

**A Business Case for an Information Security
Management System (ISMS) based on the
SO/IEC 27000 series standards (ISO27k) for
Hon Kong and Shanghai Banking Corporation Limited (HSBC).
ESBPII Lab 05**

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Introduction of the Hon Kong and Shanghai Banking Corporation Limited (HSBC).

HSBC is one of the world's largest banking and financial services organization in the world. They serve more than 45 million customers through four global businesses, Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. Their network covers 71 countries and territories in Europe, Asia, the Middle East and Africa, North America and Latin America.

"The Hong Kong and Shanghai Bank" was founded by Scotsman Sir Thomas Sutherland in the then British colony of Hong Kong on 3 March 1865. It was formally incorporated as "The Hong Kong and Shanghai Banking Corporation" by an Ordinance of the Legislative Council of Hong Kong on 14 August 1866.

They have around 4,400 offices worldwide, they aim to be where the growth is, connecting customers to opportunities, enabling businesses to thrive and economies to prosper, and ultimately helping people to fulfil their hopes and realise their ambitions.

HSBC is organized within four business groups. Commercial Banking, Global Banking and Markets (investment banking), Retail Banking and Wealth Management and Global Private Banking.

This organization listed on the London, Hong Kong, New York, Paris and Bermuda stock exchanges, shares in HSBC Holdings plc are held by about 213,000 shareholders in 133 countries and territories.

Why HSBC needs an Information Security Management System?

The Hong Kong and Shanghai Bank provide various kind of services such as Commercial Banking, Global Banking, Retail Banking and Wealth Management and Global Private Banking. For those activities they providing normal saving accounts, current accounts, fixed deposits, lending money as loans, margin trading facility for long term investments, credit/debit card facility and pawning facility for the normal people. Financial loans, providing credit services, providing services of money transfers via international money transfers for the business people. HSBC is a world recognize international bank they have customers 71 countries of the world. Customer information and their account information must be protecting securely.

HSBC has network system throughout their branches over the world to provide the services for their customers. For that effort HSBC has to maintain a central server for store millions of bank transactions. This transaction information must be store via well-defined secured standard procedure. In data protection we need to consider data integrity. Data confidentiality, availability, durability and security.

In today's high technology environment, organizations are becoming more and more dependent on their information systems. The public is increasingly concerned about the proper use of information, particularly personal data. The threats to information systems from criminals and terrorists are increasing. Many organisations will identify information as an area of their operation that needs to be protected as part of their system of internal control.

HSBC provide internet banking facility and need more secure features to successfully use this facility. Current world there are many hackers looking for stole the money from internet banking accounts. Another major problem is if your credit card information is stolen by someone they can make a copy of credit card and stole your money. For avoid these things Information security mechanism required.

HSBC is international bank and there are several transactions done via internet. Data exchanges should me done securely and information needed to be encrypted by proper mechanism.

For secure transactions, Protect the privacy of the customers this banking corporation required maintain proper security management system.

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Benefits of implementing an Information Security Management System based on ISO/IEC 27000 series standards (ISO27k) at HSBC.

There are several benefits for Implementing Information Security Management System based on Standards. In the banking industry information is the one of major thing to secure. Customers account information needed to protect from outside. From Applying this standard system for the HSBC Customer trust will build and improve about the bank. That will expand the market of the HSBC in banking industry.

The amount of data stored electronically. Unfortunately, with the increase in cyber data comes the increase of cyber-attacks. Hackers are a constant threat to any industry that utilizes technology. ISO 27000 is an information security management standard that provides organizations of any size and industry a framework for securing and protecting confidential and sensitive data.

Here are some other benefits we can achieved by introducing Information Security Management System.

- Keeps confidential information secure.
- Provides customers and stakeholders with confidence in how you manage risk.
- Improves Bank ability to recover its operations and continue business as usual.
- Allows for secure exchange of information.
- Builds a culture of security.
- Reduce third party inspection of the Bank's information security requirements.
- Prevention of unauthorized alteration of critical information of the Bank.
- Cost savings through reduction in incidents.

Benefits of Standardization

When HSBC bank implement to International Standards consumers can have confidence that they are safe and reliable in banking.

HSBC can be setting the industry standard for detecting and protecting against financial crime. Financial crimes include activities such as money laundering, terrorist financing, sanctions evasion, bribery and corruption, fraud and tax evasion.

- Reduce costs, through improved systems and banking processes
- Avoids having to specify the same basic controls repeatedly in every situation-cost saving.
- Based on globally recognized and well respected security standard-brand value.
- Increase customer satisfaction, through improved safety, quality and processes

Isms Costs.

Organization need to spend some cost for implementing and maintaining an Information Security management system.

Cost needed to be spend for following processes in ISMS,

1. Definition of security policy.
2. Definition of ISMS scope.
3. Risk assessment (as part of risk management).
4. Risk management.
5. Selection of appropriate controls.
6. Statement of applicability.

When implement ISMS for HSBC we need to spend cost following activities,

- Required to find a proper project manager for develop ISMS for HSBC.
- Develop overall security management strategy.
- Planning and implementing ISMS
- Identify and resolve the information risk.
- Implement the security controls, policies and guidelines of the ISMS for the bank.
- The optimize the ISMS processes and services.
- Training Staff for work with new ISMS.
- Provide Risk management and security audit controls.
- Establish the ISMS for HSBC headquarters and branches all over the world.
- Maintain the ISMS.