

# DFS Security Assurance Framework

---

Vijay Mauree, Programme Cordinator, ITU

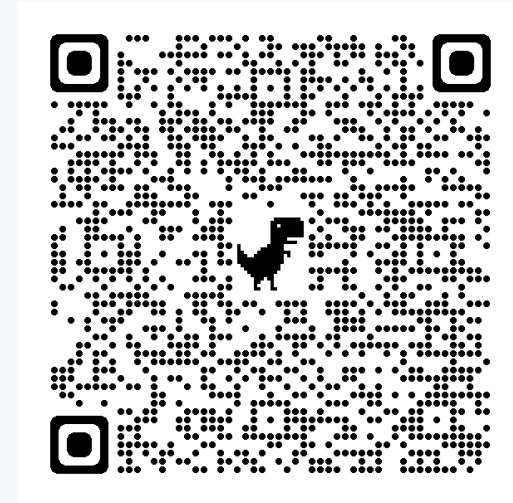
[Vijay.mauree@itu.int](mailto:Vijay.mauree@itu.int)

March 2024



# Outline

1. DFS Security Assurance Framework
2. DFS business models
3. DFS Ecosystem elements
4. Security risk management process
5. Threats, vulnerabilities & security controls
6. Mobile Payment App Security Best Practices
7. Summary

