Information Security Animations – Security Consideration on Selecting Cloud Service Provider - SMEs (Script)

Security Consideration on Selecting Cloud Service Provider - SMEs

When selecting cloud service provider, SMEs need to pay close attention to the Terms of Service and Security & Privacy Policy, Data Ownership and some additional selection considerations.

Terms of Service and Security & Privacy Policy

Consider the following 7 basic questions while reading the Terms of Service and Security & Privacy Policy.

1. How can your company use cloud service (i.e. acceptable usage policies, licensing rights or usage restrictions)?

2. How is your data stored and protected?

3. Does the service provider have access to your data? If so, how is that access restricted?

4. How to report an incident?

5. How to terminate the service and how to process the data retained on cloud platform after service termination?

6. Will the service provider give advance notice of any change of terms?

7. Does the Privacy Policy follow the data protection principles of the Personal Data (Privacy) Ordinance?

You should negotiate the Terms of Service with the service provider if not all the terms are found acceptable. In addition, you should understand whether there are “secondary uses” of your account information without your knowledge or consent. For example, information stored in the cloud may be used to tailor advertisements.

Data Ownership

Besides paying attention to the ownership of the data stored on cloud, you should also:

- Check whether the service provider can use, disclose, or make your information public.
- Check whether the intellectual property rights of the data you own remain intact.
- Check whether the service provider retains rights to use your information even if you have removed your data from the cloud.
- Understand whether you can transfer your data and service to another service provider.
- Check whether data can be permanently erased from the cloud, including any backup, when data
are deleted or when you terminate the service.

**Additional Selection Considerations**
Consumers should understand the acceptable range of risks associated with the use of cloud services.

**An Ideal Service Provider Should:**
- Be able to provide a service level agreement commensurable with the importance of your business function.
- Be able to explain clearly what security features are available, preferably supported by an independent information security management certification (e.g. ISO/IEC 27001).
- Have no major security incident reported, or one that can provide transparency to previous security incidents with cause and remediation explained.
- Be able to use encryption to transmit data and protect stored static data. If not, you have to use your own encryption before storing data in the cloud. In that case, remember to keep your encryption key safe.
- Be able to provide a simple and clear reporting mechanism for service problems, security and privacy incidents.

**Quiz**
Please select the correct answer.
1. Should SMEs select a cloud service provider which can explain clearly what security features are available, preferably supported by an independent information security management certification?
   A) Yes (Correct)
   B) No

2. Which of the following should SMEs consider when they select cloud service providers?
   A) Terms of Service and Security & Privacy Policy
   B) Data Ownership
   C) Whether cloud service providers provide simple and clear reporting mechanism for service problems, security and privacy incidents
   D) All of the above (Correct)

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