15 May 2017

Circular to All Licensed Corporations

Alert for Ransomware Threats

It is widely reported that a new variant of ransomware namely, 'WannaCry'[1] has spread over the Internet and infected many computer devices across the world including Hong Kong. In such ransomware attacks, the victim's files are maliciously encrypted and a ransom is requested by the criminals in order to recover the victim's files. It is possible that similar cybersecurity incidents would be observed across the securities industry in Hong Kong.

All licensed corporations are reminded to be on alert for cybersecurity threats (including ransomware attacks) and implement appropriate measures to address the risks. Some suggested measures have been provided in the security alert released by the HKCERT[2]. For examples, the following preventive measures should be considered:

- apply the latest security update to your computers and network devices;
- install and properly set up a firewall or broadband router for connecting your devices to the internet;
- perform offline backup (i.e. backup in another storage device, disconnect it after backup);
- do not open links and attachment in any suspicious emails;
- do not connect any computer or device to your office network before proper verification of the security; and
- ensure that anti-virus or internet security application is installed and timely updated.

Furthermore, licensed corporations are expected to take immediate actions (including seeking advice from external contracted vendors if they do not possess such expertise and/or resources in-house) to critically review and assess the effectiveness of their cybersecurity controls in place. Reference should also be made to the suggested cybersecurity controls provided in our previous circulars[3] concerning cybersecurity. Lastly, licensed corporations are reminded to report to the SFC immediately upon happening of any material cybersecurity incident including ransomware attacks.

Should you have any questions regarding the contents of this circular, please contact Ms Denise Chan at 2231 1188.

[1] WannaCry (also known as 'WannaCrypt' or 'Wanna Decryptor', etc.) has the ability to spread itself within corporate networks, without user interaction, by exploiting a known vulnerability in Microsoft Windows. Computers which do not have the latest Windows security updates applied are at risk of infection.

[2] Please refer to https://www.hkcert.org/my_url/en/blog/17051401 released by Hong Kong Computer Emergency Response Team Coordination Centre ("HKCERT").

[3] Circular to All Licensed Corporations - Alert for Cybersecurity Threats dated 26 January 2017;
Circular to All Licensed Corporations on Cybersecurity dated 23 March 2016;
Circular to All Brokers – Tips on Protection of Online Trading Accounts dated 29 January 2016;
Circular to All Licensed Corporations on Internet Trading – Internet Trading Self-Assessment Checklist dated 11 June 2015;
Circular to Licensed Corporations – Mitigating Cybersecurity Risks dated 27 November 2014;
Circular to All Licensed Corporations on Internet Trading – Information Security Management and System Adequacy dated 26 November 2014; and
Circular to All Licensed Corporations on Internet Trading - Reducing Internet Hacking Risks dated 27 January 2014.

Intermediaries Supervision Department
Intermediaries Division
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End

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