



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B1/15C
B9/29C

3 November 2020

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Cybersecurity Fortification Initiative 2.0

I am writing to inform authorized institutions (AIs) of the introduction of Cybersecurity Fortification Initiative (CFI) 2.0 and the associated implementation timeline.

The Hong Kong Monetary Authority (HKMA) has recently completed a review of the CFI, which was launched in 2016 to raise the cyber resilience of Hong Kong's banking system. The initiative is underpinned by three pillars: (i) the Cyber Resilience Assessment Framework (C-RAF); (ii) the Professional Development Programme (PDP); and (iii) the Cyber Intelligence Sharing Platform (CISP).

CFI 2.0 has been developed after extensive consultation with the banking industry. Many of the industry's comments received during the consultation have been taken on board. Changes have also been made to reflect the latest developments in overseas cyber practices. Specifically, recent international sound practices on cyber incident response and recovery have been incorporated into the enhanced control principles under C-RAF. As regards the PDP, the certification list has been expanded to include equivalent qualifications in major overseas jurisdictions. The HKMA has also put forward a series of recommendations to the Hong Kong Association of Banks to make the CISP more user-friendly. More details of the enhancements to the CFI can be found in the Annex to this circular.

CFI 2.0 will come into effect from 1 January 2021. The HKMA will continue to adopt a phased approach to the implementation of C-RAF 2.0¹. Specifically:

- (i) AIs will be divided into three groups similar to those adopted for C-RAF 1.0. Group 1 will cover all major retail banks, selected foreign bank branches and new AIs which have not undertaken the C-RAF assessments before. The rest will be included in Group 2 or 3 depending on their scale of operation and cyber risk profile. The HKMA will inform AIs individually of their assigned grouping.

¹ Available on the HKMA's Supervisory Communication Website.

- (ii) The timeline for completing the C-RAF 2.0 assessments for the 3 groups of AIs is as follows:

	Group 1	Group 2	Group 3
Inherent Risk Assessment and Maturity Assessment	End-September 2021	End-June 2022	End-March 2023
iCAST (applicable to AIs with inherent risk level assessed to be “medium” or “high”)	End-June 2022	End-March 2023	End-December 2023

Should you have any questions regarding the implementation schedule of C-RAF 2.0, please contact Ms Connie Tse at 2597 0617 or Mr Jacky Lau at 2878 1578. For questions relating to CFI 2.0, please get into touch with the HKMA’s Fintech Facilitation Office via fintech@hkma.gov.hk.

Yours faithfully,

Raymond Chan
Executive Director (Banking Supervision)

Encl.