



U.S. Securities & Exchange Commission
Regulation Systems Compliance & Integrity
(Regulation SCI)

December 2021

Overview

In 2014, the United States Securities and Exchange Commission (Commission) adopted Regulation Systems Compliance and Integrity (Regulation SCI) to address the risks posed by technological changes transforming the U.S. securities markets.

In an effort to strengthen the markets' technological infrastructure, Regulation SCI requires certain self-regulatory organizations, alternative trading systems, plan processors and exempt clearing agencies to (i) **ensure their systems have sufficient capacity, integrity, resiliency, availability, and security** to maintain operational capability; (ii) **conduct testing of their business continuity and disaster recovery plans**; (iii) **take corrective action** with respect to systems disruptions, systems compliance issues and systems intrusions **and notify the Commission and affected parties** when they occur; and (iv) **conduct regular system reviews**.

Given the rapid pace of change in the technological and regulatory landscapes facing the financial services industry, banks and other financial institutions increasingly rely on cloud services as a way to mitigate risk, secure data and enhance reliability of their operations. Resiliency, availability and security have been priorities for Google Cloud from the very beginning. We offer a wide range of products and services that support robust, resilient and secure information management systems.

Managing the IT environment is a shared responsibility. Google is responsible for managing the underlying cloud infrastructure and for providing services on a highly secure and controlled platform. Customers are responsible for managing their environments within the cloud and for configuring Google Cloud products and services to reach their objectives. This shared responsibility model helps customers reduce risk and build a more comprehensive and effective risk management program.

This document provides insight into the ways Google Cloud helps customers meet their obligations under Regulation SCI.

Disclaimer

The contents of this document are accurate as of November 2021 and represent Google's products, systems and policies as of the time it was written. The analysis contained herein is limited to sections of the regulation relevant to Google Cloud and its customers, and is provided for informational purposes only. It does not constitute legal advice. For additional information, please see the full text of [Regulation SCI](#).

Maintaining Operational Capability

Resiliency & Availability

Financial institutions operating in the securities markets count on critical systems to support trading, settlement, data processing and other essential functions. Failure of these systems may result in substantial impacts to them and their customers as well as lead to disruptions in the fair and orderly operation of the markets.

Google's global infrastructure delivers high levels of performance and availability in a secure, sustainable way. It supports elastic capacity needs that can be maintained under stress.

Multiple data centers, zone separation, redundant power systems, environmental controls and data replication enable Google to meet the stringent uptime requirements of the financial services industry. Resilient and geographically diverse backup and recovery capabilities minimize downtime and allow for the rapid resumption of critical functions following systems disruptions. This robust set of capabilities helps protect customers from data loss and service disruptions caused by network failures, outages, natural disasters and other local or regional events.

Security

Google Cloud delivers leading-edge security capabilities to protect customer systems and safeguard customer data. These capabilities range from a dedicated team that actively monitors Cloud infrastructure and manages potential threats to automated tools that continuously analyze the network.

Google's wide variety of industry-leading tools, programs and processes combine to offer our customers robust security and peace of mind, including:

- Identity and access management leveraging biometrics and multi-factor authentication
- Vulnerability management that monitors for suspicious activity and quickly targets internal and external threats
- Incident management that identifies, escalates and manages security incidents
- Malware prevention that combines a variety of tools to prevent, detect and eliminate malicious software
- Data centers featuring multiple layers of physical security, biometric access controls and 24-hour monitoring
- Independent third-party audits to verify of our security, privacy and compliance controls and to assure compliance with key international ISO and SOC standards

Testing Business Continuity & Disaster Recovery Plans

Google Cloud conducts ongoing business continuity and disaster recovery testing to ensure rapid response following potential events related to natural disasters, public health crises and other wide-scale disruptions. Testing plans are coordinated across Google teams, products and services and are regularly updated to account for new and emerging risks.

Corrective Action & Notification

Google's incident detection team employs advanced detection tools, signals, and alert mechanisms that provide early indication of potential incidents. Early detection allows Google Cloud and customers to take immediate corrective action. To support regulatory notification and disclosure obligations, Google promptly notifies customers of incidents that impact their data and services.

System Reviews

Google has safeguards in place to ensure the design, development, deployment, and maintenance of Google applications, systems, and services are appropriately reviewed and tested in accordance with an auditable and documented process. In addition, Google undergoes several independent third-party audits on a regular basis to verify our security, privacy and compliance controls.

Conclusion

Google recognizes that as regulated entities, financial institutions may require assistance to enable them to ensure compliance with applicable laws and regulations, including Regulation SCI. We are committed to working with our customers in good faith to provide this assistance.

Additional Resources

Below are links to additional resources with further information on Google Cloud's products and services that may aid customers in assessing their compliance with Regulation SCI.

- [Regulation SCI full text](#)
- [Google Cloud Compliance resource center](#)
- [Risk Governance of Digital Transformation in the Cloud](#)
- [Strengthening Operational Resilience in Financial Services by Migrating to Google Cloud](#)
- [Google Cloud Financial Services compliance overview](#)
- [Trusting your data with Google Cloud Platform](#)
- [Google security whitepaper](#)
- [Data incident response process](#)
- [Assuring Compliance in the Cloud](#)