

Microsoft 365 Information Protection and Compliance Capabilities

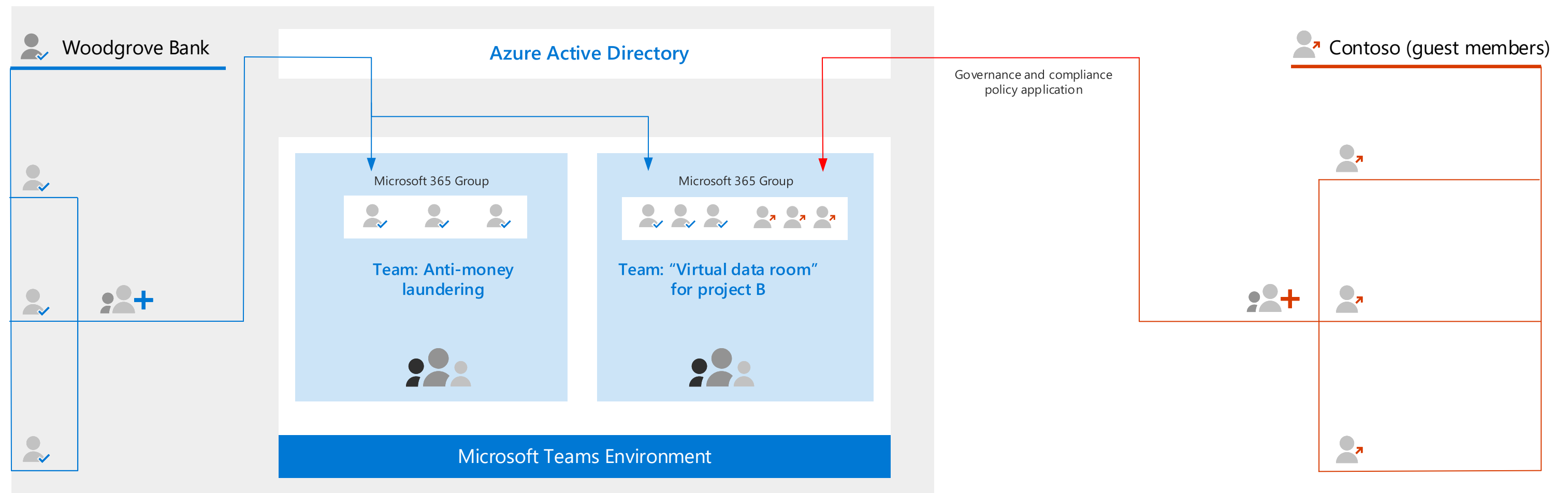
Introduction

Microsoft 365 includes a broad set of information protection and compliance capabilities. Together with Microsoft’s productivity tools, these capabilities are designed to help organizations collaborate in real time while adhering to stringent regulatory compliance frameworks.

This set of illustrations uses one of the most regulated industries, financial services, to demonstrate how these capabilities can be applied to address common regulatory requirements. Feel free to adapt these illustrations for your own use.

For more information about how Microsoft 365 can help financial services institutions meet security and compliance regulations, see [Key compliance and security considerations for US banking and capital markets](#).

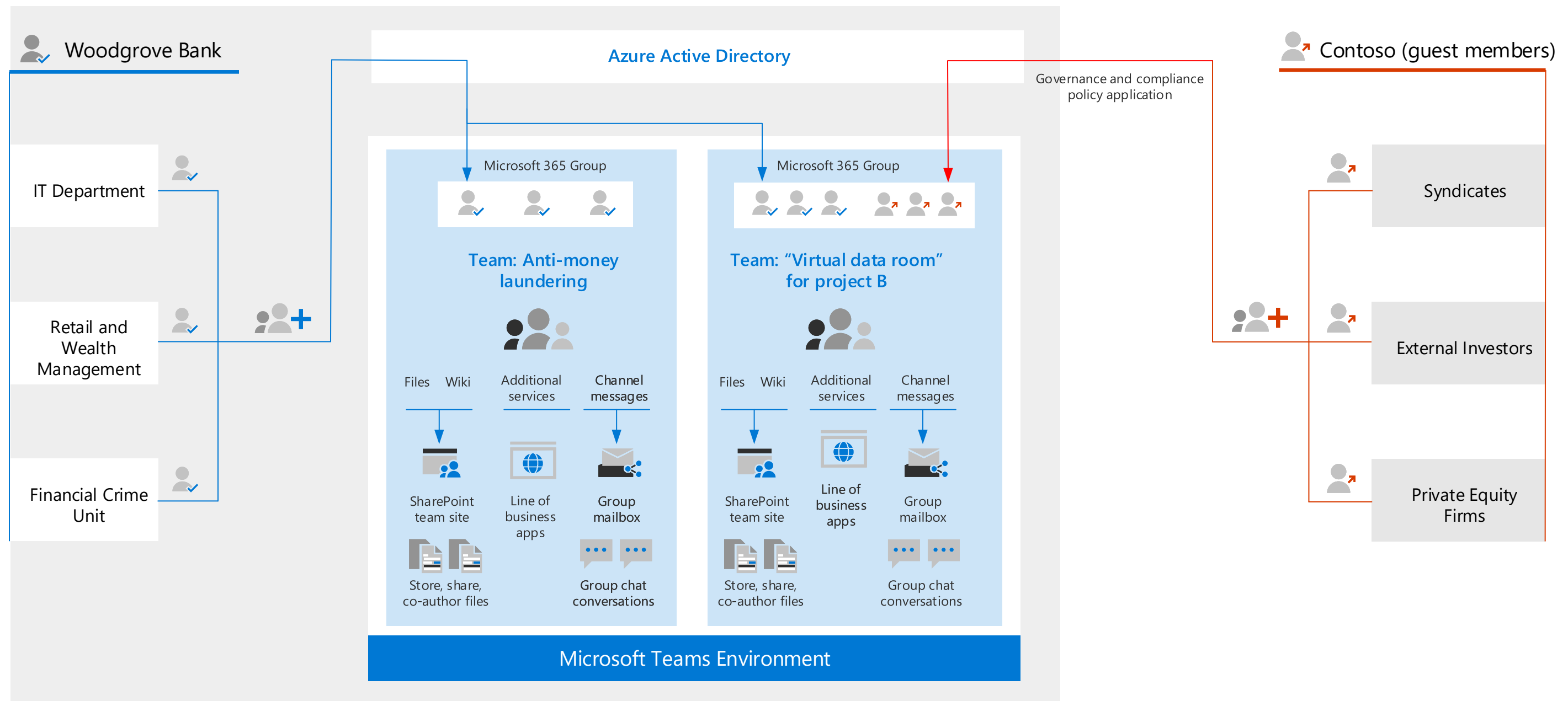
In these illustrations, Woodgrove Bank hosts two Teams environments for projects with different participants. In each scenario, each Team’s Microsoft 365 Group provides a security boundary for membership, with Azure Active Directory enforcing multi-factor authentication and other conditional access policies for Microsoft Teams.