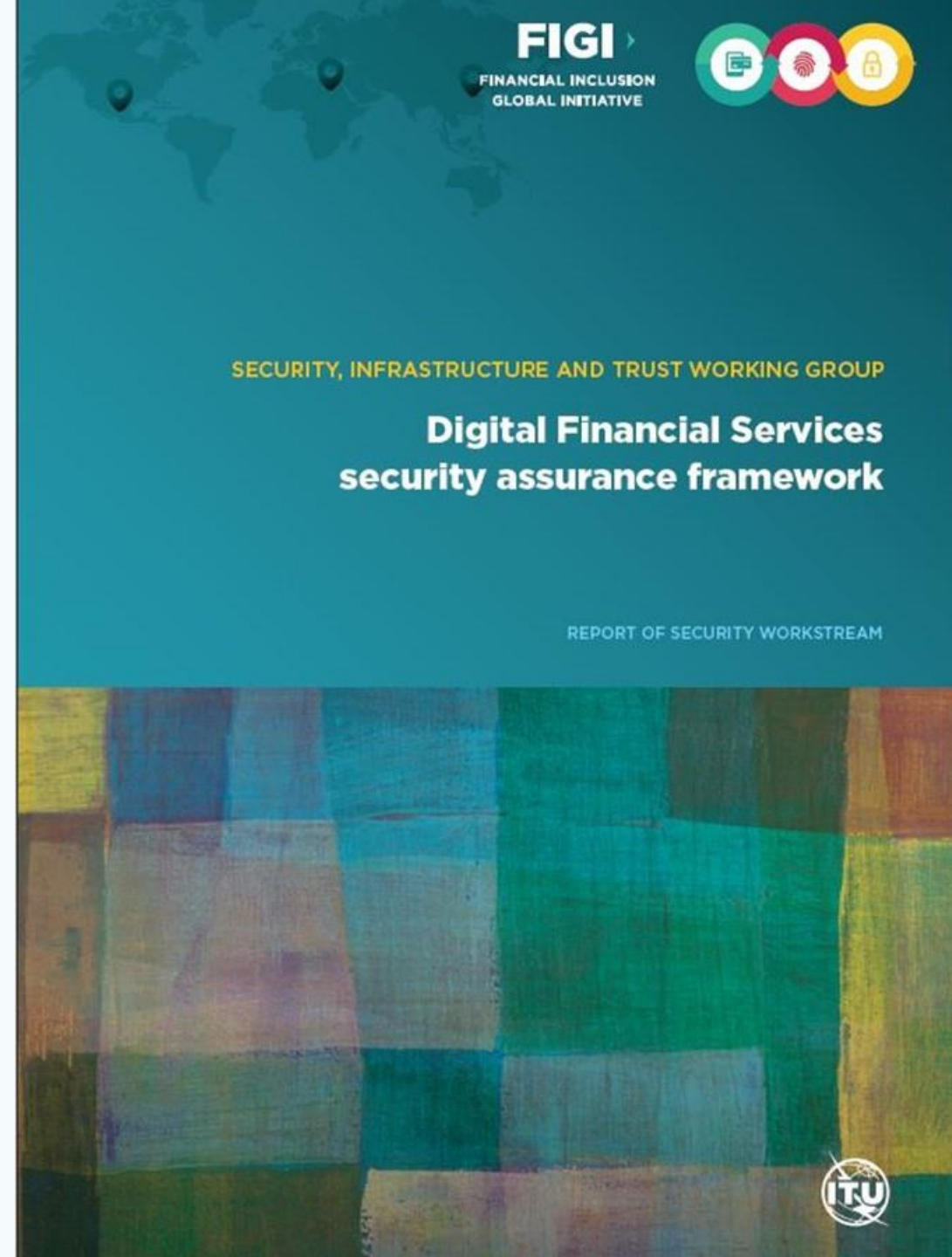


# DFS Security Assurance Framework

## DFS ecosystem vulnerable to variety of threats:

- Interconnectedness of system entities
- Extended security boundaries due to reliance on numerous parties
- Mobile ecosystem itself is increasingly complex - devices, OSes

**Difficult for stakeholders in DFS ecosystem to manage the interdependencies of the security threats within the DFS value chain and keep up with the new vulnerabilities and risks.**



# DFS Security Assurance Framework

Draws on principles from several standards: ISO/IEC 27000 security management systems standards, PCI/DSS v3.2, NIST 800-53, OWASP top-10 vulnerabilities, GSMA application security best practices

## Contains the following components:

- **Security risk assessment** based on ISO/IEC 27005
- **Identifies common threats and vulnerabilities** to underlying infrastructure, DFS applications, services, network operators, third-party providers
- **Security control measures** and the x.805 security dimension they represent (117 controls identified)
- **Mobile application security best practices** for DFS applications
- The Security assurance framework for digital financial services is an ITU-T SG 17 TAP approved recommendation





# How can the DFS security assurance and audit guidelines can be used?

- Identify security threats and vulnerabilities within the ecosystem
- Define security controls to mitigate the risks
- Strengthen security risk management.
- The **audit guideline** is for DFS regulators & providers to assess whether DFS controls in place



# Introductory Concepts

## ITU-T Rec. X.805

ITU-T Recommendation X.805 provides a foundation for the document, with eight *security dimensions* to address security:

1. *access control,*
2. *authentication,*
3. *non-repudiation,*
4. *data confidentiality,*
5. *communication security,*
6. *data integrity,*
7. *availability,*
8. *privacy*

## Vulnerability

A weakness in a system that can be exploited by an adversary/hacker

## Control:

A safeguard or countermeasure prescribed to protect the **confidentiality**, **integrity**, and **availability** of information systems and assets to meet a set of defined security requirements.

## Threat

the specific means by which a vulnerability is exploited

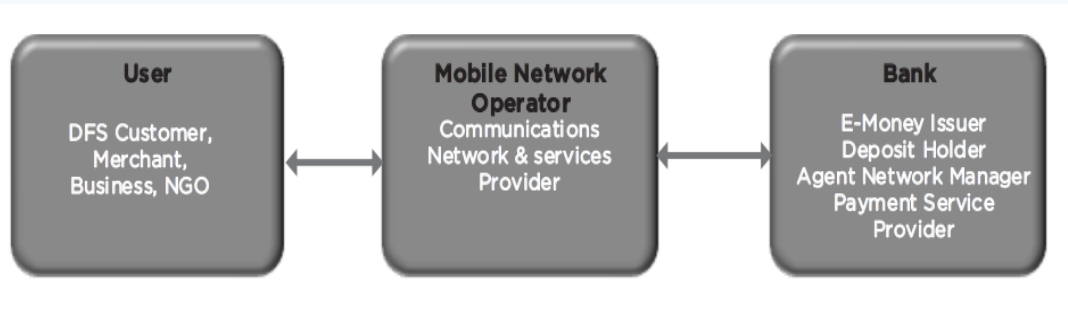
## Risk

the consequences of a threat being successfully deployed

# DFS Business Models



## Bank led



bank performs key financial roles and leverages a mobile network operator for communication with users

