

MARKET CODE / OPERATIONAL CODE CHANGE PROPOSAL

Form
version 3.0

Change Proposal reference
(To be completed by the TP Sec.)

MCCP286

Version No.

D.3

SUBMISSION

GENERAL DETAILS

TITLE Cyber Essentials

COMPANY CMA

Change Proposals must be authorised by the person designated by the signatory to the Market Code Framework / Accession Agreement

AUTHORISED
SIGNATURE

NAME

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CONTACT NAME

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ASSOCIATED MCCP /
OCCP

ASSOCIATED DOCS.

Annex 1: CSD0001 Updates.
Annex 2: MPF Discussion Paper - Cyber Essentials

PROPOSED URGENCY

NON-URGENT

REASONS FOR
URGENCY

The CMA CEO will review this information and make a decision as to whether to take this MCCP / OCCP forward as urgent as defined under Market Code Part 8.9.1

MCCP / OCCP DETAILS

ISSUE OR DEFECT WHICH THIS MCCP / OCCP SEEKS TO ADDRESS
Required under Market Code Parts 8.7.1 (ii) (b) and 8.8.1 (ii) (b)

Trading Parties and the CMA have recently considered the merits of establishing a more formal certification of organisations, in respect of their systems used to support activities under the Market Code. Such an arrangement is considered to enable and maintain a more secure exchange of data to support the Market Code, reducing the risk of a breach of the Market Code Data Security obligations.

The preferred approach is to adopt the Cyber Essentials security certification as a minimum standard.

This is an arrangement established under the sponsorship of the UK Govt. and administered by the Information Assurance for Small and Medium Enterprises (IASME) Consortium.

The basis of the Cyber Essentials regime is that an organisation can attain an identified level of assurance, based around five tests of their systems that can be confirmed as having been passed by an IASME Certified Body.

It should be noted that a more formal and technically involved certification arrangement can also be pursued: Cyber Essentials Plus. However, this MCCP does not propose introducing this level of certification as mandatory, although any organisation that holds the Cyber Essentials Plus certification or ISO27001 certification would be deemed to meet the Cyber Essentials minimum standard.

DESCRIPTION OF THE NATURE AND PURPOSE OF THE MCCP / OCCP AND HOW IT MEETS THE MARKET CODE / OPERATIONAL CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS
Required under Market Code Parts 8.7.1 (ii) (c) and 8.8.1 (ii) (c)

General Description

The Market Code will be updated to establish obligations on the CMA, Scottish Water and Licensed Providers to establish and maintain Cyber Essentials security certification as a minimum standard. Cyber Essentials Plus and ISO27001 certification would also be accepted.

These obligations will refer across to CSD0001 and this CSD will include explicit requirements to self-certify that their organisation has established Cyber Essentials Certification in respect of those systems used to support their Market Code obligations as part of the training or re-training for use of the LVI.

CSD0001 will also include explicit confirmation of Cyber Essentials Certification as part of the Market Assurance/Re-Assurance Testing (MAT/MRT) for HVI use.

Should an organisation not achieve Cyber Essentials Certification by the deadlines set then that organisation would lose all access to the Central Systems until certification is achieved.

Should an organisation not maintain Cyber Essentials Certification, for example by having it withdrawn or by failing to renew the certification on time, that organisation would lose all access to the Central Systems until certification is renewed successfully.

The deadline for achieving Cyber Essentials Certification is 31 March 2023.

If an organisation can demonstrate that they have applied for Cyber Essentials Certification before 31 March 2023 but certification has not been awarded then there will be a grace period to complete the application successfully until 30 September 2023.

From 1 October 2023, no Trading Party will be permitted access to the Central Systems without Cyber Essentials Certification.

Principles and Objectives affected
CMA Guidance Note GN009 may be referred to for assistance with this section

| PRINCIPLE | AFFECTED (Y/N) | DESCRIPTION |
|--|----------------|---|
| Proportionality | Y | Provides a simple, easily administered approach to improved security for MC related data exchanges. |
| Transparency | Y | Provides a clearer confirmation of the adequacy of security arrangements for each Party. |
| Simplicity, Cost-effectiveness, and Security | Y | Avoids creating a bespoke security assessment arrangement under the Market Code. |
| Non-exclusivity | N | |
| Barriers to Entry | Y | Allows new entrants to be clear as to what security standards need to be established. |
| Customer Contact | N | |
| Non-discrimination | N | |
| Non-detrimental to SW Core Functions | N | |
| MC / OC OBJECTIVES | N | |

IMPACT
Required under Market Code Parts 8.7.1 (ii) (d), (f) and (g), and 8.8.1 (ii) (d) and (f)

| CONFIGURED ITEM | IMPACTED (Y/N) | DESCRIPTION |
|-------------------------------|----------------|------------------------------------|
| MC / OC | Y | Sections 1, 2, 3 and 4. See below. |
| CSDs | Y | CSD0001. See below. |
| Wholesale Services Agreements | N | |

| | | |
|----------------------------------|---|---|
| Licences | N | |
| CMA Central Systems | N | |
| CMA business processes | Y | CMA processes and pro-formas to support CSD0001 will include Cyber Essentials Security certification. |
| Trading Party systems | N | |
| Trading party business processes | Y | LP and SW processes to support CSD0001 will include Cyber Essentials Security certification. |

The **Market Code** should be changed, as follows (red text):

Section 1.3.3 Admission Conditions

(iii) each Relevant Applicant has completed the Training Process, including the establishment of Cyber Essentials Certification or ISO27001 Certification, as described in CSD0001.

