

This document is classified as **White** in accordance with the Panel Information Policy. Information can be shared with the public, and any members may publish the information, subject to copyright.

<b>Paper Reference:</b>	<b>CSC_10_0201_04</b>
<b>Action:</b>	<b>For Decision</b>

## DP103 Draft Proposal decision

### 1. Purpose

This paper provides a summary of [DP103 'DCC SOC2 Assessments'](#). We are asking the Change Sub-Committee (CSC) to agree that this Draft Proposal should progress to a Modification Proposal.

### 2. What is the issue?

DP103 has been raised by Gordon Hextall on behalf of the Security Sub Committee (SSC).

SEC Sections G9.2-G9.7 require that the Data Communications Company (DCC) undertake an annual SOC2 assessment to gain independent assurance of its compliance with the SEC security obligations and the security controls in place at the DCC and its Service Providers.

However, SOC2 is a USA security audit standard that originates from financial audits. As such it has proven difficult to align with the SEC security obligations. SOC2 provides no calibration of findings which requires a great deal of subsequent investigation. Since it is a fixed audit framework it has also proven extremely difficult to adapt to the DCC and its Service Providers, leading to unnecessary and costly procedures.

The DCC is currently subject to the third such SOC2 assessment. The SSC considers that an alternate assessment methodology will provide greater value and assurance to SSC and to Users.

### 3. Comments on the issue

The SSC discussed the matter at its meeting in November 2019 and agreed that the matter should be resolved as soon as possible.

### 4. Next steps

We recommend that this Draft Proposal is presented to the Panel at its January meeting and then proceed into the Refinement Process so that alternative methods of assessment can be discussed. We also suggest the SSC requests the SEC Panel put in place a derogation on the obligation to undertake the SOC2 assessments until this modification is progressed to a conclusion.

## 5. Recommendations

The Change Sub-Committee is requested to:

- **AGREE** that the issue identified under DP103 is clearly defined and understood;
- **RECOMMEND** to the Panel that this Draft Proposal should be converted to a Modification Proposal; and
- **RECOMMEND** to the Panel that the Modification Proposal should proceed to the Refinement Process.

**Adam Lattimore**

**SECAS Team**

**19 December 2019**

### Attachments

- **Appendix A:** DP103 problem statement