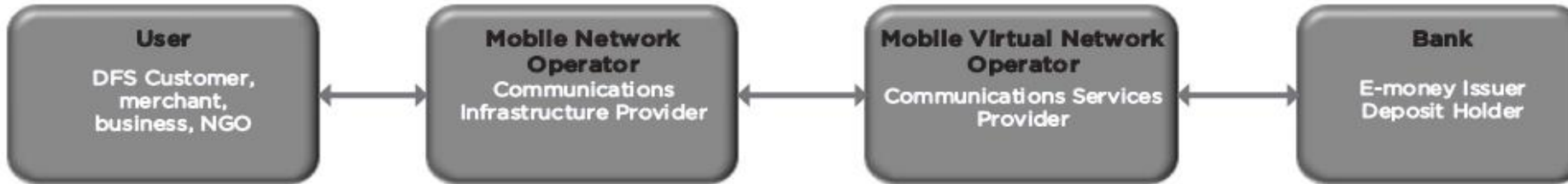
## MNO Led

MNO not only provides communication but also the bulk of financial roles, manages DFS agent network





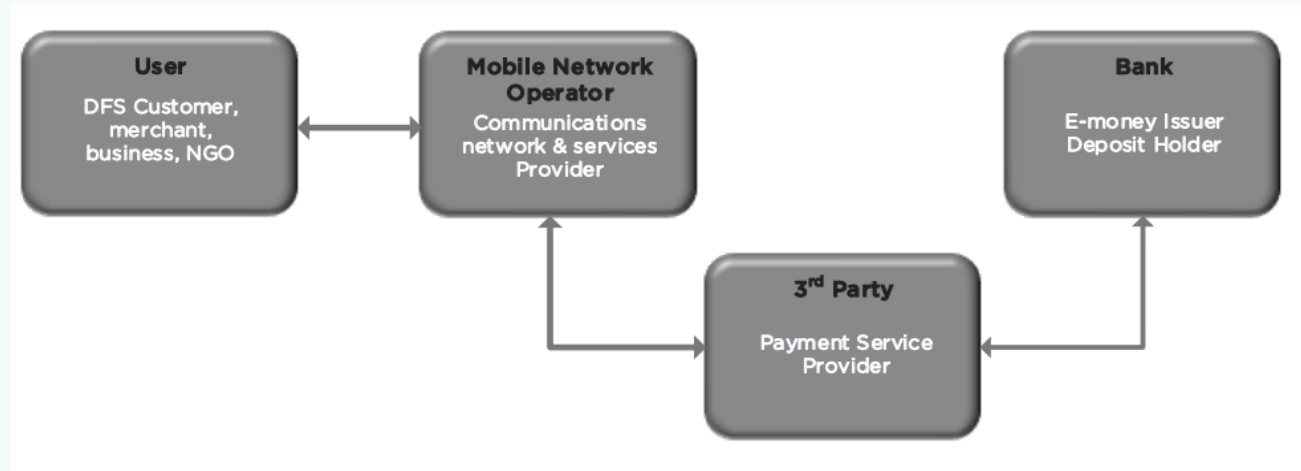
## MVNO led



MVNO provides telecommunication services using MNO infrastructure, DFS provided with a bank or independently

## Hybrid

Critical roles are shared between bank and MNO, third parties provide additional services (e.g., PSP, agent network)