High level Teams logical architecture

A common scenario where Teams benefits financial services is when running internal projects or programs. For example, many financial institutions have anti-money laundering and compliance programs in place. In this illustration, Woodgrove Bank hosts two Teams Environments for projects with different participants.

The Anti-money laundering project includes only Woodgrove Bank employees. The "Virtual data room" for project B includes guest members from Contoso. The Virtual Data room acts as a secure place to share data that can only be accessed by authorized users. Azure Active Directory also enforces multi-factor authentication and other conditional access policies for guests.

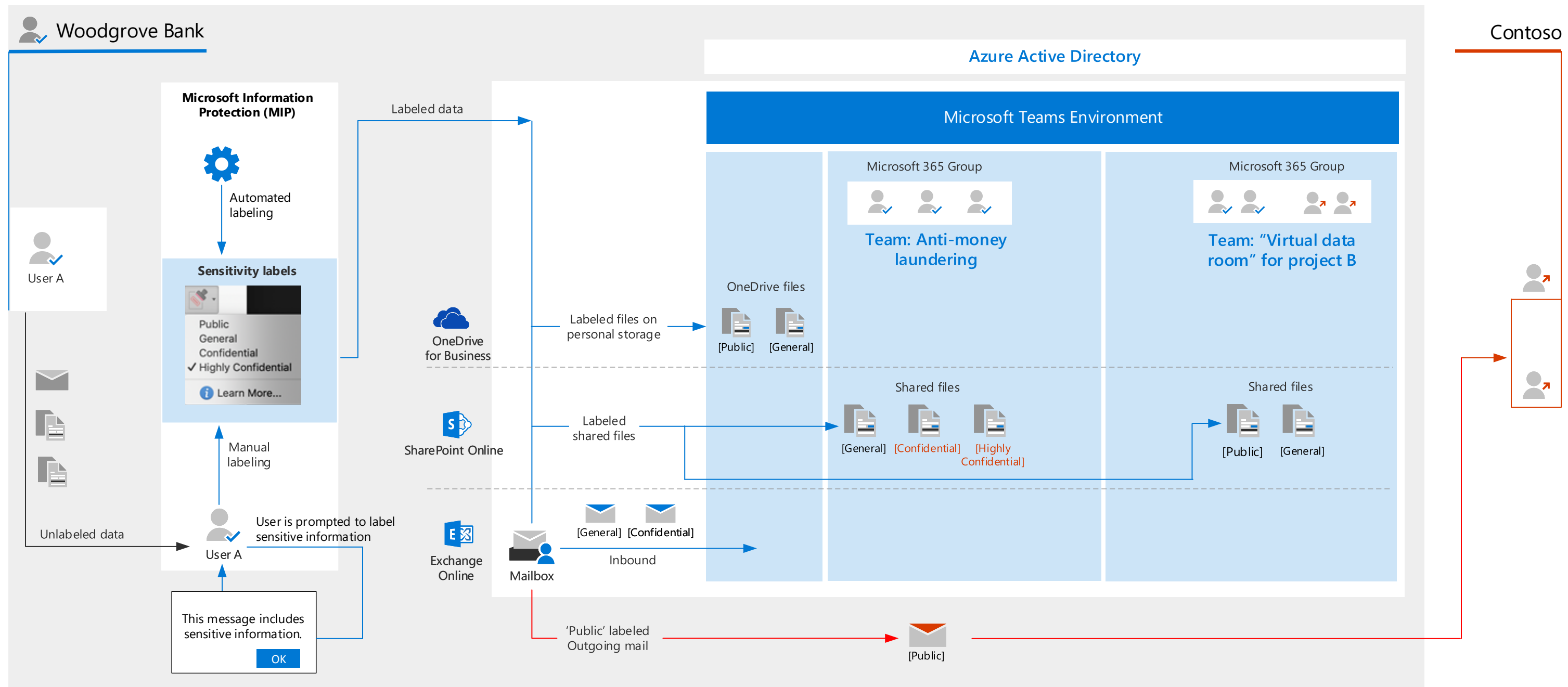


Identify sensitive information and prevent data loss

Microsoft 365 allows all organizations to identify sensitive data within the organization through a combination of powerful capabilities, including Microsoft