

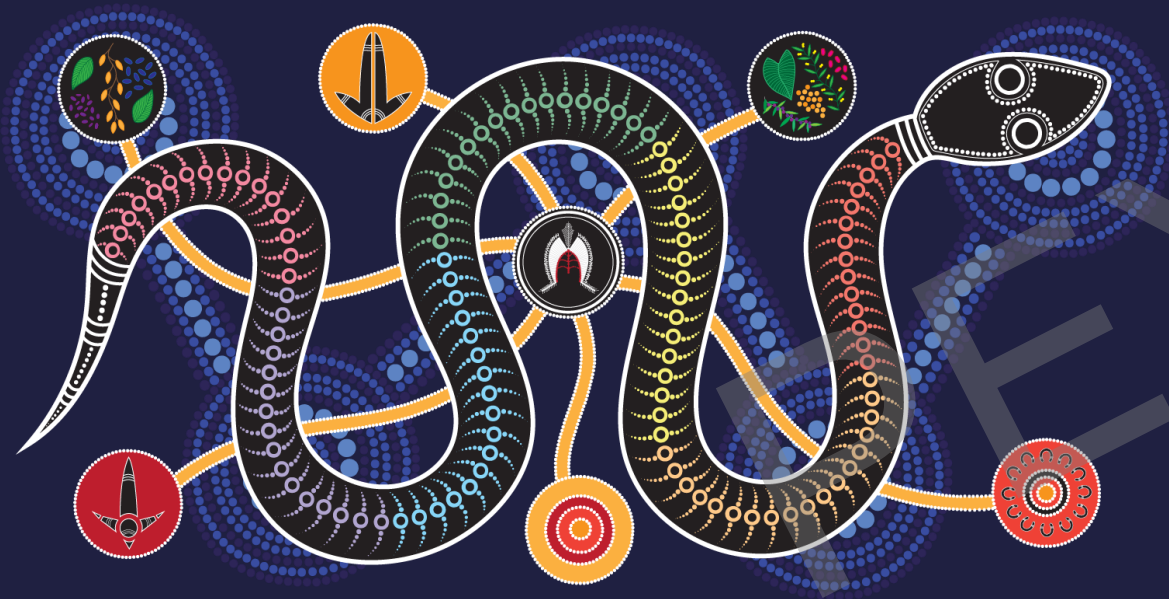
The SOCI Act and PEXA's position on CPS 230

Information Session

May 2025

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In the spirit of reconciliation PEXA acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community.

We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Welcome to the SOCI Act and CPS 230 Information Session

What it is



PEXA's regulatory landscape and our position on APRA's Prudential Standards

Focus on the SOCI Act and CPS 230 (and previous CPS234)

Overview of what PEXA is doing to support our APRA-regulated customers

Opportunity to ask questions

What it isn't



Provision of legal or regulatory advice on how APRA-regulated customers should meet their obligations

Who it's for



PEXA's customers who are APRA-regulated or represent APRA-regulated entities:

- Financial institutions
- Major law firms
- Mortgage processing providers



Our Speakers



Steve Braithwaite

Chief Customer and Commercial Officer

Steve has a background in digital transformation, business growth, and strategic initiative delivery in Financial Services. At PEXA, he leads customer engagement and commercial initiatives including the PEXA exchange platform



Damien Manuel

General Manager of Regulatory Affairs

Damien has extensive experience in driving and implementing technology, cultural, policy and process changes in enterprises ranging from retail and government through to the financial sector. Damien is a member of the Resilience Expert Advisory Group (REAG) advising the Critical Infrastructure Advisory Council (CIAC) on practical ways to improve organisational resilience. He leads PEXA's regulatory program including compliance of the SOCI Act



