



# IOT & Regulation

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# Agenda

- **What is Internet of Things ?**
- **Some Security Aspects**
- **IOT and Regulatory Issues**
- **Recommendations**
- **Questions & Answers**

# Introduction

The **Internet of Things (IoT)** refers to the ever-growing network of physical objects that feature an IP address for internet connectivity, and the communication that occurs between these objects and other Internet-enabled devices and systems.

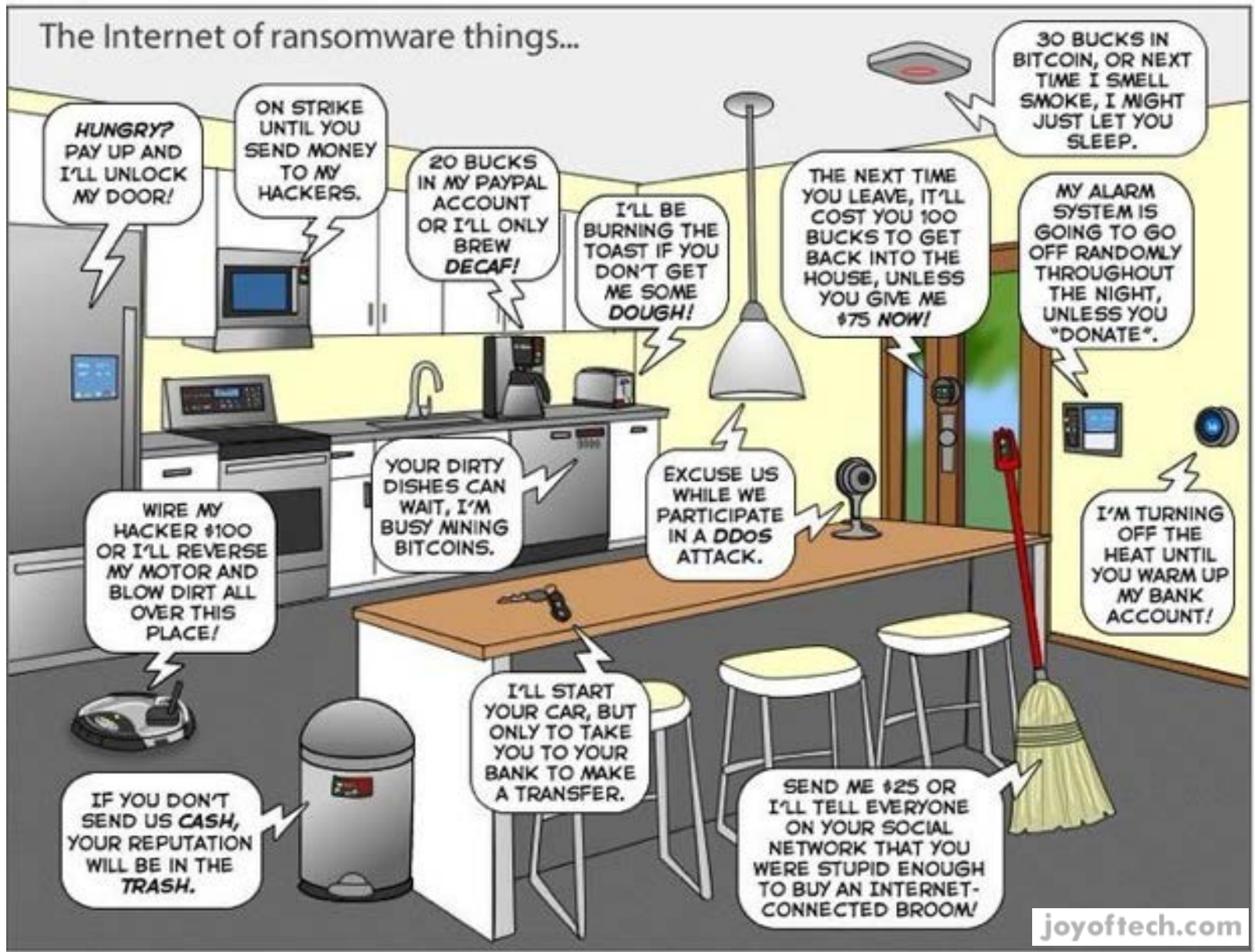
## KEVIN ASHTON

Coined the term *Internet of Things* back in 1999.

*"I could be wrong, but I'm fairly sure the phrase 'Internet of Things' started life as the title of a presentation I made at Procter & Gamble in 1999 linking the new idea of RFID in P&G's supply chain to the then-hot topic of the Internet was more than just a good way to get executive attention."*



# Introduction



# I Am The Cavalry

We believe that our dependence on computer technology is increasing faster than our ability to safeguard ourselves.

## New: How IoT is “different”

Aspect	Descriptions
<b>Adversaries</b>	Different adversaries with different motivations and capabilities
<b>Consequences of Failures</b>	Life & Limb, Physical Damage, Market Stability/Confidence, National Security
<b>Context &amp; Environment</b>	Operational contexts can be quite different. Migratory, Perimeter-less, Inaccessible, Difficult to patch/replace
<b>Composition of Goods</b>	Differences in Hardware, Firmware, Software stacks
<b>Economics</b>	Margins, Buyers, Investors, Costs of Goods, etc
<b>Time Scales</b>	Time-to-Live (TTLs), R&D Cycles, Response Times

 <https://www.iamthecavalry.org/>

# Introduction

'There will be as many as  
**40 To 80**  
**BILLION**  
connected objects  
by 2020.