Information Protection (MIP), and Office 365 Data Loss Prevention (DLP). MIP enables organizations to classify documents and emails intelligently by using sensitivity labels, applied manually or through machine-learning.

Sensitivity labels

The following scenario illustrates how sensitive information can be labeled either through machine learning or manually (shown below through user prompting and education). DLP can scan these labels to enforce data loss prevention policies.

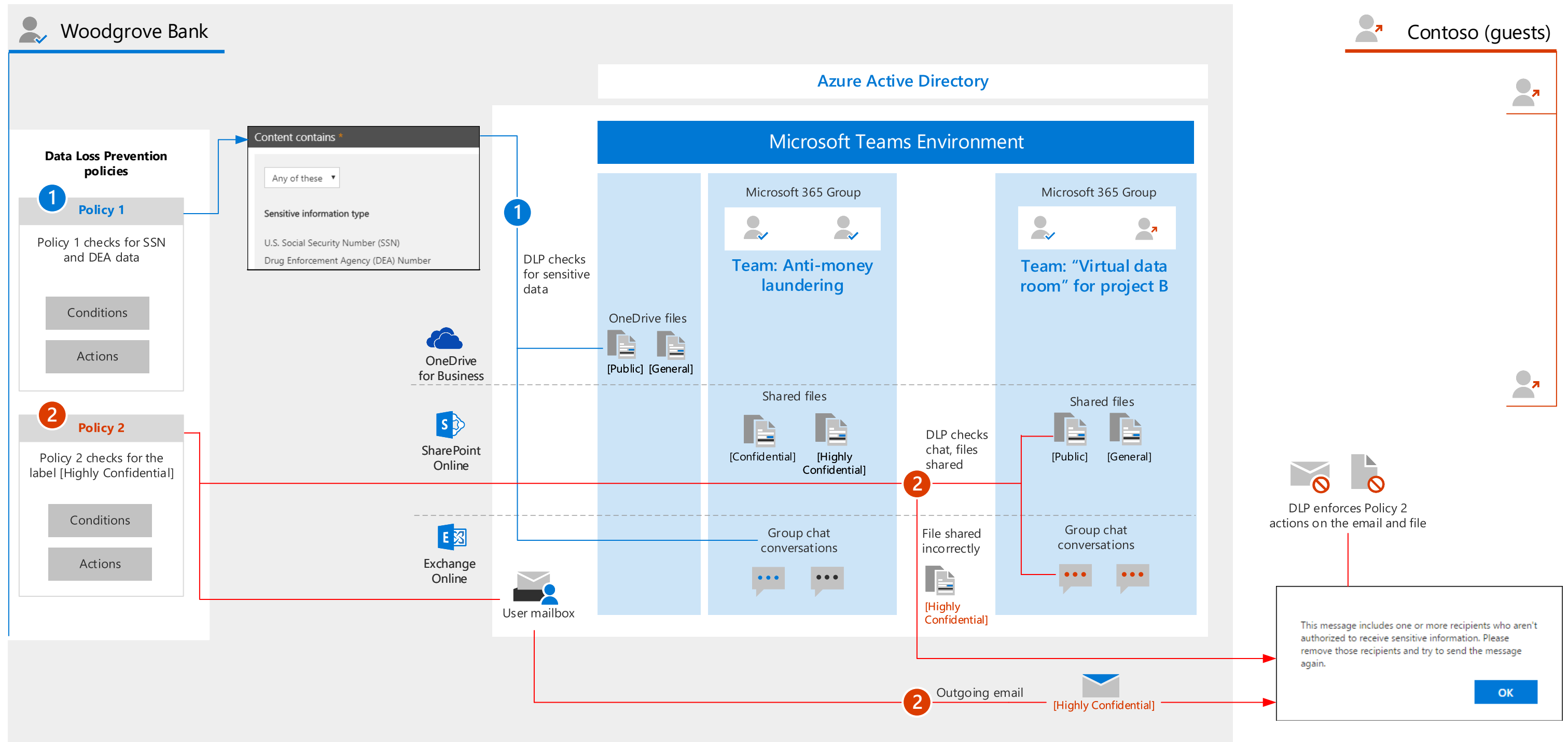


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Data loss prevention

Once sensitivity labels are applied across the data, DLP can be used to identify documents, emails, and conversation by scanning these for the sensitivity labels. It then enforces appropriate policies on this data and lets you monitor, protect, and prevent accidental sharing of sensitive information. It also helps users stay compliant without interrupting their workflow.

