

Mr Andrew McPherson
Senior Specialist, Market Infrastructure
Australian Securities and Investments Commission
Level 5, 100 Market Street
Sydney, NSW 2000



Submitted via: rules.resilience@asic.gov.au

8 August 2019

Dear Sir,

Re: Asia Cloud Computing Association's (ACCA) Response to the ASIC's Consultation Paper 314 - Market Integrity Rules for Technological and Operational Resilience

The Asia Cloud Computing Association (ACCA) thanks the Australian Securities and Investments Commission (ASIC) for the opportunity to provide feedback on the Consultation Paper 314 – Market Integrity Rules for Technological and Operational Resilience. ACCA commends ASIC for strengthening the legal framework for governing securities and futures market operators and participants and making them more accountable under the law.

As the apex industry association for Asia Pacific stakeholders in the cloud computing ecosystem, we represent a vendor-neutral voice of the private sector to government and other stakeholders. Our mission is to accelerate the adoption of Cloud computing through Asia Pacific by helping to create a trusted and compelling market environment, and a safe and consistent regulatory environment for cloud computing products and services. We are committed to strengthening cybersecurity resilience and developing a robust technology ecosystem which supports a vibrant digital economy.

Following discussions with our member companies, we are submitting our responses and comments on the consultation paper.

I would be happy to speak further with the ASIC on any of these items or host a vendor-neutral discussion between the ASIC and other members of the industry from the ACCA to talk about financial industry adoption of cloud and how business continuity can be handled on the cloud. Please feel free to contact me if this is of interest.

I look forward to hearing from you, and welcome your response on the issues raised.

Yours sincerely,
Lim May-Ann
Executive Director
Asia Cloud Computing Association
[REDACTED]

Asia Cloud Computing Association's (ACCA) Response to ASIC's Consultation Paper 314 - Market Integrity Rules for Technological and Operational Resilience

Comment #1: B3Q4 Do you agree with the specific outsourcing arrangements proposed?

B3(c)(ii) “requires a service provider to obtain approval before outsourcing any of the services already outsourced to them to another party and before making any other material change to the manner in which the services covered by the outsourcing arrangement are provided; and”

The ACCA recommends that the requirement for approval be replaced by a requirement for notification within a reasonable period of time. This is because Cloud Services Providers (CSPs) use various third-party processors (e.g.: call centers with different language capabilities) to meet customer needs. As CSPs use these third-party processors for all their customers, and not just market operators and market participants, requiring them to obtain approvals before they can change third-party processors would unduly impede the CSPs' operations for providing services to all customers.

Comment #2: B3Q6 How will these proposed rules affect your business? If you are a market participant or market operator, please provide an estimate of the time and costs to implement these arrangements. In providing this estimate, please compare this with your expenditure on your current outsourcing arrangements.

B3(d)(v) “ensure that ASIC has the same access to all books, records and other information relating to the critical systems and maintained by the service provider, that ASIC would have if not for the outsourcing arrangement; and”

The ACCA notes that for regulated financial services customers, CSPs already have financial services addendums or other contractual arrangements that require them to provide regulators the right to access and audit the regulated entity's information upon request.

Comment #3: B5Q5 How will these proposed rules affect your business? If you are a market participant or market operator, please provide an estimate of the time and costs to implement these arrangements. In providing this estimate, please compare this with your expenditure on incident management and business continuity arrangements.

B5(i) “require market operators and market participants to review and test their incident management and business continuity arrangements:”

The ACCA recognises that it is industry practice for cloud customers to test incident management and business continuity arrangements only on their own workloads at the CSP. As CSPs manage services for many customers at a time, it is not feasible for a CSP to run incident management on the systems that other customers depend on.