controlling access by third-party personnel (e.g. service providers) to secure areas, a Designated RPSI should require proper approval of access and closely monitor their activities. It is also important that proper screening procedures including verification and background checks, especially for sensitive technology-related jobs, are developed for recruitment of permanent and temporary technology staff, and contractors. |
| 6.2.15 (a) | 1. A Designated RPSI should develop control procedures and baseline security requirements to safeguard application programs, operating systems, system software and databases. For example:<br><br>(a) access to data and programs should be controlled by appropriate methods of identification and authentication of users together with proper authorization;<br><br>(b) integrity of static data (e.g. system parameters) should be periodically checked to detect unauthorized changes;<br><br>(c) operating systems, system software, databases and servers should be securely configured to meet the intended uses with all unnecessary services and programs disabled or removed. Use of security tools should be considered to strengthen the security of critical systems and servers;<br><br>(d) clear responsibilities should be established to ensure that the necessary patches and security updates developed from time to time by relevant vendors are identified, assessed, tested and applied to the systems in a timely manner; |

| Section of this Code | Relevant Controls / Requirements |
|---|---|
| | (e) all configurations and settings of operating systems, system software, databases and servers should be adequately documented. Periodic certifications of the security settings should be performed (e.g. by the technology risk management function or the technology audit function); and<br><br>(f) adequate logging and monitoring of system and user activities should be in place to detect anomalies, and the logs should be securely protected from manipulation. |
| 6.2.16 (a) | 1. A Designated RPSI should:<br><br>(a) establish a formal acceptance process to ensure that only properly tested and approved systems are promoted to the production environment.;<br><br>(b) carry out system and user acceptance testing in an environment separated from the production environment. Production data should not be used in development or acceptance testing unless the data has been desensitised (i.e. not disclosing personal or sensitive information) and prior approval from the information owner has been obtained; and<br><br>(c) perform performance testing before newly developed systems are promoted to the production environment.<br><br>2. Change management is the process of planning, scheduling, applying, distributing and tracking changes to application systems, system software (e.g. operating systems and utilities), hardware, network systems, and other IT facilities and equipment. An effective change management process helps to ensure the integrity and reliability of the production environment. A Designated RPSI should develop a formal change management process that includes:<br><br>(a) classification and prioritisation of changes and determination of the impact of changes;<br><br>(b) roles and responsibilities of each relevant party, including IT functions and end-user departments, with adequate segregation of duties. This is to ensure that no single person can effect changes to the production environment without the review and approval of other authorized personnel;<br><br>(c) program version controls and audit trails; |

| Section of this Code | Relevant Controls / Requirements |
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| | (d) scheduling, tracking, monitoring and implementation of changes to minimise business disruption;<br><br>(e) a process for rolling-back changes to re-instate the original programs, system configuration or data in the event of production release problems; and<br><br>(f) a post implementation verification of the changes made (e.g. by checking the versions of major amendments).<br><br>3. To enable unforeseen problems to be addressed in a timely and controlled manner, a Designated RPSI should establish formal procedures to manage emergency changes. The necessary procedures include:<br><br>(a) approval of emergency changes by the information owner (for changes affecting application systems or production data) and other relevant parties at the time of change. If the change needs to be introduced as a matter of urgency and it is impracticable to seek the approval of the information owner, endorsement should be sought from the information owner after the implementation as soon as practicable (e.g. on the following business day);<br><br>(b) logging and backup of all emergency changes, including the previous and changed program versions and data, to enable possible recovery of the previous program versions and data files if necessary; and<br><br>(c) review of emergency changes by independent personnel to ensure that the changes are proper and do not have an undesirable impact on the production environment. They should be subsequently replaced by proper fixes through the normal acceptance testing and change management procedures. |
| 6.2.18 (a) | 1. Controls over mobile computing are required to manage the risks of working in an unprotected environment. In protecting a Designated RPSI's information, the Designated RPSI should establish control procedures covering:<br><br>(a) an approval process for user requests for mobile computing;<br><br>(b) authentication controls for remote access to networks, host data and/or systems;<br><br>(c) protection (e.g. against theft and malicious software) of equipment and devices for mobile computing; |

