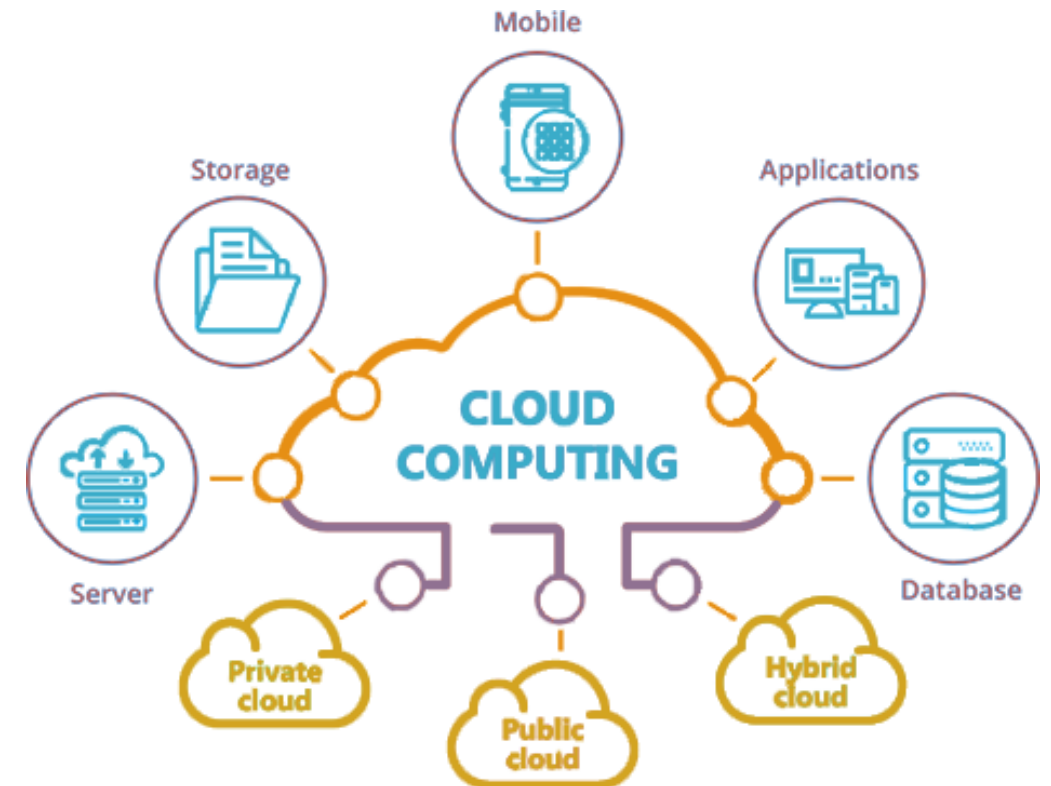


Lesson 7 – Cloud Crushes Cost

Topic 3 – How Regulators have responded to cloud



Initial Perceptions



Courtesy: New Line Cinema

Many IT practitioners believed for a long time that regulators did not like Cloud at all!

That any use of Cloud in any Insurance or banking solution would draw the wrath of the regulators.



Initial Perceptions



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An Enlightened View



Monetary Authority
of Singapore

Regulation conducive to innovation

“There used to be a view within some quarters that MAS does not like the cloud. Let me reiterate: MAS has no objections to financial institutions using the cloud.” – Ravi Menon 2016

We want to create a Smart Financial Centre:

- because we want to increase efficiency – to do things cheaper, better, faster;
- because we want to manage our risks better – to keep our system safe and sound;
- because we want to create new opportunities – to generate growth and good jobs;
- and most of all, because we want to improve people’s lives – to provide them better services, to help them realise their goals.



Ravi Menon - Managing Director,
Monetary Authority of Singapore





Guidelines on Outsourcing

The MAS Guidelines on Outsourcing provide guidance on sound practices on risk management of outsourcing arrangements, including cloud.



Cloud Services Implementation Guide

MAS and the Association of Banks in Singapore (ABS) has co-created the implementation guide for financial institutions to use when entering into cloud outsourcing arrangements.



Technology Risk Management Guidelines

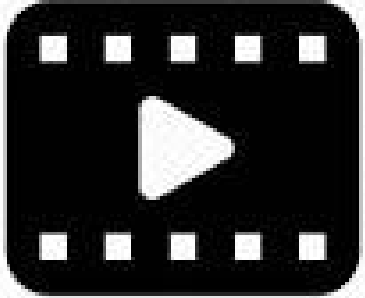
The MAS Technology Risk Management Guidelines set out risk management principles and best practice standards to guide financial institutions in establishing robust risk management framework as well as operating processes to manage these risks.



Regulatory Sandboxes – A growing trend



The Regulator Mindset



Duration: 1.5 mins

Dare to experiment and accept failure

Ravi Menon, Managing Director, Monetary Authority of Singapore

TDI viewing Tip: While not directly about cloud, it shows the mindset regulators need to adopt when considering new technology and innovation.

[Video link](#)



Possible discussion points for Weekly Clinic / Things to think about

- Do you agree with Ravi's view on failure?
- To what extent do you think this mentality is driven by a country that wants to stay on the leading edge of the global economy?
- What other regulators have similar views? Any that don't?



How Regulators have responded to Cloud - Summary



- Perceptions are changing about Cloud and Regulators
- Regulators need to create an environment to foster innovation
- Regulators like MAS are taking a consultative approach to Cloud
- Many Regulators have “Sandbox” Cloud environments for FinTechs (InsurTechs)