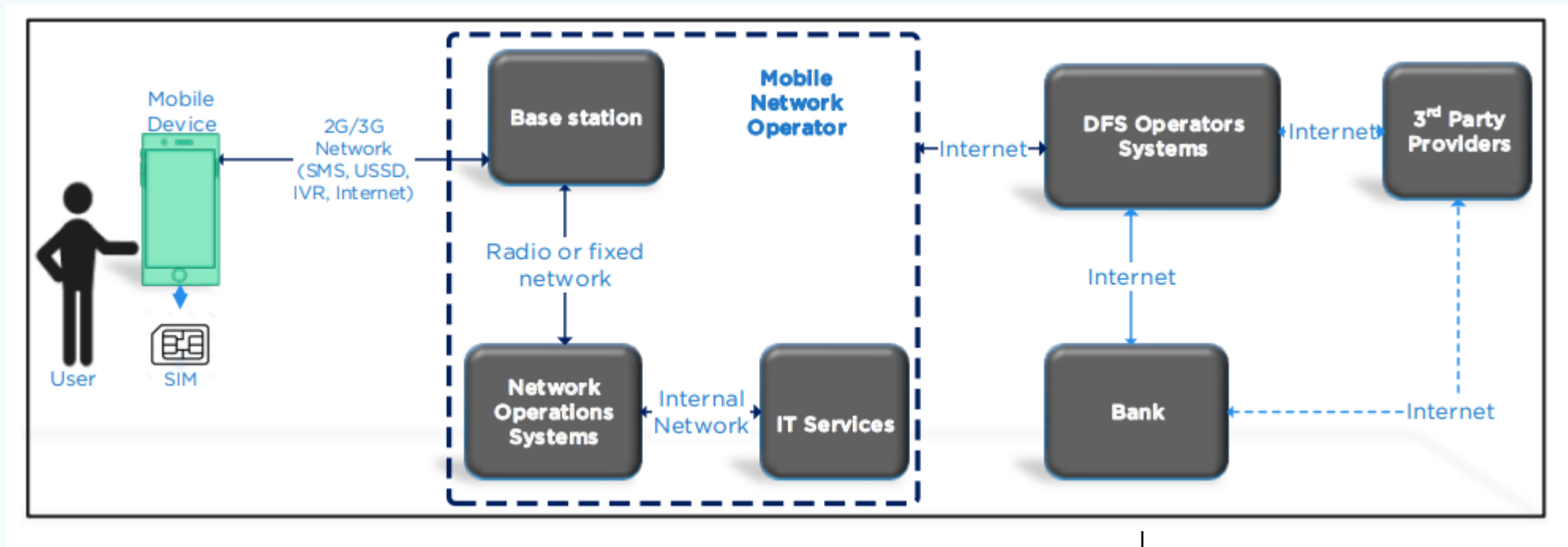


***Which of these is the most common  
business model in your country?***

# DFS ecosystem elements



# Elements of a DFS Ecosystem



## User

is target audience for DFS, uses mobile money application on a mobile device to access the DFS ecosystem