The following illustration demonstrates DLP enforcing policies for data that matches several sensitive information types (Policy 1) and data labeled 'Highly Confidential' (Policy 2). We see that if an attempt is made to share data marked 'Highly Confidential' outside of allowed recipients, DLP blocks the sharing of the information and prevents data loss.



Govern data and manage compliance requirements for retention

Retention policies and retention labels

Microsoft 365 provides flexible capabilities to define retention policies and retention labels to intelligently implement records-management requirements.

Retention settings that you configure can help compliance with industry regulations requiring you to retain content for a minimum period of time, reduce risk in case of litigation or security breaches, and share knowledge in an effective, agile way.

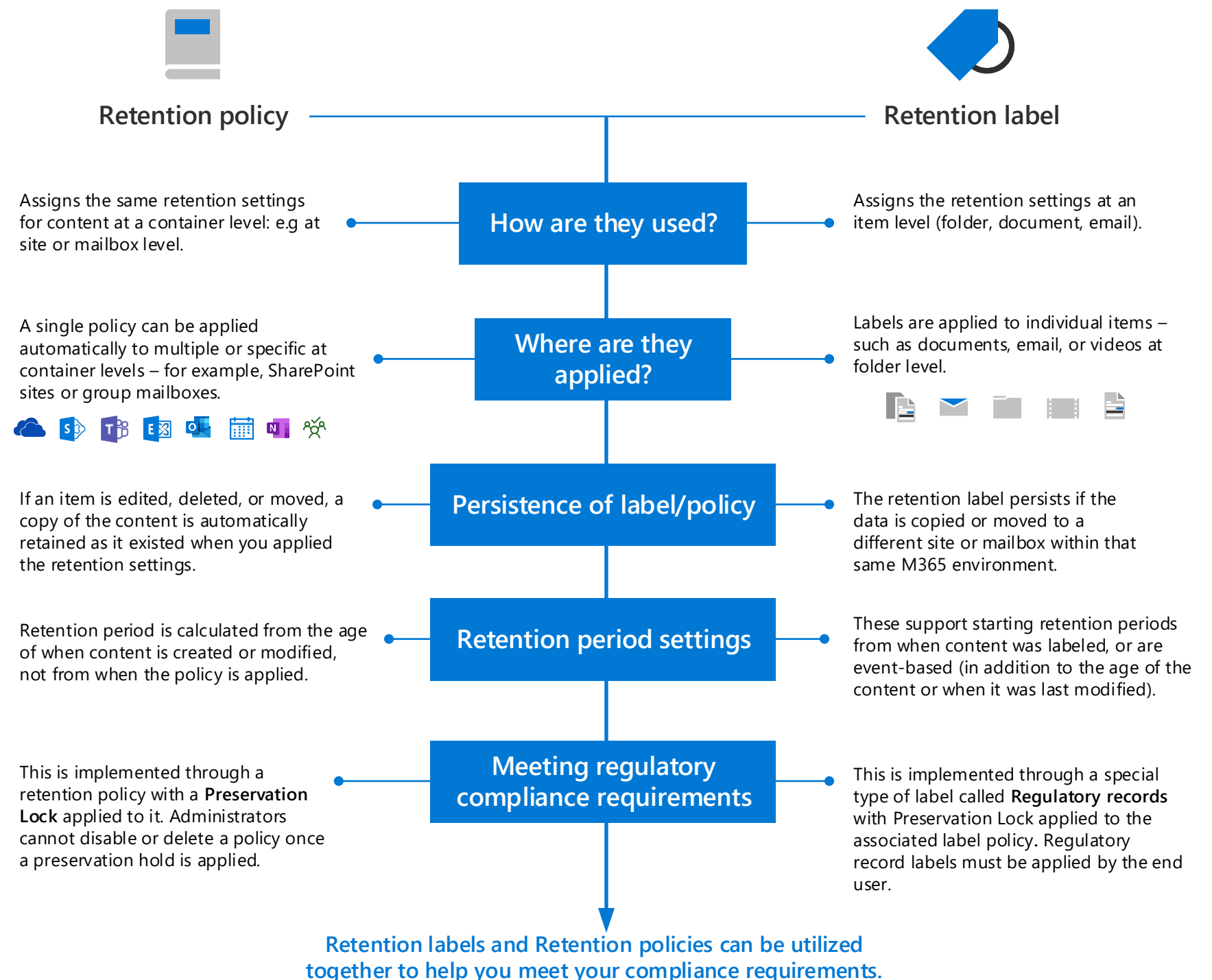
You can use both **retention policies** and **retention labels** to assign retention settings.

Both of these come with specific ways to help comply with rules defined by financial regulatory bodies such as SEC Rule 17a-4(f), which requires regulated entities to "Preserve the records exclusively in a non-rewriteable, non-erasable format." Microsoft 365 accomplishes this by applying a Preservation Lock to a Retention Policy or Label Policy (in the case of Regulatory Record labels), which ensures that the policy cannot be turned off or made less restrictive. Retention Policies and Regulatory Record labels are touched upon in later illustrations (topic 5 of 8).

