



Finland's experiences with sectorwide back-up solutions

6th Annual Nordic Cyber in Finance Conference 26th September 2023,
Copenhagen

Board Member Tuomas Välimäki
Bank of Finland

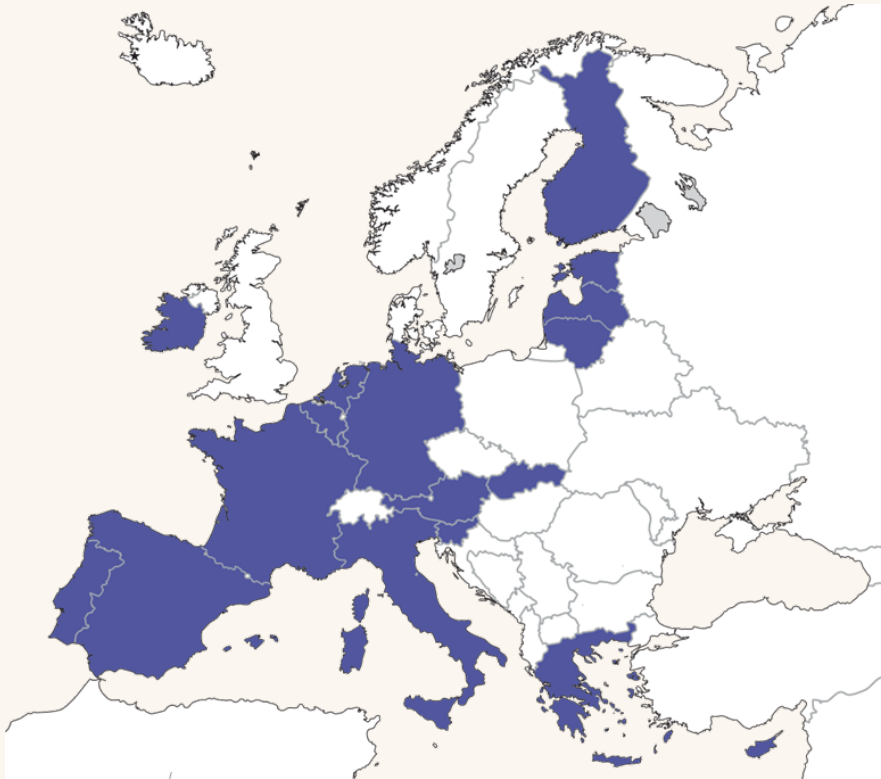
Why and to what extent should the industry be prepared?

- Ensure business continuity
- Retain trust in the financial sector
- Support financial stability and financial intermediation
- Enable society's ability to function
- How to find a common ambition level?

Why preparedness became a key topic in Finland

- Structural changes in the financial sector
 - Shift from local services and IT systems to international
 - Technological development
 - Outsourcing of supply chains, concertation, and location of IT systems
 - Geopolitical situation
 - Need for a new preparedness regulation inevitable in spring 2022
- *Preparedness must evolve with the technological development and the changing threat landscape*

Finland as an island



- Target2
- Tips
- Visa
- MasterCard
- Commercial banks' operations
- ...

Securing daily payments in Finland

- Authorities established backup arrangements in summer 2022 to secure national retail payments.
- Preparations included legislative changes and building of technical capabilities.
 - Legislative changes (666/2022) in force as of 11.7.2022.
 - Technical capabilities were introduced soon after the legislation
- Technical solution consists of two parts
 1. The backup account system maintained by the resolution authority secures customers' access to accounts, the functioning of the debit cards and cash withdrawals.
 2. Payments to/from the backup account system transmitted via the Bank of Finland contingency system.

International preparedness

- Shared understanding of the importance to protect against cyber risks, but little international tools to respond to international cyber incidents
- National backup solutions can be used to restore national functions
- International functions need international solutions

Further questions on preparedness

- Other critical services to be regulated from this perspective?
- Preparedness for existing services vs stand-by solutions for extreme scenarios?
- The usefulness of cloud services as solutions for preparedness?
- International vs. national preparedness. Should we aim at harmonizing regulation in the Nordics?
- The role of CBDCs in preparedness?



Thank you!

e-mail: tuomas.valimaki@bof.fi

Twitter: [@TuomasValimaki](https://twitter.com/TuomasValimaki)

bof.fi