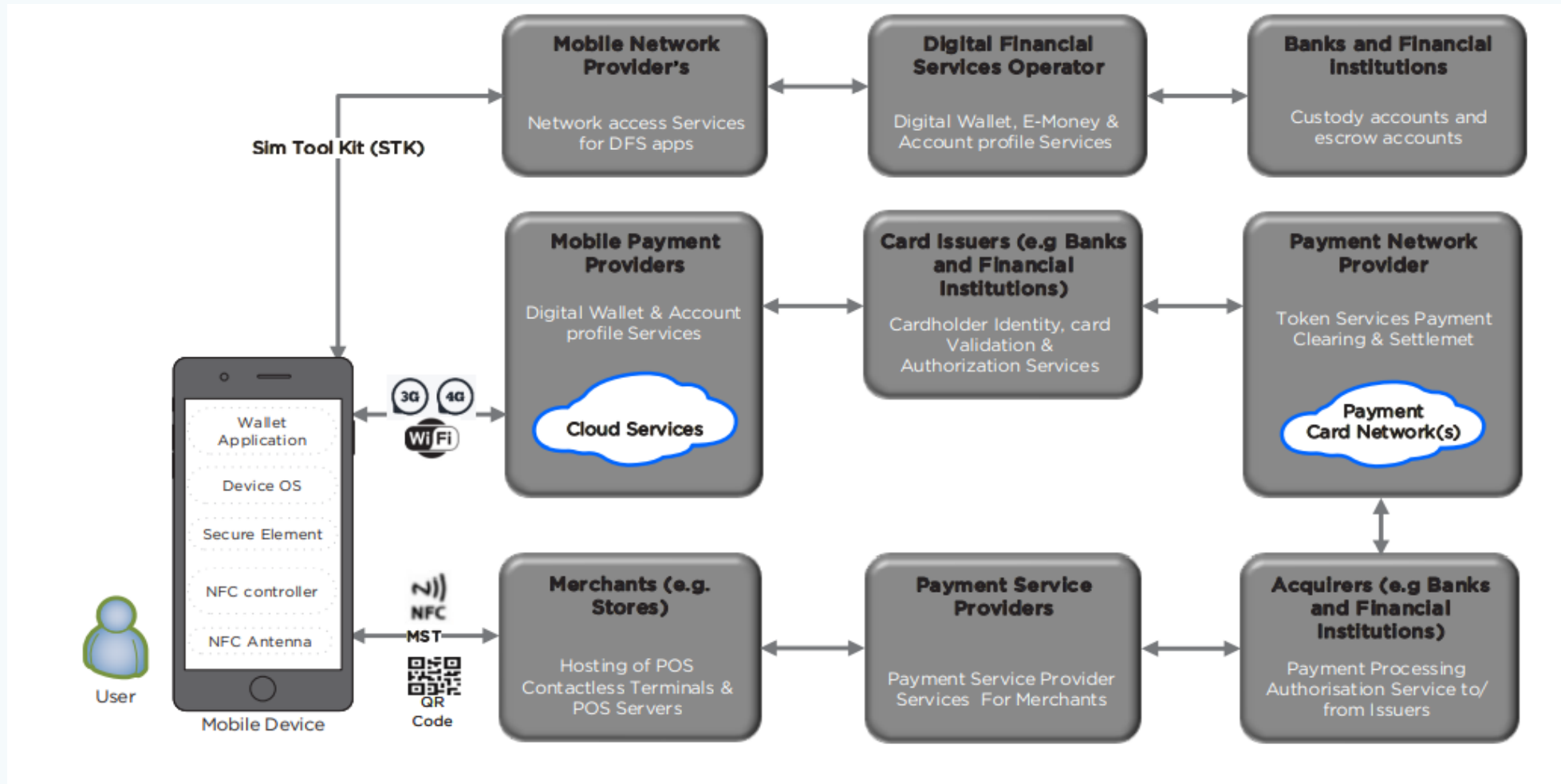
## MNO

provides communication infrastructure from wireless link through the provider network

## DFS Provider

handles application component, interfaces with payment systems and third-party providers.