There is no limit to the number of retention labels that are supported for a tenant. However, 10,000 is the maximum number of policies that are supported for a tenant and these include the policies that apply the labels.

The broad differences between these two methods are shown in the facing diagram.

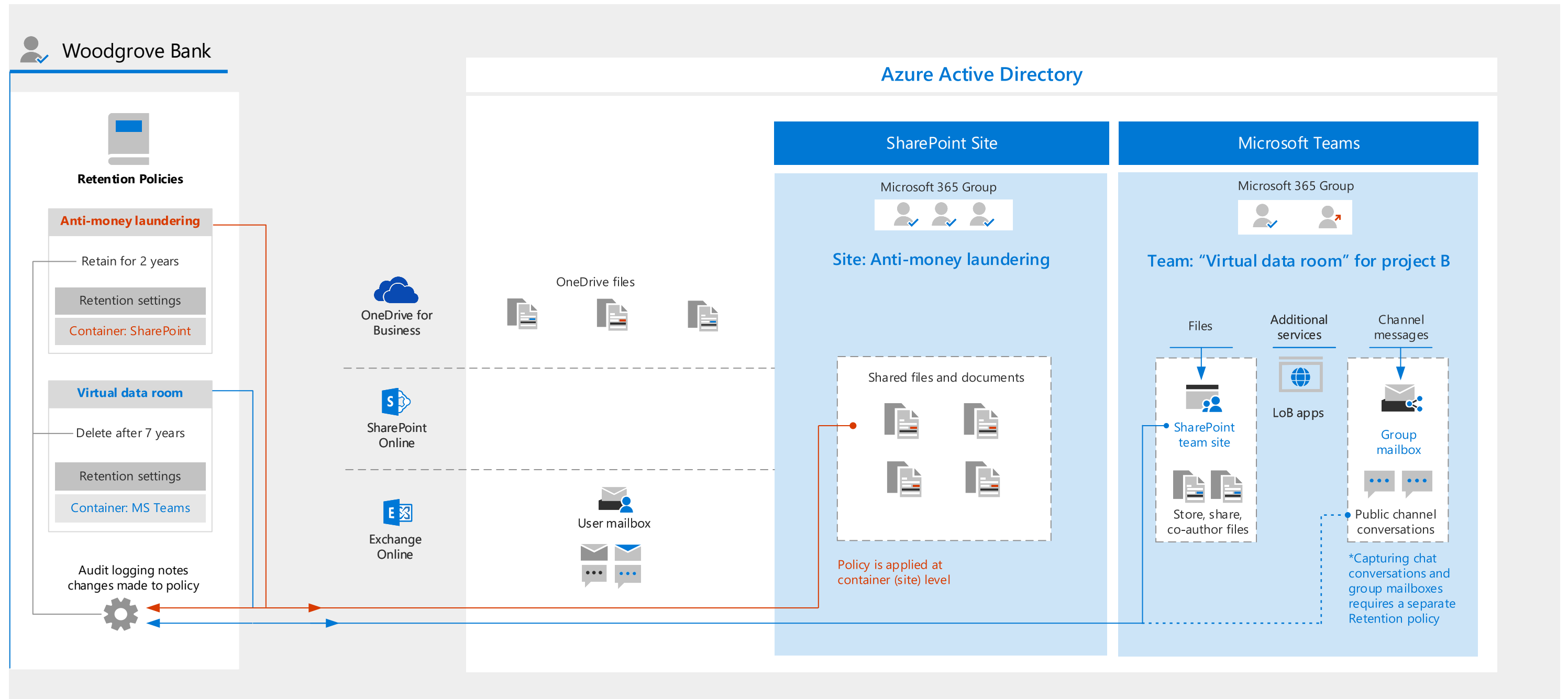
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Retention policy application

A retention policy lets you proactively retain, delete - or both retain and then delete - content very efficiently by assigning the same retention settings for content by container at a site or mailbox level. A retention policy can support multiple containers, but a single retention policy cannot include all supported containers (Teams, SharePoint etc). When you configure a retention policy, you can choose

to retain content indefinitely or for a specific number of days, months, or years. The retention period is calculated from the age of the content (from when it was created or modified), not from when the retention policy is applied. The following diagram shows Retention policies being applied to data in different containers in the M365 environment.

