



July 20, 2020

Financial Stability Board Secretariat
Bank for International Settlements
Basel, Switzerland

Via Email (CIRR@fsb.org)

Re: Effective Practices for Cyber Incident Response and Recovery

Members of the Secretariat,

The Clearing House Payments Company, L.L.C.¹ is pleased to provide comments responding to the consultative document issued by the Financial Stability Board (FSB) this past April regarding effective practices for cyber incident response and recovery. As a private sector operator of a systemically important financial market infrastructure, CHIPS², The Clearing House shares the FSB's belief that cyber resiliency is critical to financial stability. Cyber resiliency is a top risk management priority for us. We have devoted significant attention and effort to enhancing the cyber resiliency of CHIPS over the past few years and are committed to continuing these efforts to further evolve and enhance our institutional as well as the financial community's cyber resiliency.

The Clearing House strongly supports the FSB's work to develop a toolkit of effective practices for cyber incident response and recovery. We think the toolkit serves as a foundational and holistic reference for organizations within the financial ecosystem that are in the early phases of their cyber resiliency planning. We agree that the toolkit should not constitute standards for organizations or supervisory authorities given the robust regulatory expectations that have already been articulated through *Guidance on Cyber Resiliency for Financial Market Infrastructures*³ and implemented through rigorous

¹ Since its founding in 1853, The Clearing House has delivered safe and reliable payments systems, facilitated bank-led payments innovation, and provided thought leadership on strategic payments issues. Today, The Clearing House is the only private-sector ACH and wire operator in the United States, clearing and settling nearly \$2 trillion in U.S. dollar payments each day, representing half of all commercial ACH and wire volume. It also operates the RTP[®] system, a new real-time payment infrastructure for the United States. As the country's oldest banking trade association, The Clearing House also provides informed advocacy and thought leadership on critical payments-related issues facing financial institutions today.

² More information about CHIPS is available on The Clearing House website (<https://www.theclearinghouse.org/payment-systems/chips>) and the CHIPS 2020 Public Disclosure (https://www.theclearinghouse.org/-/media/new/tch/documents/payment-systems/chips_public_disclosure_june_2020.pdf) .

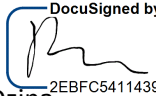
³ Committee on Payment and Market Infrastructures, "Guidance on Cyber Resiliency for Financial Market Infrastructures" (2016).

supervisory programs in the U.S. and other countries. We view the toolkit as most useful to organizations in the financial ecosystem with less mature cyber resiliency programs.

For organizations with more mature cyber resiliency programs, The Clearing House believes that the FSB and Committee on Payments and Market Infrastructures have a unique role to play in facilitating further international dialogue between public authorities, financial market infrastructures, and financial institutions regarding cyber resiliency. In particular, we think more dialogue is needed with respect to how organizations can share information about cyber incidents without jeopardizing their relationships or connections to the rest of the ecosystem. We note here that while there are national level information sharing organizations with protocols that mitigate the risk that an organization will be ostracized if it suffers and discloses information about some form of cyber event, there is no such capacity at an international level. Additionally, we would value more discussion about the challenges and potential solutions for how cyber-impacted organizations can communicate in a timely and effective manner with their many stakeholders during a cyber event.

The Clearing House appreciates this opportunity to comment on the FSB's cyber resiliency toolkit. We look forward to ongoing discussions with our peers in the financial ecosystem about this critical topic.

Very Truly Yours,

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Richard Dzina
Senior Vice President, Product Development

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