Nazee Sabaghi

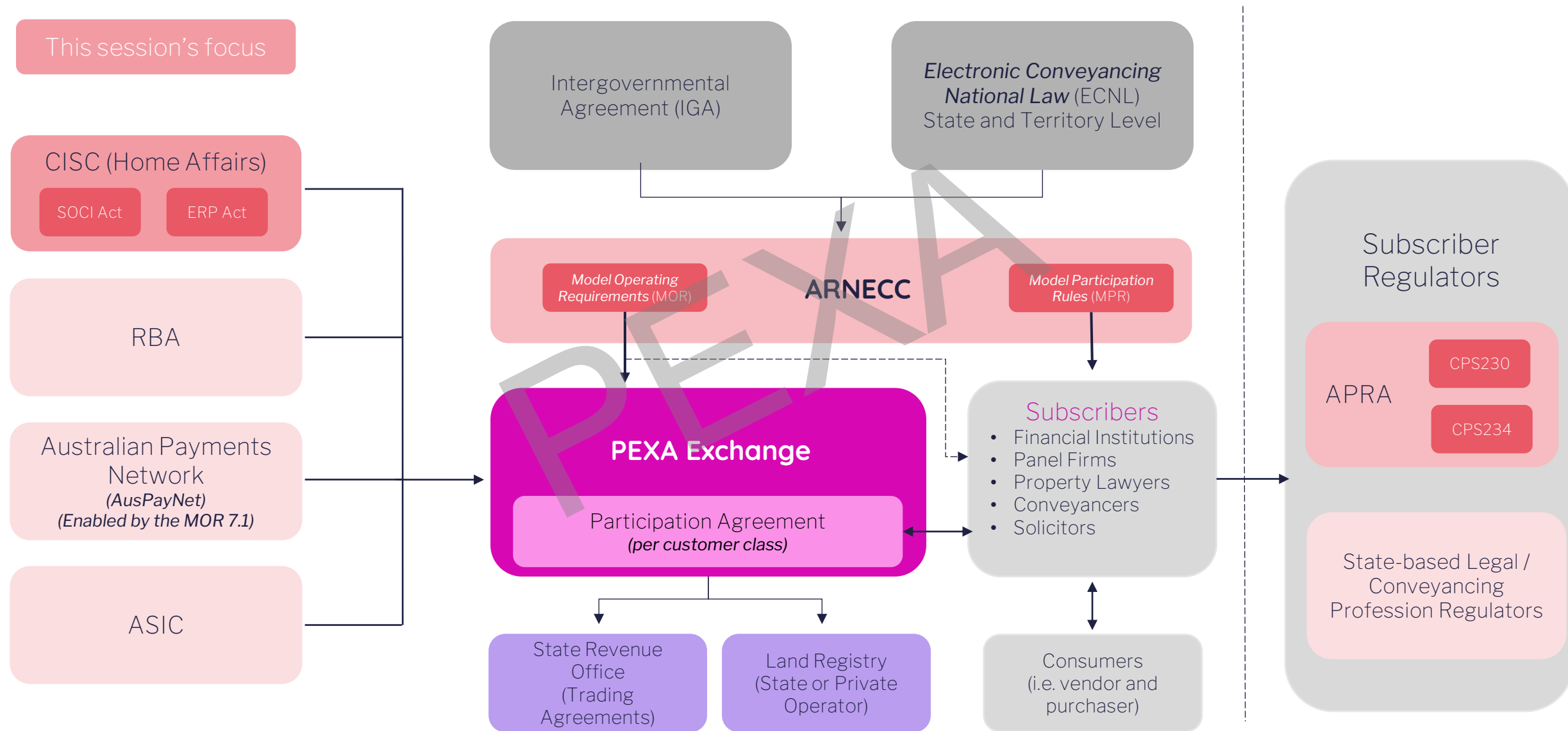
Head of Industry Transformation

Nazee is highly skilled product and risk management professional with expertise in leading customer-centric initiatives and enhancements, risk and regulatory requirements and large transformation projects within technology and financial services. Nazee has been leading PEXA's CPS 230 program of work

The background of the slide is a gradient of purple and blue. A large, faint, diagonal watermark of the word "PEXA" is visible across the center. The text "PEXA's Regulatory Landscape & Critical Infrastructure" is written in white, bold, sans-serif font on the right side of the slide.