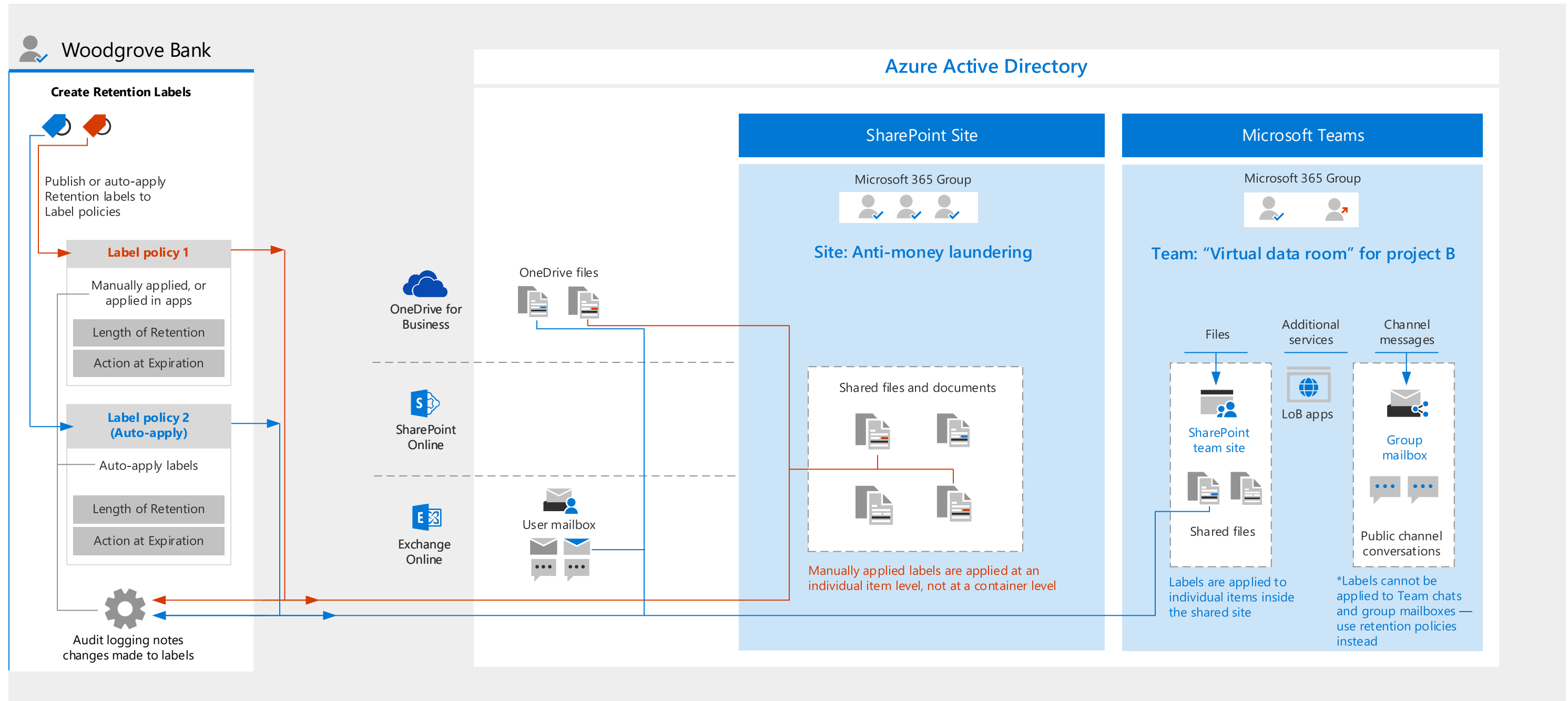


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Retention label application

Retention labels help you retain and delete data at an item level (document, email, or folder). After labels are created, you will create a retention label policy to specify the locations where these labels can be applied. A retention label can be applied automatically based on sensitive information types, keywords or properties, a trainable classifier, a SharePoint Syntex document understanding model, or as a default label in SharePoint. End-users can also manually apply labels to SharePoint documents and Exchange emails.

Retention labels can also be used to mark items as a record or a regulatory record. When this happens and the content remains in Microsoft 365, the label places further restrictions on the content that helps you meet regulatory requirements. Retention labels don't persist if data is moved outside your Microsoft 365 tenant.

