



**Central Depository Company
of Pakistan Limited**

Head Office: CDC House, 99-B,
Block 'B', S.M.C.H.S.,
Main Shahr-e-Faisal,
Karachi-74400

Ref. No. CDC/LC&R/02/2018

March 02, 2018

Circular No. 02 of 2018

***Sub: Security measures for data protection and ensuring integrity
or orderly operations of the CDS***

To all CDS Elements,

Further to our Circular No. 27 of 2017 bearing reference no. CDC/LC&R/027/2017 dated November 10, 2017, where we apprised CDS Element of importance of safety measures to safeguard the identity theft or data breaches which may severally affect business operations in the wake of cyber threats with advise to ensure taking all security measures in line with the following guidelines at their end to avert any of such incidents:

- a) Make sure you have antivirus and anti-spyware software installed on your terminal, keep them up-to-date, and run a full system scan at least weekly;
- b) Keep your terminal's operating system and security patches current, and your firewall turned on;
- c) Do not install any unnecessary software on terminal as they could possibly be infected with spyware/adware/key logger and can compromise your information security;
- d) Watch for signs of malicious software - frequent pop-up ads, unexpected icons on your desktop, random error messages or sluggish computer performance are all signs of infection;
- e) Always use difficult to guess passwords (containing upper case and numbers) to access CDS;
- f) Use firewalls (if applicable) to isolate your production network from other networks or the Internet;
- g) Disable all remote access to your CDS terminal; and
- h) Always follow CDC advice on the up keep of your terminal.

Despite of CDC's clear directives issued under Regulation 7.1.4 read with Regulation 7.2.2 of the CDC Regulations, it has been noted with concern that malware attacks are still generated from the operating system of a number of CDS Elements. Keeping in view the importance and integrity of the Central Depository System, it has become all the more important to once again bring this situation in the notice of all CDS Elements for taking urgent remedial measures at their respective ends as any untoward incident may potentially jeopardize the business operations of the entire capital and financial market.



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Please note that under the legal framework, CDC is duty bound *inter alia* to:

- a. ensure provision of fair, transparent and efficient depository facility;
- b. prudently manage the risks associated with its business and operations;
- c. provide automated systems with adequate capacity, facilities to meet contingencies or emergencies, security arrangements and technical support.

In order for CDC to discharge its obligation in view of any cyber threats, CDC will be constrained to exercise its powers under the legal framework by suspending the CDS Elements from whose end such threat emanates. Please note that under the CDC Agreement entered into with each CDS Element, **CDC reserves the right to suspend, without notice, access to the CDS or the provision of all or any of the facilities of the CDS at any time if the CDC deems it necessary to do so for reasons of security.**

All CDS Elements are therefore advised, once again, to note aforementioned guidelines and ensure strict compliance thereof to avoid suspension of CDS services and facilities.

Regards,

Badiuddin Akber
Chief Compliance & Risk Officer

Copy to:

The Executive Director/HOD-PRPD (SMD)
Securities and Exchange Commission of Pakistan

The Chief Executive Officer
Pakistan Stock Exchange Limited

The Director/HOD-MSCD (SMD)
Securities and Exchange Commission of Pakistan

The Chief Executive Officer
National Clearing Company of Pakistan Limited