There will be  
**10** connected  
objects  
for every man,  
woman, and child  
on the **PLANET.**



Through the power of smart devices, people will not only consume data, but contribute observed data to the IoT through their phones and tablets as **human sensors**

# Examples of IOT

- Smart Home
- Smart Cities
- Smart Devices
- Wearables
- Automobiles
- Transport Systems
- Manufacturing
- Smart Metering
- eHealth

## SMART THERMOSTATS

nest



## CONNECTED CARS

CAR  
2GO



## ACTIVITY TRACKERS

BASIS



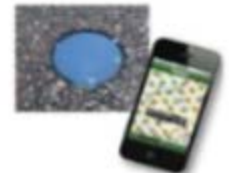
## SMART OUTLETS

belkin



## PARKING SENSORS

STREETLINE  
CONNECTING THE REAL WORLD



# Security Considerations



The market can't fix this because neither the buyer nor the seller cares.

Dyn estimated that the attack had involved '100,000 malicious endpoints', and the company said there had been reports of an extraordinary attack strength of 1.2 terabits (1,200 gigabytes) per second. Photograph: Alamy

## Massive DDoS Attack

Spotify, Twitter, Github, Etsy, and More Go Offline



# IOT Expands Security Needs



Converged  
Managed  
Network

Resilience  
at scale

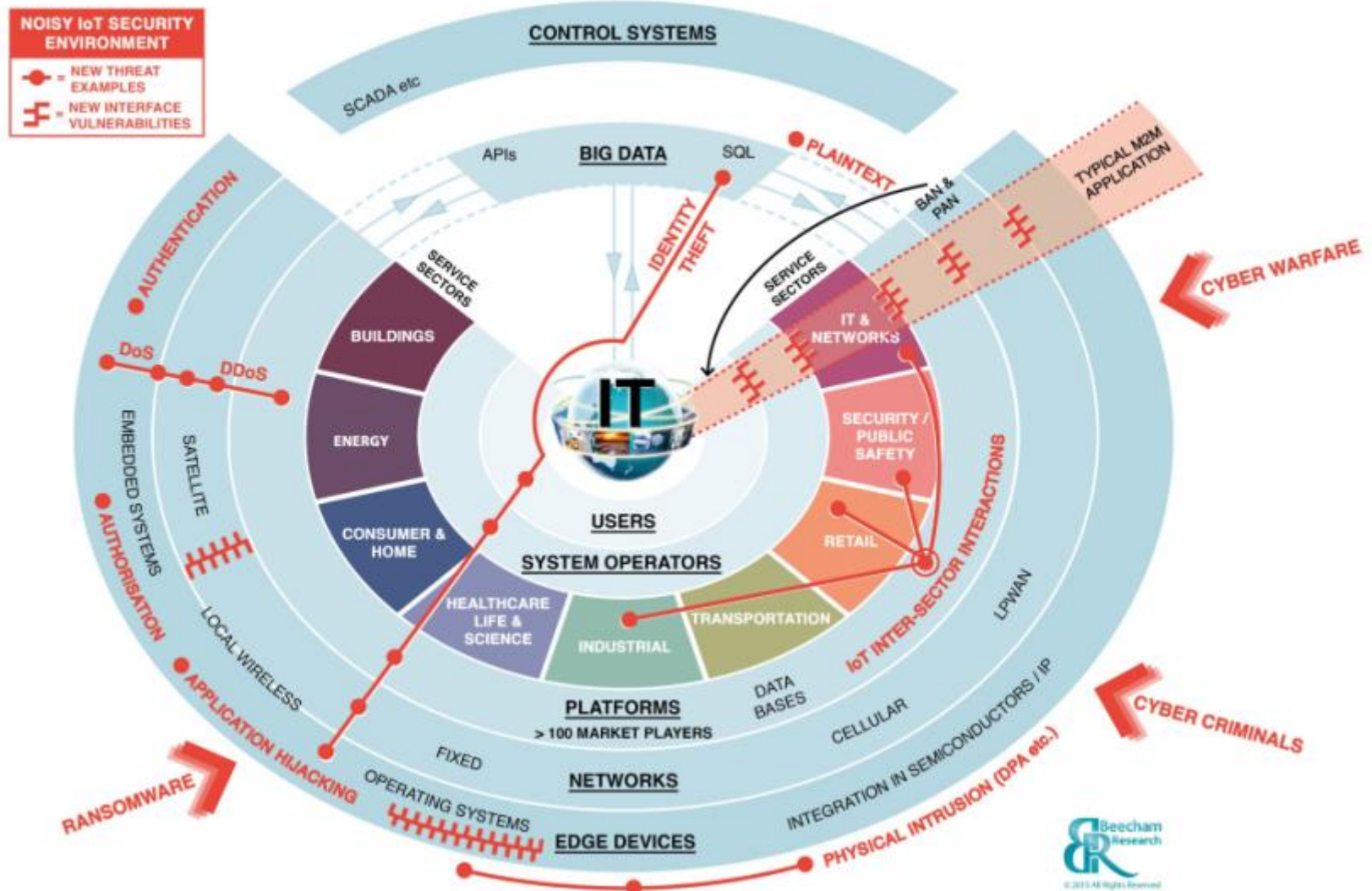
**Security**

Distributed  
Intelligence

Application  
Enablement

# Security Considerations

**IoT Security Threat Map**



## ✓ Licensing and spectrum management

Ensure spectrum is available for a wide range of IoT applications, at short and long range, in licensed and unlicensed bands.

