

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:508

ANSWERED ON:18.11.2016

Data Breach in Banks

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Indian banking sector has recently experienced the worst reported data breach/cyber attack of its system;
- (b) if so, the details thereof along with the number of customers affected and amount involved therein, bank and State/UT-wise;
- (c) whether the Government has conducted any inquiry in this regard and if so, the details thereof and the outcome therefrom;
- (d) whether the Government has any proposal to establish a dedicated monitoring system and setting up a cyber security research and development fund and if so, the details thereof; and
- (e) the other remedial steps taken/being taken by the Government/National Payments Corporation of India (NPCI) to check such incidents in future?

Answer

The Minister of State in the Ministry of Finance

(a) to (e): Reserve Bank of India (RBI) has informed that an incident of data breach with respect to cards was reported and the matter is under investigation. Independent investigation by a forensic auditor approved under Payment Card Industry Data Security Standard (PCI-DSS) framework is under process.

RBI has set up a Cyber Security and IT Examination (CSITE) Cell within its Department of Banking Supervision in 2015. The Bank issued a comprehensive circular on Cyber Security Framework in Banks on June 2, 2016 covering best practices pertaining to various aspects of cyber security. The circular requires banks to have among other things, a cyber-security policy, cyber crisis management plan, a gap assessment vis-a-vis the baseline requirements indicated in the circular, monitoring certain risk indicators in this area, report unusual cyber security incidents within 2 to 6 hours.

RBI has been carrying out IT Examination of banks from last year. RBI has also set up a Cyber Crisis Management Group to address any major incidents reported including suggesting ways to respond and recover to/from the incidents. Department of Banking Supervision also conducts cyber security preparedness testing among banks on the basis of hypothetical scenarios with the help of CERT-In. RBI has also set up an IT Subsidiary, which would focus, among other things, on cyber security within RBI as well as in regulated entities.