# Digital wallet DFS Ecosystem



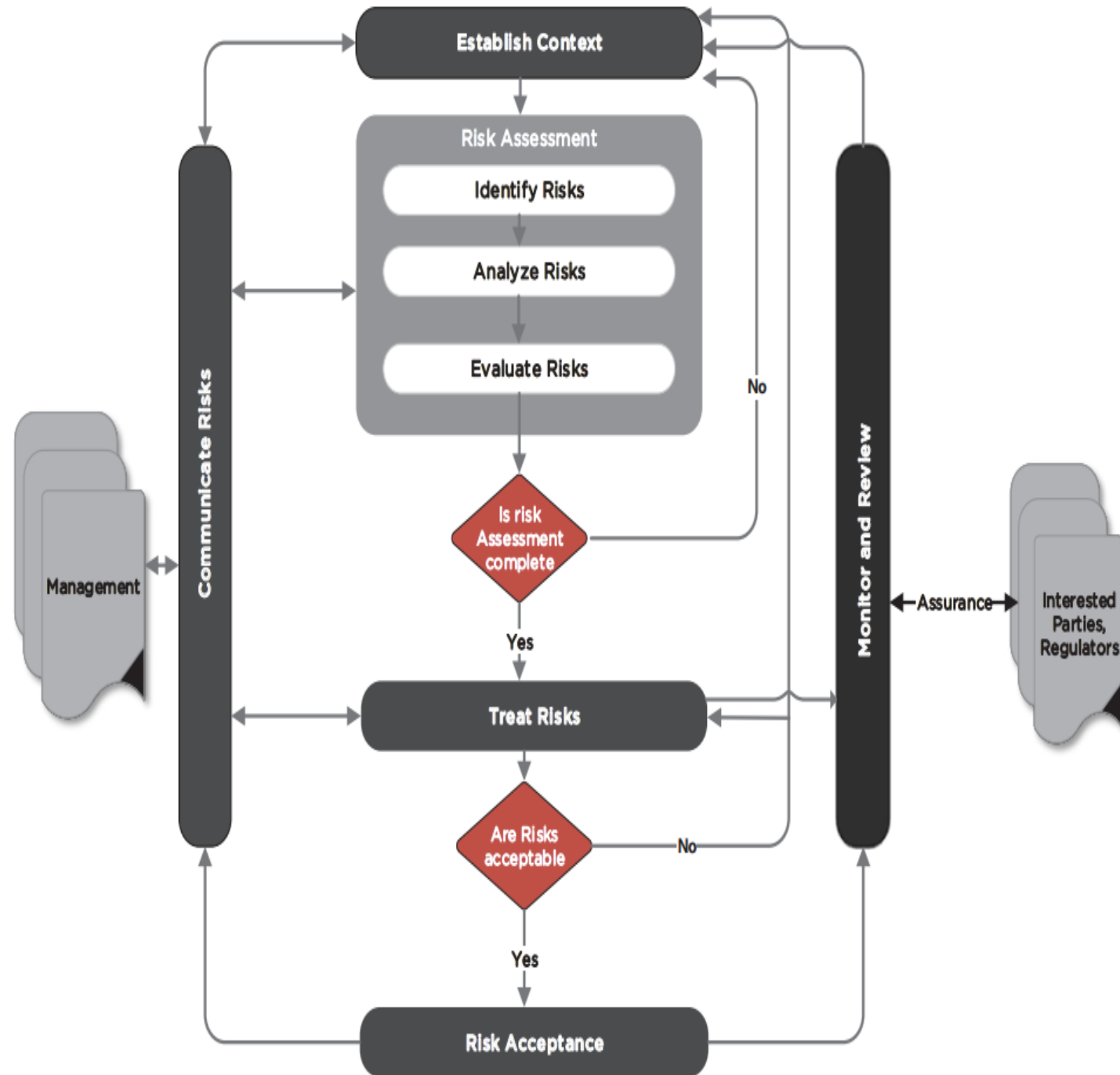


# Security risk management process



# Risk Assessment methodology






- Based on Deming cycle of Plan, Do, Check, Act (PDCA) phases of the ISO 27001 - information security management
- Monitoring and review depend on the stakeholder (e.g., regulator reviewing controls, internal audits or new service)
- Context with inputs from Senior Management necessary for effective risk assessment/evaluation/analysis
- **Information Security Management System** based on ISO 27001 describing the risk treatment plans and security controls implemented for each threat and vulnerability is the main output of this phase



# Threats, Vulnerabilities and Security Controls



# DFS ecosystem threats

User	Mobile Device and SIM card	Mobile Network Operator	DFS Provider	3 <sup>rd</sup> Party
 <ul style="list-style-type: none"><li>❑ Social engineering (8.8)</li><li>❑ Unauthorized access to mobile device (8.16)</li><li>❑ Unintended Disclosure of personal information (8.17)</li></ul>	 <ul style="list-style-type: none"><li>❑ Code exploitation attack (8.4)</li><li>❑ Malware (8.13)</li><li>❑ Unauthorized access to mobile device/SIM (8.16)</li><li>❑ Rogue devices (8.15)</li><li>❑ Unauthorized access to DFS Data (8.12)</li><li>❑ Denial of Service attack (8.6)</li></ul>	 <ul style="list-style-type: none"><li>❑ Unauthorized access to DFS data (8.12)</li><li>❑ Compromise of DFS infrastructure (8.9)</li><li>❑ Insider attacks (8.7)</li><li>❑ Denial of service (8.6)</li><li>❑ Man-in-the Middle attacks (8.8)</li><li>❑ Unauthorized disclosure of personal information (8.17)</li><li>❑ Malware (8.13)</li><li>❑ Account and session hijack (8.1)</li><li>❑ Code exploitation attack (8.4)</li><li>❑ Data misuse (8.5)</li></ul>	 <ul style="list-style-type: none"><li>❑ Attacks against credentials (8.2)</li><li>❑ Attacks against systems and platforms (8.3)</li><li>❑ Code exploitation attack (8.4)</li><li>❑ Compromise of DFS infrastructure (8.9)</li><li>❑ Compromise of DFS Services (8.11)</li><li>❑ Data misuse (8.5)</li><li>❑ Insider attacks (8.7)</li><li>❑ Denial-of-service attacks (8.6)</li><li>❑ Zero day attacks (8.14)</li><li>❑ Unintended disclosure of personal information (8.17)</li></ul>	 <ul style="list-style-type: none"><li>❑ Code exploitation attack (8.4)</li><li>❑ Denial Of Service (8.6)</li><li>❑ Insider attacks (8.7)</li><li>❑ Malware (8.13)</li><li>❑ Unauthorized access to DFS data (8.12)</li></ul>