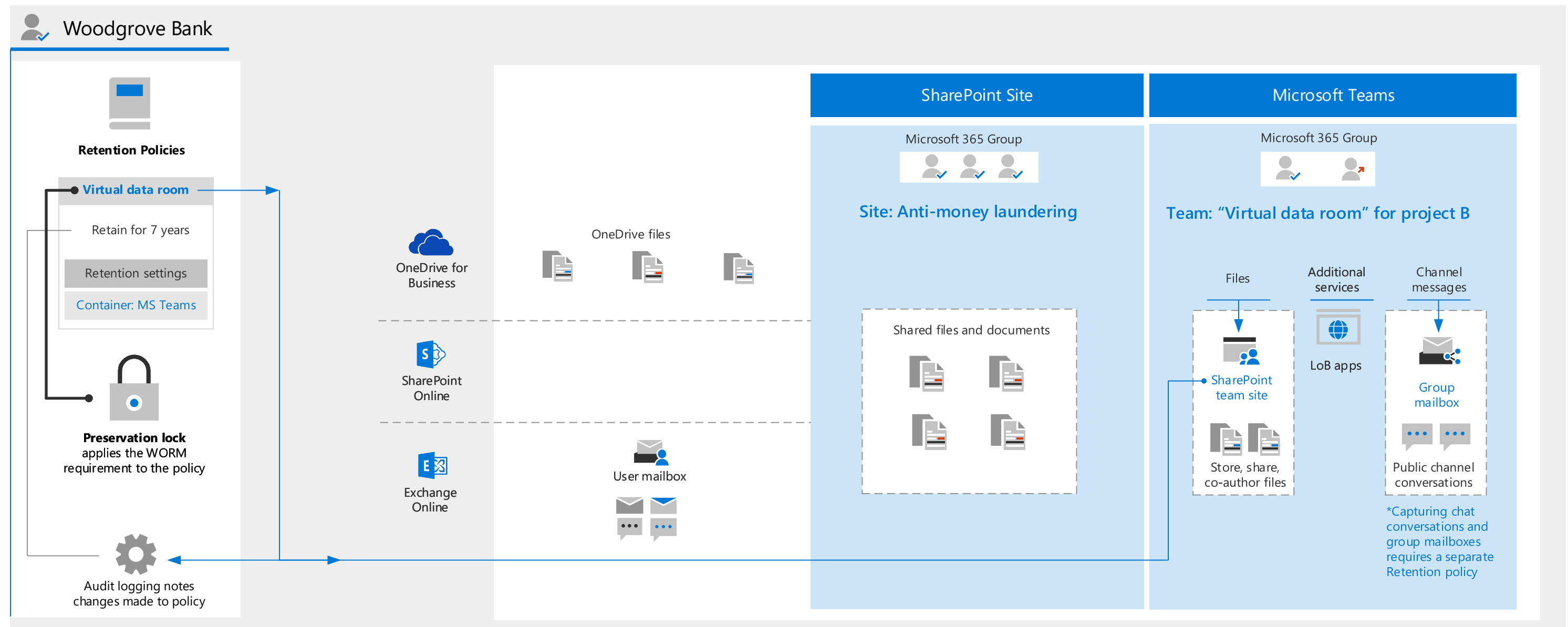


Govern data and manage compliance requirements for retention: WORM requirement

Retention policies and Preservation locks

Several financial regulations require that electronic data must be stored in a non-erasable format (WORM: Write-Once-Read-Many). When a retention policy is locked: no one can turn it off, containers can be added but not removed, policy compliant content can't be modified or deleted by an administrator during the retention period. Preservation Lock helps you be compliant with these

financial regulations by ensuring that after a retention policy's lock is turned on, it cannot be turned off or made less restrictive. In summary, a locked retention policy can be increased or extended, but it can't be reduced or turned off. Below we see the Preservation Lock applied to data that needs to meet the WORM requirement.

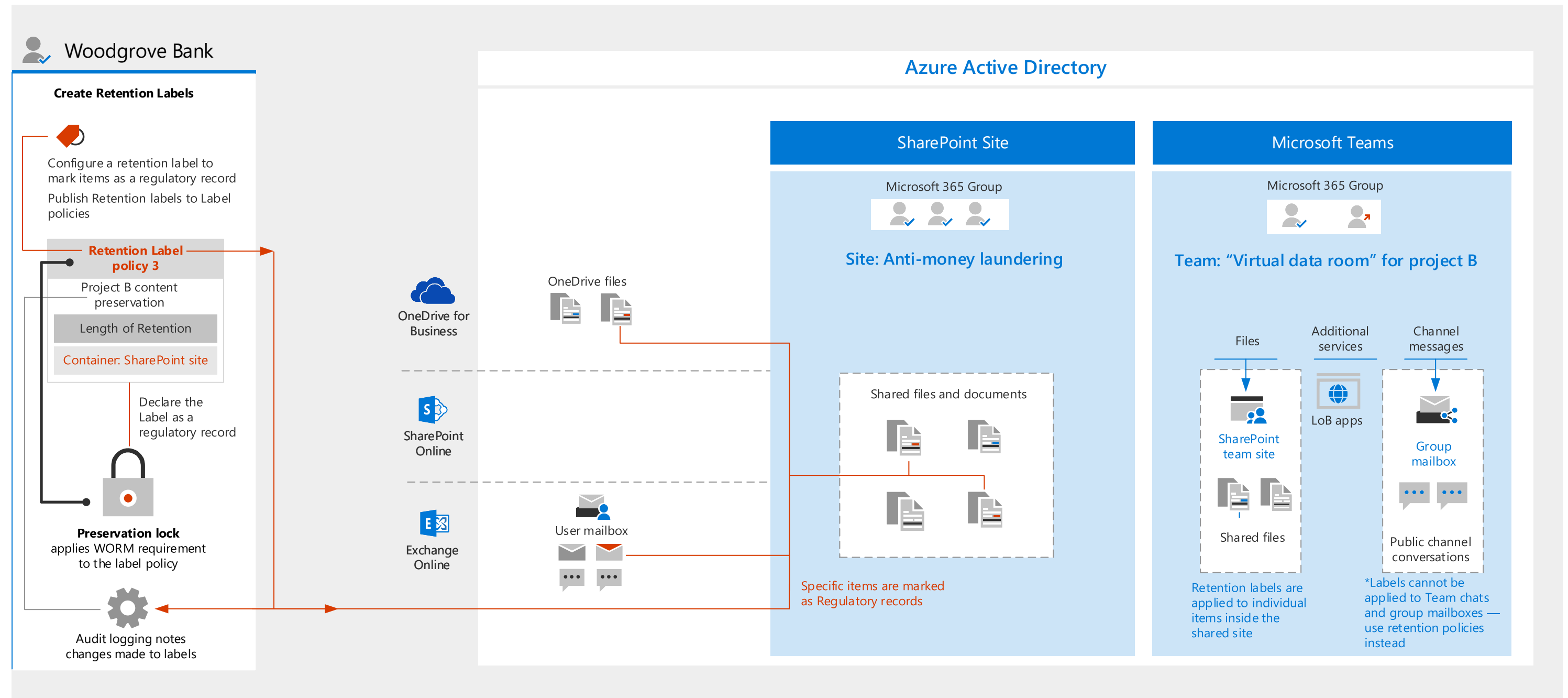


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Retention labels and Regulatory records