PEXA's Regulatory Landscape & Critical Infrastructure

PEXA's Regulatory Landscape



Overview of Critical Infrastructure: Key objective of SOCI



The Australian Federal Government introduced the Security of Critical Infrastructure Act 2018 (SOCI Act). This was subsequently followed by the Security Legislation Amendment (Critical Infrastructure) Act 2021, based on learnings from the pandemic and changes to the threat landscape. It was then followed by the Security Legislation Amendment (Critical Infrastructure Protection) Bill 2022 which completed the package of legislative changes to the SOCI Act. In 2024 further amendments were made with the Security of Critical Infrastructure and Other Legislation Amendment (Enhanced Response and Prevention) Act 2024 (ERP Act).

The aim of the reforms is to strengthen the security and resilience of critical infrastructure (CI) by expanding the sectors and asset classes the act applies to, whilst also introducing new obligations for areas such as risk management and mandatory security incident reporting.

Multiple sectors defined as CI, including 22 different types of assets.



PEXA's regulatory obligations under SOCI



Critical Infrastructure Risk Management Program (CIRMP)

- Cyber and Information Security hazards
- Personnel hazards
- Physical security & Natural hazards
- Supply chain hazards (e.g. integrations, suppliers etc..)



Notification to key stakeholders under section 12L of the SOCI Act – requiring those notified to consider their impact / service to PEXA in the context of CI.



Sector cyber security exercises and remediate identified weaknesses identified by ASD or based on actionable intelligence (e.g. Critical Infrastructure Cyber Hygiene Improvement Programs (CI CHIPs).



Mandatory critical cyber incident reporting obligations – 12 hours or other cyber security incidents – 72 hours.



Participate in Trusted Information Sharing Network (TISN).

PEXA's regulatory obligations under ARNECC and RBA

Obtain approvals in each jurisdiction to operate.

To maintain approval, PEXA must submit annual reports to ARNECC demonstrating our compliance to Operating Requirements (ORs). Operating Requirements includes:

- Cyber security (ISMS fit for purpose),
- Risk Management Framework fit for purpose,
- Business Continuity and Disaster Recovery Management Program fit for purpose,
- Incident management,
- Independent audits of certain systems (e.g. SOC 2 Type 2 or other approved report),
- Financial payments code compliance,
- Training and awareness programs are up to date and adequate

Registrar-Generals are proposing additional requirements, currently under review.

Batch Administrator under the RITS Regulations - PEXA must demonstrate operational capacity, including system testing and maintaining of effective operational and contingency procedures.

PEXA must also comply with RITS Standards issued by the RBA from time to time, including business continuity and security standards.

PEXA's position on APRA's CPS 230

PEXA's position on CPS230

What is CPS 230?

It sets forth minimum standards and regulatory requirements that APRA-regulated entities must adhere to by 1st July 2025. It is designed to:



Strengthen operational risk management



Improve business continuity planning



Enhance the management of third and fourth-party service providers

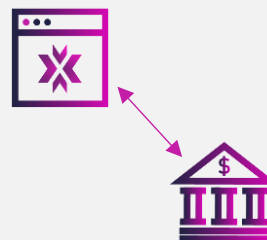
Where does PEXA fit in?

PEXA is not regulated by APRA and has no obligation to be compliant with the standard, however, the standard introduces a new level of risk management practices in the industry that are useful in their own right.



As an organisation:

