



Fact Sheet

January 2019

Overview

Emergent cyber threats are unpredictable. They are evolving from being mainly financially motivated (accessing customer data) to include political motivations (destabilizing the financial system), sometimes by highly sophisticated state actors.

Cyber security is keeping bank executives and directors up at night, with 84% ranking it in the [top 3 risks their bank faces](#), according to Bank Director's most recent survey. [McAfee](#) estimates that cybercrime currently costs the global economy \$600 billion a year, up 34% in the last three years. The financial sector is the top target.

Individual institutions cannot prevent all attacks. Yet in today's connected world, a paralyzing attack on even one institution that prevents customers from accessing their accounts could cause panic that infects the whole financial system.

The U.S. financial services industry has developed a solution to protect customers, institutions, and public confidence in the financial system itself in the event of such a devastating disruption.

Sheltered Harbor is the not-for-profit, industry-led standard for protecting and recovering customer account data in the event that a catastrophic event like a cyberattack causes critical systems - including backups - to fail.

Industry Adoption

Sheltered Harbor is currently open to U.S. banks, credit unions, broker-dealers, asset managers, and service providers of all sizes, and already has a critical mass of industry adoption.

As of January 2019, participants hold:

- 70% of U.S. deposit accounts
- 55% of U.S. retail brokerage client assets

How it Works: Three Pillars

Data Vaulting

Institutions back up critical customer account data each night in the Sheltered Harbor standard format, either managing their own vault or using their service provider.

The data vault is encrypted, unchangeable, and completely separated from the institution's infrastructure, including all backups.

Sheltered Harbor Resiliency Planning

Institutions prepare the business and technical processes and key decision arrangements to be activated in the case of a Sheltered Harbor event; where all other options to restore critical systems - including backups - have failed.

They also designate a restoration partner so that if the Sheltered Harbor Resiliency Plan is activated, the partner can recover data from the vault to restore customer funds access as quickly as possible while the institution works to get back online.

Certification

Certification is a critical component of the Sheltered Harbor initiative. Participants adopt a robust set of prescribed internal controls and perform professional audits to ensure compliance.

Upon successful completion of the Data Vaulting requirements, the institution will be awarded a certification seal, communicating to the public that customer account data is protected.

Sheltered Harbor the Organization

Origins

Sheltered Harbor emerged out of a series of public-private cybersecurity simulations run by the U.S. Treasury Department known as the Hamilton Series. The conclusion of the exercises was that the financial services industry - and the US economy - could be vulnerable if an attack disabling an individual institution leads to large-scale customer panic.

So leading financial institutions, industry trade groups and large service providers established the Sheltered Harbor initiative to create a system-wide resiliency standard for the scenario in which a financial institution loses its operational capabilities.

Structure

Sheltered Harbor is a not-for-profit LLC, structured as a subsidiary of FS-ISAC (Financial Services Information Sharing and Analysis Center) with an independent board of directors.

It has a core team whose primary functions are to establish the standard, promote adoption to the industry, support implementation, and ensure adherence.

Ecosystem

From the beginning, Sheltered Harbor has enjoyed critical industry support from financial institutions, clearing houses, core processors and industry trade associations including:

- American Bankers Association (ABA)
- BITS, Bank Policy Institute (BITS/BPI)
- Credit Union National Association (CUNA)
- Financial Services Forum (FSF)
- Financial Services Information Sharing and Analysis Center (FS-ISAC)
- Independent Community Bankers of America (ICBA)
- National Association of Federal Credit Unions (NAFCU)
- Securities Industry and Financial Markets Association (SIFMA)
- The Clearing House (TCH)

More than one hundred subject matter experts collaboratively designed the solution. The initiative continues to support multiple workstreams, leveraging up to two hundred subject matter experts and industry professionals at any one time, who work together to ensure the Sheltered Harbor model is the gold standard in sector resiliency.

Sheltered Harbor partners with leading global and national advisory and assurance firms to assist with participant implementation. The number and scope of these partnerships continues to expand as the initiative matures.

Leadership

Sheltered Harbor is governed by its board of directors, comprised of financial institutions of all sizes, clearing houses, core processors and industry trade associations.

The board of directors is led by:

- Co-Chairman Phil Venables, Partner and Chief Operational Risk Officer at Goldman Sachs
- Co-Chairman Don Callahan, Head of Operations & Technology at Citi

Development and execution of Sheltered Harbor's strategy is led by:

- Chief Executive Officer Trey Maust, Co-Founder and Executive Vice Chairman of Lewis & Clark Bank
- President and Chief Operating Officer Carlos Recalde, former CTO of the asset management business at SunGard and FIS

How to Join

Sheltered Harbor participation is currently open to U.S. banks, credit unions, broker-dealers, and service providers of all sizes. Joining entitles participants access to the standard, support content and experts to help with implementation, and the knowledge that the institution is being proactive in protecting its customer account data, its own business, and public confidence in the US financial system.

Participation information and questions:

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