



Whitepaper

Encrypted Traffic Analysis: A Critical Solution for Enterprise Privacy

Many businesses today operate globally and gather data from various sources to develop lucrative customer insights and gain a competitive advantage in a rapidly changing commercial marketplace. Data has become invaluable, and demand for it has increased exponentially.

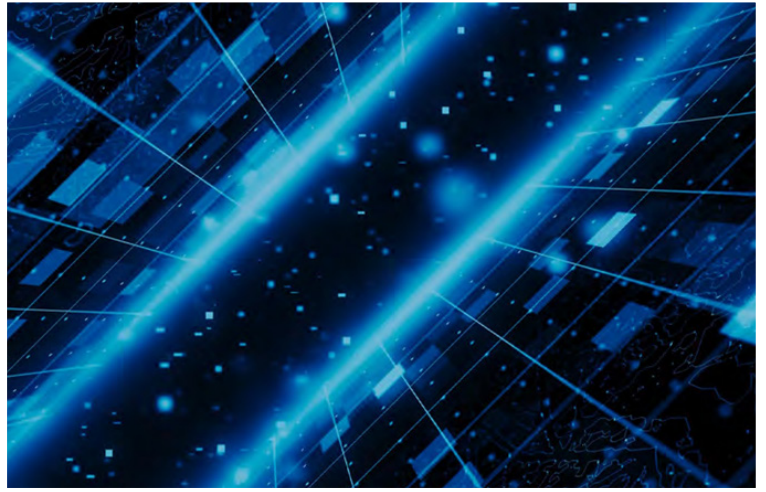
The flip side of this unending consumption of personal and confidential data is the increasing rise in data breaches. Regulators have duly responded by ramping up privacy and security regulations, which places businesses under enormous pressure to comply with new requirements. All regulations ask companies to use appropriate tooling to prevent and protect their services and data processing activities. However, understanding the full depth of risk and responding in a measured, effective manner can be challenging. Encrypted traffic analysis (ETA) is an effective solution that businesses can use to help maintain the confidentiality and protection of their data. This paper investigates the significance of encrypted traffic analysis for business privacy officers.

We look at the challenges created by a global organisations' regulatory and privacy requirements and the need for encryption standards and real-time monitoring. Finally, we discuss the importance of privacy in today's world and reference a recent breach in which client data was exposed.

Because of the various laws and regulations governing data protection in different regions, global organisations must manage a framework of evolving regulatory and privacy challenges as they are applied to the marketplace. A typical example is the EU General Data Protection Regulation (GDPR), which requires businesses to follow strict data protection rules. For example, individuals in the European Union have the right to be forgotten, whereas, in the United States, there is no equivalence. Further, the Californian Consumer Privacy Act (CCPA) recognises consumers rather than individuals. Because of these disparities in privacy law, it can be difficult for businesses to implement a consistent approach to data protection.

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Privacy is now considered a fundamental right. Individuals expect their data to be protected, and businesses are obligated in their duty of care to protect the data of their employees, company, partners and customers. Failure to protect personal data can have serious ramifications, including financial losses and reputational damage. Privacy is important not only from a legal and regulatory standpoint but also from a business perspective. Customers are more likely to do business with companies that have a good reputation for data security. Conversely, reputational damage following a breach can be devastating and take years to restore.

Clarity, understanding and oversight of encrypted traffic should be integral to an organisation's security, privacy, and compliance strategy. Due to the growing reliance on digital communication and the rise of online and business-to-business interactions, businesses must take proactive steps to guarantee that their networks are compliant and safeguard customer data. ETA allows organisations to identify and respond to suspicious communications, maintain compliance, and demonstrate adherence to necessary standards. In addition, businesses can implement a strategy for continuous risk assessment to uncover their network's associated risks and encryption vulnerabilities and establish the most efficient ways to reduce and mitigate these risks.

The dangers of not having encryption standards and continuous monitoring are substantial. Businesses that lack proper controls in these areas are more vulnerable to cyber-attacks and data breaches, which can ultimately lead to the loss of personal and sensitive data. Events like these have a materially significant financial and reputational impact on a business. According to a recent IBM study, the average data breach cost is \$4.35 million, a 12.7% increase since 2020. The more startling statistic was that 83% of respondents said this was not their first data breach (1).



“This breach resulted in Capital One suffering significant financial losses, including an \$80 million fine from the Office of the Comptroller of the Currency.”

For Privacy Officers, encrypted traffic analysis is a critical competence since it allows them to maintain the highest level of assurance around data privacy while complying with regulatory and privacy requirements. Privacy Officers can use encrypted traffic analysis as an additional control to monitor and analyse encrypted traffic, identify suspicious behaviour, and ensure that sensitive data remains secure and compliant. It also provides a critical addition for protective security controls that we would expect Security Operating Centre (SOC) teams to employ.

With the growing importance of privacy in the modern world, businesses must prioritise data security by implementing strong encryption standards and monitoring encrypted communications to protect their customers, employees and transactional data. Ensuring an appropriate minimum level of compliance across the infrastructure estate, its network transmissions, certificates and protocols is possible through ETA with Venari Security.

References

1. **IBM SECURITY, COST OF A DATA BREACH REPORT 2022**

About Colt

Colt aims to be the leader in enabling customers’ digital transformation through agile and OnDemand, high bandwidth solutions The Colt IQ Network connects 900 data centres across Europe, Asia and North America’s largest business hubs, with over 29,500 on net buildings and growing Colt has built its reputation on putting customers first Customers include data intensive organisations spanning over 212 cities in nearly 32 countries Colt is a recognised innovator and pioneer in Software Defined Networks (SDN) and Network Function Virtualisation (NFV) Privately owned, Colt is one of the most financially sound companies in its industry and able to provide the best customer experience at a competitive price For more information, please visit www.colt.net.



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