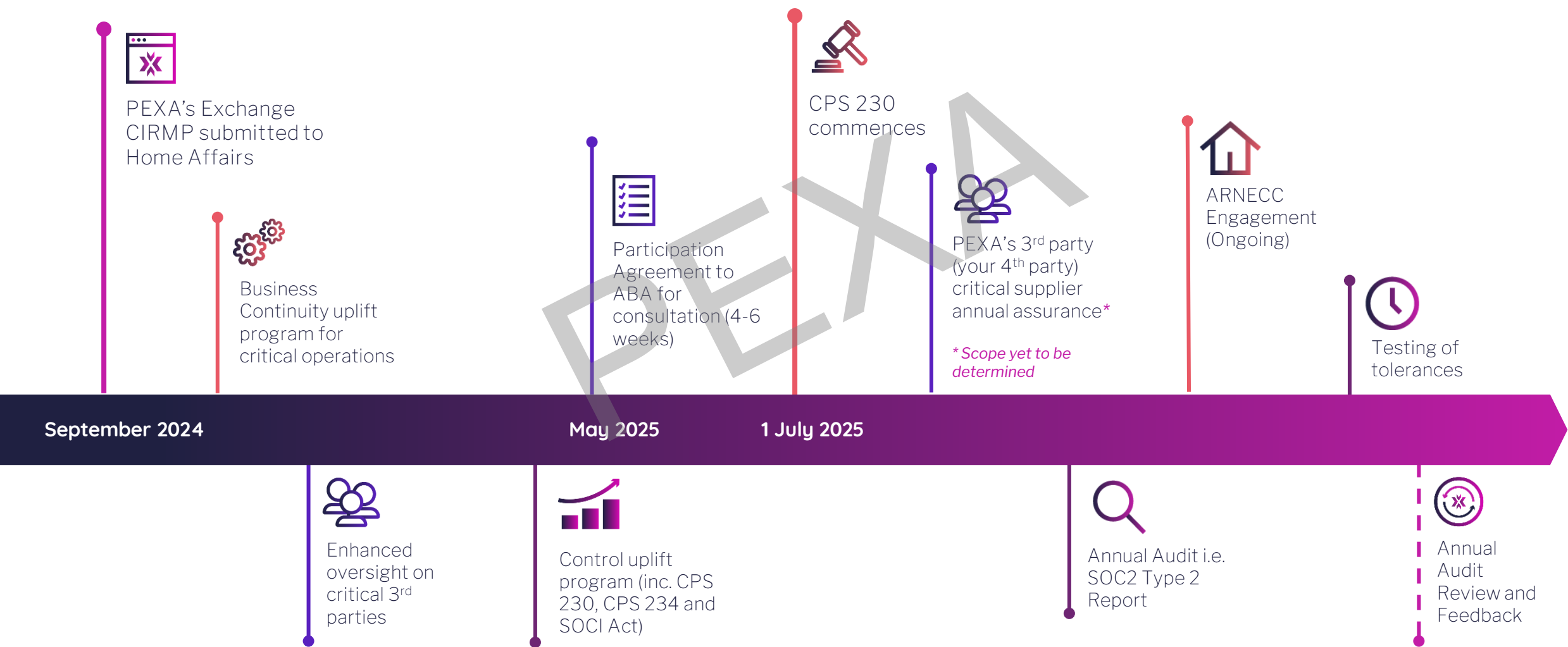
Align to CPS230 and endeavour to meet the core elements of the standard where it makes sense



As a service provider:

Classify ourselves as a Material Service Provider (MSP) and strengthen our ongoing assurance activity to support our customers

Roadmap to alignment



Ongoing support and assurance

What we can provide



A mechanism for our customers to access assurance and governance artefacts as per the Participation Agreement:

- Annual SOC2 Type 2 Audit Report – opportunity to provide feedback for continuous development
- ISO27001 Information Security Management Certification + Statement Of Applicability (SOA)
- PEXA's 3rd party critical supplier list and assurance activity (scope yet to be determined)
- Confirmation of tolerances (RPO, RTO)

What we can't provide



- Completion of bespoke or organisation specific 3rd party assessment requests
- Due to our obligations under the SOCI Act, we are unable to provide information / artefacts in relation to:
 - PEXA's Critical Infrastructure Risk Management Program (CIRMP)
 - The annual report to CISC which contains the CIRMP
 - Any vulnerability / penetration testing (or other sensitive reports) which may form part of the CIRMP
 - Business continuity plans, policies or procedures

Questions and answers

Next steps

Next Steps

Supporting materials



PEXA will issue a copy of this pack to all attendees with an FAQ section – incorporating questions raised in this session

A recording of this session will be shared

If required, another session will be held on the 15th May

Stay in the know



PEXA will update information for you to access via a landing page

Contact us



Your organisation's dedicated Relationship Managers (RMs)



financialservices.admin@pexa.com.au



Thanks for attending today

PEXA