Section 2.2.2 CMA Duties/Market Training and Assurance Process and Transitional Duties.

(iii) The CMA shall administer the Training Process for Licensed Providers in accordance with CSD 0001 (Market Training & Assurance) and this process shall include confirmation of Cyber Essentials Certification or ISO27001 Certification.

Section 2.2.3 CMA Duties/Operate Maintain and Develop Central Systems. Add the following new sub-section:

(viii) Establish and maintain Cyber Essentials Certification or ISO27001 certification in respect of the above.

Sections 3.2.2 and 4.2.2 LP/SW Duties/Market Training and Assurance Process and Transitional Duties.

(ii) Each Licensed Provider shall complete the Training Process as required by the CMA in accordance with CSD 0001 (Market Training & Assurance) and this shall include confirmation of Cyber Essentials Certification or ISO27001 Certification.

(iii) Each Licensed Provider wishing to trade under the market Code using a High Volume Interface shall carry out Market Tests and complete Market Assurance Process(es) as required by the CMA in accordance with CSD 0001 (Market Training & Assurance) and this shall include confirmation of Cyber Essentials Certification or ISO27001 Certification.

Sections 3.2.9 and 4.2.9 LP/SW Duties/ LP/SW Systems. Add the following new sub-section:

(v) Establish and maintain Cyber Essentials Certification or ISO27001 Certification in respect of the above.

Schedule 1 Definitions. The following should be added:

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|----------------------------------|---|
| "Cyber Essentials Certification" | a pass awarded by an IASME Certification Body (as defined under the UK Government Cyber Essentials regime), in respect of systems as identified in Sections 2 or 3, as the case may be; |
| "ISO27001 Certification" | certification of compliance with the standards of ISO/IEC 27001:2013 awarded by an entity accredited by the International Standards Organisation; |

CSD0001 should be modified, as identified in Annex 1.

If changes are identified for CSD0301 Data Transaction Catalogue Annex, these will not be provided in this MCCP, but will be provided following the deployment of the associated system updates. This is because the majority of CSD0301 Annex is system generated automatically and can only be updated after associated changes have been incorporated into the relevant system.

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| IMPLEMENTATION DETAILS |
| PROPOSED IMPLEMENTATION DATE OR LEAD TIME Timescale must not overlap with the period of consultation with the Commission and should take account of the impacts identified in Section 0. Any quoted lead time should commence from date of Approval. |
| 31 March 2023 |
| ANY LIMITATIONS OR DEPENDENCIES FOR IMPLEMENTATION |
| |
| ANY OTHER COMMENTS |
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|--|------------------------------|---------------------|------------|
| TP ASSESSMENT | | | |
| ASSESSMENT PROCESS | | | |
| ASSESSMENT START DATE | 2022-10-27 | ASSESSMENT END DATE | 2022-12-08 |
| IMPACT ASSESSMENT REQUIREMENT | IA NOT REQUIRED | | |
| CONSULTATION REQUIREMENT | TP CONSULTATION NOT REQUIRED | | |
| ASSOCIATED DOCUMENTS (TO THIS PART B) | | | |
| ASSESSMENT DETAILS | | | |
| CHANGE SPEC AND IMPACT (IF DIFFERENT FROM THAT ORIGINALLY SUBMITTED) | | | |
| | | | |
| CMA INTERNAL SYSTEMS IMPACT | | | |
| | | | |
| DRAFT LEGAL TEXT (IF DIFFERENT FROM THAT ORIGINALLY SUBMITTED) | | | |
| | | | |
| CUSTOMER IMPACT (TO BE COMPLETED BY LPS) | | | |
| The additional certification will provide a level of confidence to customers that their data continues to be managed properly, reducing the risk of potential cyber-attacks. | | | |
| TP ASSESSMENT | | | |

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| Taking into account complexity, importance and urgency, and having regard to whether or not such proposal is within the relevant Objectives and Principles as required under Market Code Parts 8.7.1 (v) and 8.8.1 (iv) | |
| Impact on Principles and Objectives (if different from that originally submitted) | |
| Cost Estimate | |
| Benefit Estimate (L: < 10k, M: £10k to £100k, H: > £100k) | |
| TP DECISION | TP APPROVED |
| FINAL TP VIEWS | Unanimously approved by the meeting on 08/12/22 |
| PLANNED IMPLEMENTATION DATE | 2023-03-31 |

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|------------------------|----|
| WITHDRAWN BY PROPOSER? | No |
| COMMENTS | |
| DATE OF WITHDRAWAL | |

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|---|-----------------|
| COMMISSION APPROVAL | |
| DATE FINAL REPORT ISSUED TO COMMISSION | 2022-12-22 |
| APPROVAL STATUS | APPROVED CHANGE |
| DATE OF APPROVAL STATUS | 2023-03-17 |
| COMMISSION RESPONSE REFERENCE | |

IMPLEMENTATION

IMPLEMENTATION DATE

23 March 2023

IMPLEMENTATION DETAILS

(MC version, CSD versions, CMA Central Systems release number, etc.)

Market Code v50
CSD0001 v7