



# National Infrastructure Protection Plan

## Banking and Finance Sector

Homeland Security Presidential Directive 7 (HSPD-7) identified 17 critical infrastructure and key resources (CIKR) sectors and designated Federal Government Sector-Specific Agencies (SSAs) for each of the sectors. Each sector is responsible for developing and implementing a Sector-Specific Plan and providing sector-level performance feedback to the Department of Homeland Security (DHS) to enable gap assessments of national cross-sector CIKR protection programs. SSAs are responsible for collaborating with private sector security partners and encouraging the development of appropriate information-sharing and analysis mechanisms within the sector.

### Sector Overview

The Banking and Finance Sector, the backbone of the world economy, is a large and diverse sector primarily owned and operated by private entities. In 2007, the sector accounted for more than 8.0 percent of the U.S. gross domestic product.

The Banking and Finance Sector consists of over 29,000 financial firms, including depository financial institutions (banks, thrifts, credit unions), insurers, securities brokers/dealers, investment companies, and certain financial utilities. Financial services firms provide a broad array of products to their customers. They allow customers to deposit funds and make payments to other parties, provide credit and liquidity to customers, allow customers to invest funds for both the long and short term, and transfer financial risks between customers.

The financial institutions that provide these services are all somewhat different, each within a specific part or parts of the financial services marketplace. Financial institutions operate to provide customers the financial products that they want, ensure the institution's financial integrity, protect customers'

assets, and guarantee the integrity of the financial system. As such, financial institutions and the financial markets that they organize manage a wide variety of financial and certain non-financial risks.

In addition to the actions of financial institutions, direct financial regulation applies to many, but not all, financial services providers. The U.S. system of financial regulation is complex and exists at both the Federal and State levels. The regulatory systems for financial services firms manage and regulate various forms of risk and guard against prohibited practices.

### Sector Partnerships

According to Homeland Security Presidential Directive 7 (HSPD-7), the Department of the Treasury was named as the SSA for the Banking and Finance Sector. The Banking and Finance Sector is responsible for working collaboratively with public and private sector partners to identify, prioritize, and coordinate the protection of critical infrastructure. The Treasury Department has formalized the collaboration of

the sector's regulators, associations and individual market participants through the following organizations:

- The Financial and Banking Information Infrastructure Committee (FBIIC) is chartered under the President's Working Group on Financial Markets, and is charged with improving coordination and communication among financial regulators, enhancing the resiliency of the financial sector, and promoting the public/private partnership.<sup>1</sup> Treasury's Assistant Secretary for Financial Institutions chairs the committee. Its mission is defined as "Working with appropriate members of financial institution regulatory agencies to coordinate efforts to improve the reliability and security of financial information infrastructure." To fulfill its mission, the committee will:
  - Identify critical infrastructure assets, their locations and potential vulnerabilities, and prioritize their importance to the financial system of the U.S.;
  - Establish secure communications capability among the financial regulators and protocols for communicating during an emergency; and
  - Ensure sufficient staff at each member agency with appropriate security clearances to handle classified information and to coordinate in the event of an emergency.
- The Financial Services Sector Coordinating Council (FSSCC) for Critical Infrastructure Protection and Homeland Security (CIP/HLS), a group of more than 30 private-sector firms and financial trade associations that fosters and coordinates sector-wide initiatives to improve critical infrastructure protection.<sup>2</sup>
- Launched in 1999, the Financial Services-Information Sharing and Analysis Center (FS-ISAC) is a private sector organization with a mission to share specific threat and vulnerability information—including physical and cyber—with the private and public sectors and share best practices on incident response. The FS-ISAC provides sector-wide knowledge about physical and cyber security risks faced by the financial services sector.<sup>3</sup>

The public and private sectors both share the following vision statement:

To continue to improve the resilience and availability of financial services, the Banking and Finance Sector will work through its public-private partnership to address the evolving nature of threats and the risks posed by the sector's dependency upon other critical sectors.

The Department of the Treasury and the FBIIC have identified four important sector dependencies: (1) Energy, (2) Information Technology, (3) Transportation Systems, and (4) Communications. A perfect example of cross-sector dependencies with the Banking and Finance Sector is the Financial Services Sector pandemic flu exercise conducted in 2007. The FBIIC and the FSSCC conducted a three-week FBIIC/FSSCC Pandemic Flu Exercise that allowed the financial services sector to identify systemic risks, operational gaps, and external critical dependencies that may occur during a pandemic.<sup>4</sup> The after action report for the exercise indicated that the majority of participants understood their external dependencies and that their plans, based on the exercise scenario, were moderately effective at addressing these dependencies.

The Banking and Finance Sector relies on an extensive and complex supply chain, often reaching to providers outside the United States, including a number of third-party providers. The international nature of financial services markets and the cross-border interdependencies in financial infrastructure require the development of close cooperative relationships with public-private sector organizations in major markets around the world. These relationships will ensure a coordinated approach to financial infrastructure protection around the globe.



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For questions or more information, please contact [NIPP@dhs.gov](mailto:NIPP@dhs.gov) or visit [www.dhs.gov/nipp](http://www.dhs.gov/nipp).

<sup>1</sup> More information about the FBIIC is available at <http://www.fbiic.gov>.

<sup>2</sup> More information about the FSSCC is available at <http://www.fsscc.org>.

<sup>3</sup> More information about the FS-ISAC is available at <http://www.fsisac.com>.

<sup>4</sup> The FBIIC/FSSCC Pandemic Flu Exercise of 2007 After Action Report and exercise material is available <http://www.fspanfluexercise.com>.