## Example 1: Threat 8.1 Account and session hijacking

Affected Entity	Risk and Vulnerability	Controls
DFS Provider	The risk of <b>data exposure and modification</b> occurs because of the following vulnerability: - Inadequate controls on user sessions (SD: access control)	<b>C1:</b> Set timeouts and auto logouts user sessions on DFS applications (logical sessions). Within the application, ensure support for password complexity (enforced by the server), set maximum unsuccessful login attempts, password history and reuse periods, account lock-out periods to a reasonably minimal value to minimize the potential for offline attack
	The risk of an <b>unauthorized account takeover</b> occurs because of the following vulnerability: - Inadequate controls on dormant accounts (SD: authentication)	<b>C2:</b> Require user identity validation for dormant DFS accounts users before re-activating accounts.
	The risk of an <b>attacker impersonating an authorized user</b> occurs because of the following vulnerabilities: - Failure to perform geographical location validation (SD: Communication security)	<b>C3:</b> Limit access to DFS services based on user locations (for example disable access to DFS USSD codes while roaming, STK and SMS for merchants and agents) where possible restrict access by region for DFS agents, where possible check that agent and number performing a deposit or withdrawals are within the same serving area.
	- Inadequate user verification of preferred user communication channels for DFS services (SD: Communication security)	<b>C4:</b> Restrict DFS services by communication channels (during registration customers should optionally choose service access channel, USSD only, STK only, app only, or a combination) attempted DFS access through channels other than opted should be blocked and red-flagged.
	The risk of <b>unauthorised access to user data and credentials</b> occurs due to the following vulnerabilities: - Replay session based on tokens intercepted (SD: communication security)	<b>C5:</b> The DFS system should not trust any client-side authentication or authorization tokens; validation of access tokens must be performed at the server-side.
	- Weak encryption algorithms for password storage (SD: data confidentiality)	<b>C6:</b> Store DFS passwords using strong salted cryptographic hashing algorithms.

Source: [DFS security assurance framework](#)