## ✓ Switching and roaming

Encourage development of SIMs and mobile network accounts suitable for large M2M users, roaming mobile devices, and fixed devices in areas of poor reception

## ✓ Addressing and numbering

Large address space needed for globally addressable things

## ✓ Competition

Ensure competition regulators have capability to monitor IoT markets for abuses of dominant positions. Provide institutional mechanism for ongoing review of laws and regulations for impact on IoT competitiveness.

## ✓ Security and privacy



## Goal

- ✓ Significantly reduce security vulnerabilities in IoT systems,
- ✓ Encourage security and vulnerability patching of devices.
- ✓ Smart city vulnerabilities can be hard to fix due to legacy systems, but present significant safety issues (e.g. in traffic lights).
- ✓ Ensure individual control of profiles, which can be used to infer sensitive personal information, such as medical disorders.
- ✓ Reduce potential for discrimination in employment, financial and healthcare services.

## Best practice

- ✓ Ensuring security and privacy from outset of IoT system design process.
- ✓ Development of co-regulation by all stakeholders to protect security and privacy.
- ✓ Further development of privacy and consumer protection rules to ensure security testing of IoT systems that process sensitive personal data.

# Security and Privacy Measures

- ✓ **Incorporate Security at the Design Phase**
- ✓ **Promote Security Updates and Vulnerability Management**
- ✓ **Build on Recognized Security Practices**
- ✓ **Prioritize Security Measures According to Potential Impact**
- ✓ **Promote Transparency across IoT**
- ✓ **Connect Carefully and Deliberately**
- ✓ **Development of further guidance for privacy requirements**
  - ✓ **PIA, data minimisation,**
  - ✓ **Collaboration telecoms and DP agencies**

# OWASP Top 10



- ✓ **Insecure Web Interface**
- ✓ **Insufficient Authentication/Authorization**
- ✓ **Insecure Network Services**
- ✓ **Lack of Transport Encryption**
- ✓ **Privacy Concerns**
- ✓ **Insecure Cloud Interface**
- ✓ **Insecure Mobile Interface**
- ✓ **Insufficient Security Configurability**
- ✓ **Insecure Software/Firmware**
- ✓ **Poor Physical Security**



# All elements need to be considered

- ✓ The Internet of Things Device
- ✓ The Cloud
- ✓ The Mobile Application
- ✓ The Network Interfaces
- ✓ The Software
- ✓ Use of Encryption
- ✓ Use of Authentication
- ✓ Physical Security
- ✓ USB ports



# Regulations

- **Data Protection and Privacy**
- **Communications Law**
- **Cyber Security**
- **Cybercrime**
- **Intellectual Property Law**
- **Consumer and product liability law**



# Regulations



Stricter Consent Req.  
Privacy by Design  
Privacy by default  
Data Portability  
Encryption, anonymisation



# Regulations

## The Network and Information Security Directive

**Objectives**

- Improvement of national security capabilities
- Improvement of national, public & private cooperation
- Adoption of Risk Management Practices in critical sectors
- Reporting of major incidents to the national authorities

**Benefits**

- More trust in web & e-services for citizens/consumers
- More reliable digital networks/infrastructure for Governments & Businesses
- More reliable services, more equal & stable conditions for the EU economy

**Want to take part?**  
Shape EU Cybersecurity practices on the NIS Platform

@EU\_TrustSec  
#NIS



**AIOTI**

ALLIANCE FOR INTERNET OF THINGS INNOVATION

*The overall goal of the establishment of the AIOTI is the creation of a dynamic European IoT ecosystem to unleash the potentials of the IoT. This also offers an opportunity to discuss policy obstacles to further IoT take up, and to forge consensus.*

*WG4 makes Policy recommendations on:*

- *Privacy*
- *Security*
- *Liability*
- *Net Neutrality*

U.S. Department of Homeland Security

## STRATEGIC PRINCIPLES FOR SECURING THE INTERNET OF THINGS (IoT)

Version 1.0  
November 15, 2016

Homeland  
Security

## Prioritizing **IOT** Security

Proposal for a

## **DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**establishing the European Electronic Communications Code**

- **Increased competition**
- **Stronger Consumer Protection**
- **Better use of radio frequencies**
- **A safer online environment**



**Modernisation of current telecoms rules to drive investment !**

## Challenges for Competition Policy in a Digitalised Economy

Study for the ECON Committee

# Thank You