



## Fact Sheet

March 2019

### Overview

Emergent cyber threats are unpredictable. They are evolving to include political motivations, sometimes by highly sophisticated state actors.

Cybersecurity is keeping bank executives and directors up at night, with 84% ranking it in the [top 3 risks their bank faces](#), according to Bank Director's most recent survey. [McAfee](#) estimates that cybercrime currently costs the global economy \$600 billion a year, up 34% in the last three years. The financial sector is the top target.

Individual institutions cannot prevent all attacks. Yet in today's connected world, a paralyzing attack on even one institution that prevents customers from accessing their accounts could cause panic that infects the whole financial system.

### What is Sheltered Harbor?

Sheltered Harbor was created to protect customers, financial institutions, and public confidence in the financial system if a catastrophic event like a cyberattack causes critical systems—including backups—to fail. In such a worst-case scenario, implementing the Sheltered Harbor standard enables institutions to provide customers timely access to balances and funds.

Sheltered Harbor is not a vendor, product or service. It is a not-for-profit, industry-led ecosystem of financial institutions, core service providers, national trade associations, alliance partners, and solution providers dedicated to enhancing financial sector stability and resiliency.

## Industry Adoption

Sheltered Harbor is currently open to U.S. banks, credit unions, broker-dealers, asset managers, and service providers of all sizes, and already has a critical mass of industry adoption.

As of March 2019, participants hold:

- 71% of U.S. deposit accounts
- 55% of U.S. retail brokerage client assets

## How it Works: Core Elements

The core elements of Sheltered Harbor are data vaulting, resiliency planning, and certification.

### Data Vaulting

Institutions back up critical customer account data each night in the Sheltered Harbor standard format, either managing their own vault or using their service provider.

The data vault is encrypted, unchangeable, and completely separated from the institution's infrastructure, including all backups.

### Sheltered Harbor Resiliency Planning

Institutions prepare the business and technical processes and key decision arrangements to be activated in the case of a Sheltered Harbor event; where all other options to restore critical systems - including backups - have failed.

They also designate a restoration platform so that if the Sheltered Harbor Resiliency Plan is activated, the platform can recover data from the vault to restore customer funds access as quickly as possible while the institution works to get back online.

### Certification

Certification is a critical component of the Sheltered Harbor initiative. Participants adopt a robust set of prescribed safeguards and controls, which are independently audited for compliance with the Sheltered Harbor standard.

Upon completing the requirements for Data Vaulting, the institution will be awarded Sheltered Harbor certification and an accompanying seal, communicating that their customer account data is protected.

## Sheltered Harbor the Organization

### Origins

Sheltered Harbor emerged out of a series of public-private cybersecurity simulations run by the U.S. Treasury Department known as the Hamilton Series. The conclusion of the exercises was that the financial services industry - and the US economy - could be vulnerable if an attack disabling an individual institution leads to large-scale customer panic.

So leading financial institutions, industry trade groups and large service providers established the Sheltered Harbor initiative to create a system-wide resiliency standard for the scenario in which a financial institution loses its operational capabilities.

### Structure

Sheltered Harbor is a not-for-profit LLC, structured as a subsidiary of FS-ISAC (Financial Services Information Sharing and Analysis Center) with an independent board of directors.

It has a core team whose primary functions are to establish the standard, promote adoption to the industry, support implementation, and ensure adherence.

### Ecosystem

From the beginning, Sheltered Harbor has enjoyed critical industry support from financial institutions, clearing houses, core processors and industry trade associations including:

- American Bankers Association (ABA)
- BITS, Bank Policy Institute (BITS/BPI)
- Credit Union National Association (CUNA)
- Financial Services Forum (FSF)
- Financial Services Information Sharing and Analysis Center (FS-ISAC)
- Independent Community Bankers of America (ICBA)
- National Association of Federal Credit Unions (NAFCU)
- Securities Industry and Financial Markets Association (SIFMA)
- The Clearing House (TCH)

More than one hundred subject matter experts collaboratively designed the solution. The initiative continues to support multiple workstreams, leveraging up to two hundred subject matter experts and industry professionals at any one time, who work together to ensure the Sheltered Harbor model is the gold standard in sector resiliency.

Sheltered Harbor partners with leading global and national advisory and assurance firms to assist with participant implementation. The number and scope of these partnerships continues to expand as the initiative matures.

## Leadership

Sheltered Harbor is governed by its board of directors, comprised of financial institutions of all sizes, clearing houses, core processors and industry trade associations.

The board of directors is led by:

- Chairman Phil Venables, Partner and Chief Operational Risk Officer at Goldman Sachs

Development and execution of Sheltered Harbor's strategy is led by:

- Chief Executive Officer Trey Maust, Co-Founder and Executive Vice Chairman of Lewis & Clark Bank
- President and Chief Operating Officer Carlos Recalde, former CTO of the asset management business at SunGard and FIS

## How to Join

Sheltered Harbor participation is currently open to U.S. banks, credit unions, broker-dealers, and service providers of all sizes. Joining entitles participants access to the standard, support content and experts to help with implementation, as well as the knowledge that the institution is being proactive in protecting its customer account data, its business, and public confidence in the US financial system.

Participation information and questions:

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