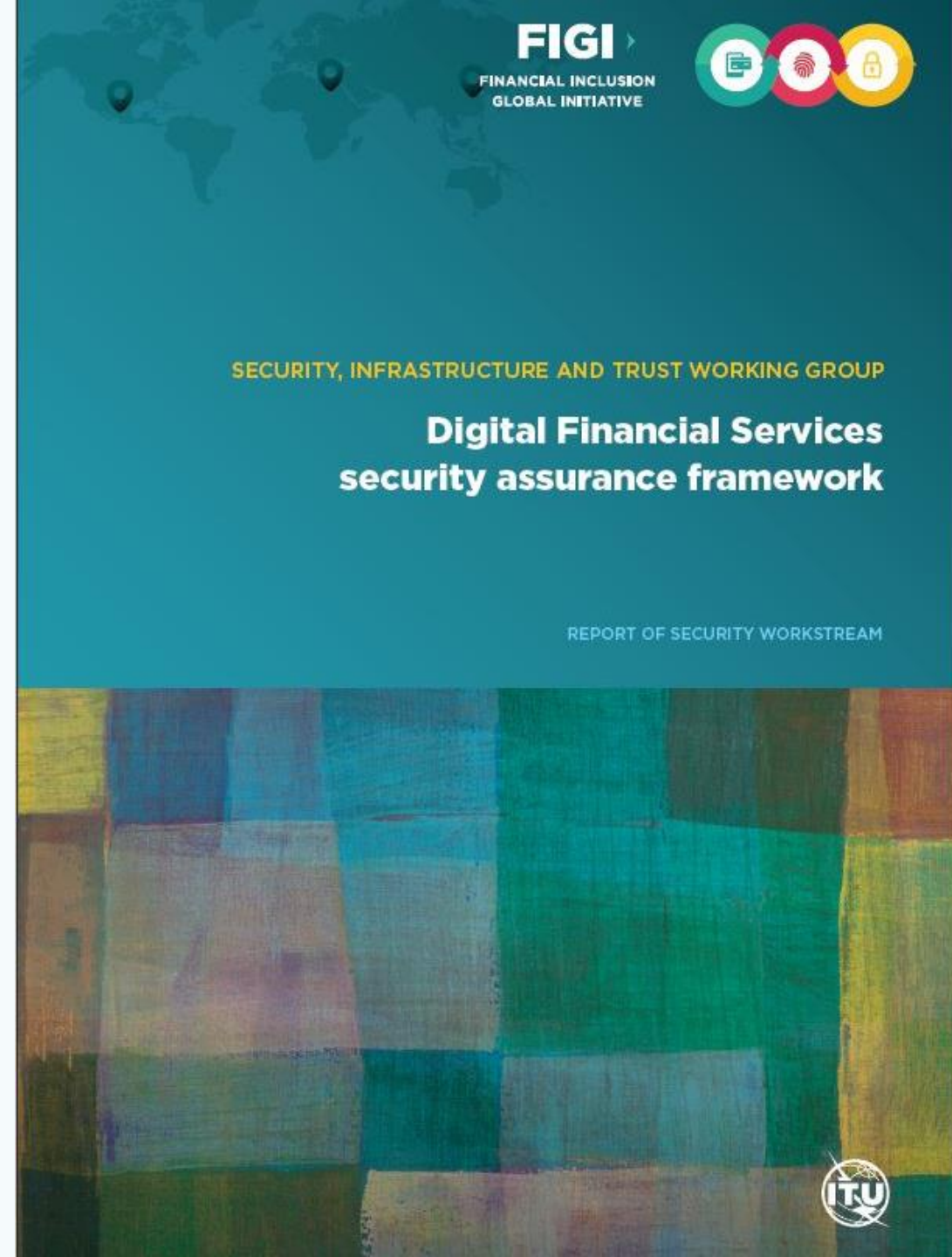
# Mobile Payment App Security Best Practices (Section 9)

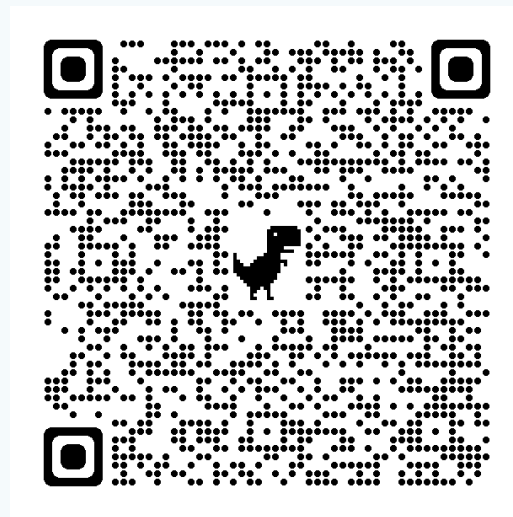
- Draws upon:
  - GSMA study on mobile money best practices,
  - ENISA smartphone security development guidelines,
  - State Bank of Pakistan mobile payment applications security framework
- Template can be used as input to an app security policy by DFS providers to provide minimum security baselines for app developers and DFS providers as well as setting criteria for verifying compliance of apps
- Template considerations:
  - i. device and application integrity.
  - ii. communication security and certificate handling.
  - iii. user authentication.
  - iv. secure data handling.
  - v. secure application development.

## Summary

- Identify the threats and vulnerabilities for different DFS stakeholder types.
- Adopt a risk management process
- Implement Information Security Management System (ISMS) based on ISO 27001
- Establish minimum security baselines for app security development → address systemic vulnerabilities
- Conduct periodic security audit of DFS providers and/or security audit of DFS applications

**Aimed at DFS regulators and providers**





<http://www.itu.int/go/dfssl>

**Contact:** [dfssecuritylab@itu.int](mailto:dfssecuritylab@itu.int)



**Thank you!**