



BERMUDA

DIGITAL ASSET BUSINESS (CYBERSECURITY) RULES 2018

BR 99 / 2018

The Bermuda Monetary Authority, in exercise of the power conferred by section 7 of the Digital Asset Business Act 2018, makes the following Rules:

Citation

1 These Rules may be cited as the Digital Asset Business (Cybersecurity) Rules 2018.

Interpretation

2 In these Rules—

“Authority” means the Bermuda Monetary Authority established under the Bermuda Monetary Authority Act 1969;

“Chief Information Security Officer” means the senior executive, by whatever title called, appointed by the licensed undertaking to oversee and implement its cyber security program and enforce its cyber security policies.

Annual cyber security report

3 Every licensed undertaking shall annually file with the Authority a written report prepared by its Chief Information Security Officer assessing—

- (a) the availability, functionality and integrity of its electronic systems;
- (b) any identified cyber risk arising from any digital asset business carried on or to be carried on, by the licensed undertaking;
- (c) the cyber security program implemented and proposals for steps for the redress of any inadequacies identified.

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Cyber security program

4 (1) The cyber security program of a licensed undertaking shall include but is not limited to, the audit functions set forth below—

- (a) penetration testing of its electronic systems and vulnerability assessment of those systems conducted at least on a quarterly basis;
- (b) audit trail systems that—
 - (i) track and maintain data that allows for the complete and accurate reconstruction of all financial transactions and accounting;
 - (ii) protect the integrity of data stored and maintained as a part of the audit trail from alteration or tampering;
 - (iii) protect the integrity of hardware from alteration or tampering, including by limiting electronic and physical access permissions to hardware and maintaining logs of physical access to hardware that allows for event reconstruction;
 - (iv) log system events including but not limited to access and alterations made to the audit trail systems, and Cyber Security Events;
 - (v) maintain records produced as part of the audit trail.

(2) Every licensed undertaking shall engage a qualified independent party to audit its systems and provide a written opinion to the Authority that the licensed undertaking's cyber security program and controls are suitably designed and operating effectively to meet the requirements of these Rules and applicable codes of practice.

Made this 7th day of September 2018

Chairman
The Bermuda Monetary Authority

[Operative Date: 11 September 2018]