| Section of this Code | Relevant Controls / Requirements |
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| | (d) use of data encryption software to protect sensitive information and business transactions in the mobile environment and when being transmitted; and<br><br>(e) back-up of data and/or systems in the mobile computing devices. |
| 6.2.20 (a) | 1. Detailed operational instructions such as computer operator tasks, and job scheduling and execution (e.g. instructions for processing information, scheduling requirements and system housekeeping activities) should be documented in an IT operations manual. The IT operations manual should also cover the procedures and requirements for on-site and off-site back-up of data and software in both the production and development environments (e.g. the frequency, scope and retention periods of back-up).<br><br>2. Copies of vital records should be stored off-site as soon as possible after creation. Back-up vital records must be readily accessible for emergency retrieval. Access to back-up vital records should be adequately controlled to ensure that they are reliable for business resumption purposes. For certain critical operations, a Designated RPSI should consider the need for instantaneous data back-up (e.g. adopting real-time data mirroring technology) to ensure prompt system and data recovery. There should be clear procedures indicating how and in what priority vital records are to be retrieved or recreated in the event that they are lost, damaged or destroyed.<br><br>3. Alternate sites for technology recovery (i.e. back-up data centres), which may be separate from the alternate business site, should have sufficient technical equipment (e.g. workstations, servers, printers, etc.) of appropriate model, size and capacity to meet recovery requirements as specified by a Designated RPSI's BCPs. The sites should also have adequate telecommunication (including bandwidth) facilities and pre-installed network connections as specified by its BCPs to handle the expected voice and data traffic volume. |

| Section of this Code | Relevant Controls / Requirements |
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| 6.2.22 (c) | 1. A Designated RPSI should:<br><br>(a) establish a formal acceptance process to ensure that only properly tested and approved systems are promoted to the production environment;<br><br>(b) carry out system and user acceptance testing in an environment separated from the production environment. Production data should not be used in development or acceptance testing unless the data has been desensitised (i.e. not disclosing personal or sensitive information) and prior approval from the information owner has been obtained; and<br><br>(c) perform performance testing before newly developed systems are promoted to the production environment. |
| 6.2.25 (a) | 1. The board of directors and senior management of a Designated RPSI should ensure that their institution's governance framework for third-party risk management and cybersecurity place sufficient emphasis on cyber risk associated with the use of third-party services and products. The governance framework should set out structured and cohesive processes to identify, assess and manage cyber risk associated with different types of third-party relationships, including outsourcing and non-outsourcing arrangements as well as IT asset acquisitions. Well-defined risk parameters, such as the sensitivity and volume of data involved, the interconnectivity with other systems, and the complexity of the supply chain, should be developed. This would enable a Designated RPSI to systematically assess and address the cyber risk implications of each third-party relationship under different scenarios (e.g. data breaches, operational disruptions, potential spill over damage in case of security compromise of third-party services or products).<br><br>2. As part of their third-party risk management processes, a Designated RPSI should holistically identify, assess and mitigate cyber risk associated with third-parties before onboarding, and conduct regular reviews thereafter. This should include identifying cyber risk resulting from the actual operational set-up (such as sensitive data generation, exchange and storage, and access to and interaction with a Designated RPSI's internal systems and/or systems of fourth-parties), assessing the cyber resilience of their third-party service providers, and ensuring adequate security measures (e.g. data encryption, access controls, network and service interface monitoring) are in place to mitigate the relevant risks. When conducting these reviews, a Designated RPSI should follow a risk-based approach and should not rely solely on the general IT and security controls of the third-parties or external audit assurance reports. A Designated RPSI should ensure that these |

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| | control measures are properly implemented and proportionate to the underlying risks throughout the third-party management lifecycle. Where appropriate, these control measures should be set out in contractual agreements, with their effectiveness monitored through regular service meetings and periodic re-assessments.<br><br>3. In light of the emerging threat of supply chain attacks, it is important for a Designated RPSI to conduct additional assessments of supply chain risks arising from third-parties which support a Designated RPSI's critical operations or which can cause a higher security risk if the third-party service or product is compromised. This would normally involve obtaining a better understanding of the third-parties' supply chains and conducting additional due diligence on areas such as dependencies on fourth-parties, use of open-source software and codes, end-to-end data processing and storage arrangements. The outcome of these reviews would enable a Designated RPSI to assess third-party cyber risks more precisely and comprehensively, so as to determine the right level of ongoing monitoring required and facilitate effective responses to supply chain attacks targeting or affecting these third-parties. Further, to address the tactic of supply chain attacks through vulnerable commercial software, a Designated RPSI should understand the secure software development practices of the software provider prior to acquiring mission critical system components. For cases assessed to be of high risk, a Designated RPSI should consider conducting additional security assurance reviews (e.g. application security architecture review and penetration testing) prior to deploying the software in the production environment. |