



Mid PI Update

Inherent Fraud Risks from hub perspective

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**Previous
work**

Key focus

- Previous work did not encompass

Inherent risk of running a hub

Internal fraud

FOREX risk

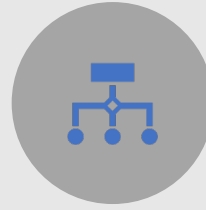
Settlement risk



Key Processes of digital money



Money Creation



Money Movement



Liquidation of
money



Integration



Syndicate Frauds

Fraud Risk identification

34 new risks identified around

- Settlement fraud
- Rouge element within central hub
- Data theft / snooping
- Forex
- Configuration risk
- Arbitrage arising due to processes of hub or operator

Broader group discussion

34 INHERENT HUB RISKS WERE SHARED AND EXPLAINED TO THE COMMUNITY AND A BRAIN-STORMING SESSION WAS ORGANIZED. BRAIN STORMING SESSION HELPED US IN IDENTIFYING 5 ADDITIONAL RISKS RELATED TO OPERATIONAL MANAGEMENT OF HUB. THESE RISKS WERE AROUND MOJALOOPE SYSTEM RISKS :



JSON signatures security.



Manipulation of the code from within the organization.



Fake DFSP onboarding



Compromised system/platform security.
Compromised root passwords.



Data manipulation within hub



On going work

- All the 34 typologies are inherent risks of running the hub and need mitigation from hub as no DFSP can mitigate those risks.
- Hub need to have strong internal controls for inherent system risks like root password, DFSP onboarding, signature validation and database table manipulation (Is it fraud scope or IT security?? Still not sure)
- Applying the apricot model on all 39 typologies identified.
- Additional 20 typologies from 234 typologies that hub should cover.
- 59 relevant typologies that hub must perform
 - 39 new
 - 20 from initial 234 typologies

Asante Sana !