Retention Labels may be configured as Regulatory Records to preserve data in case a document is deleted. After the regulatory record label is published to a label policy, that policy must be locked with a Preservation Lock to be fully compliant with 17a-4. After it is applied to content, nobody, not even a global administrator, can remove the label. In addition, retention labels configured for regulatory records have the following admin restrictions: (1) retention periods can't be made shorter,

only extended, (2) these labels must be applied by using retention label policies, and (3) After you have added/saved these labels to a retention label policy, you can't remove these labels from locations, only add new locations. Regulatory records cannot be applied automatically to content. Below we see the Regulatory records applied to data that needs to meet the WORM requirement.

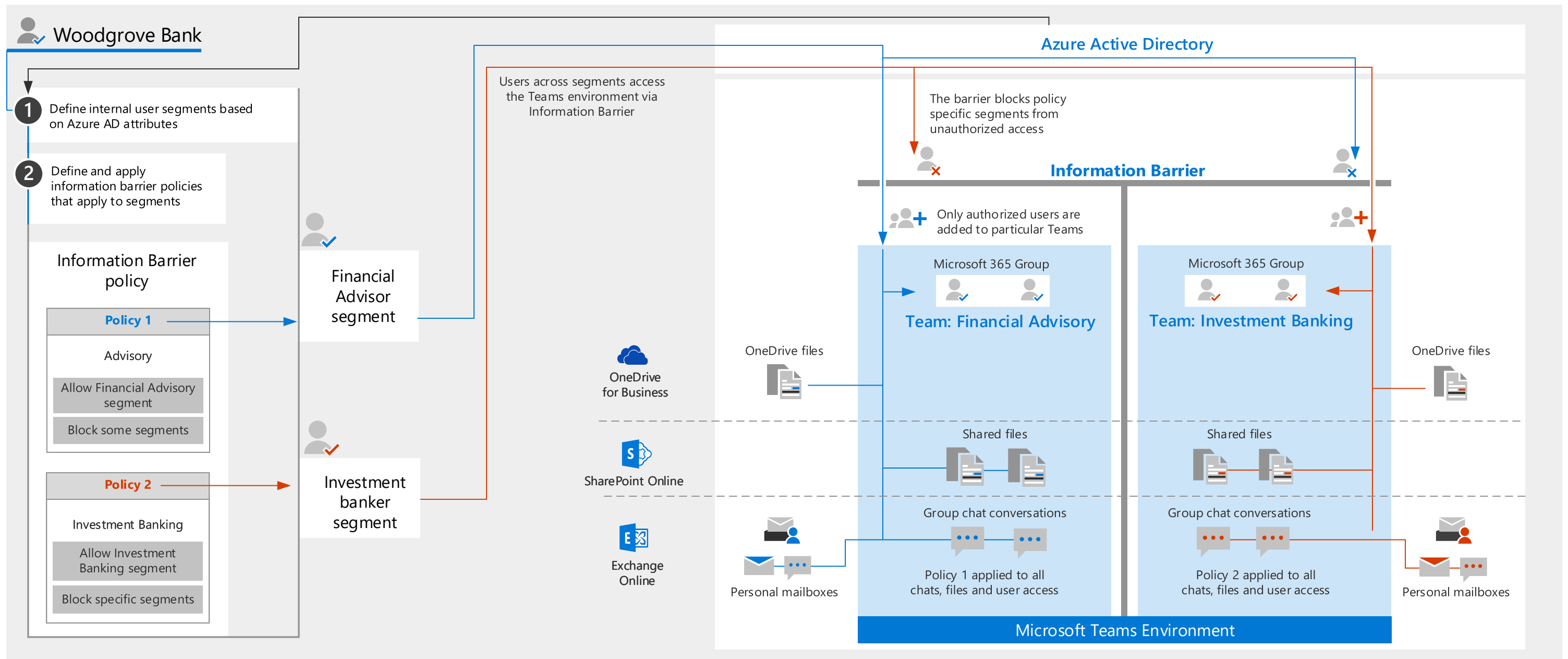


Establish ethical walls with information barriers

Financial institutions can be subject to regulations preventing certain employee roles from exchanging information or collaborating with other roles. **FINRA has published rules 2241(b)(2)(G), 2242(b)(2) (D), (b)(2)(H)(ii) and (b)(2)(H)(iii)** that require instituting policies and information barriers between roles in banking services, sales, or trading - preventing exchange of information

with analysts. Information barriers allow ethical walls within the Office 365 environment, allowing policies that define all communications between groups of users in Teams.

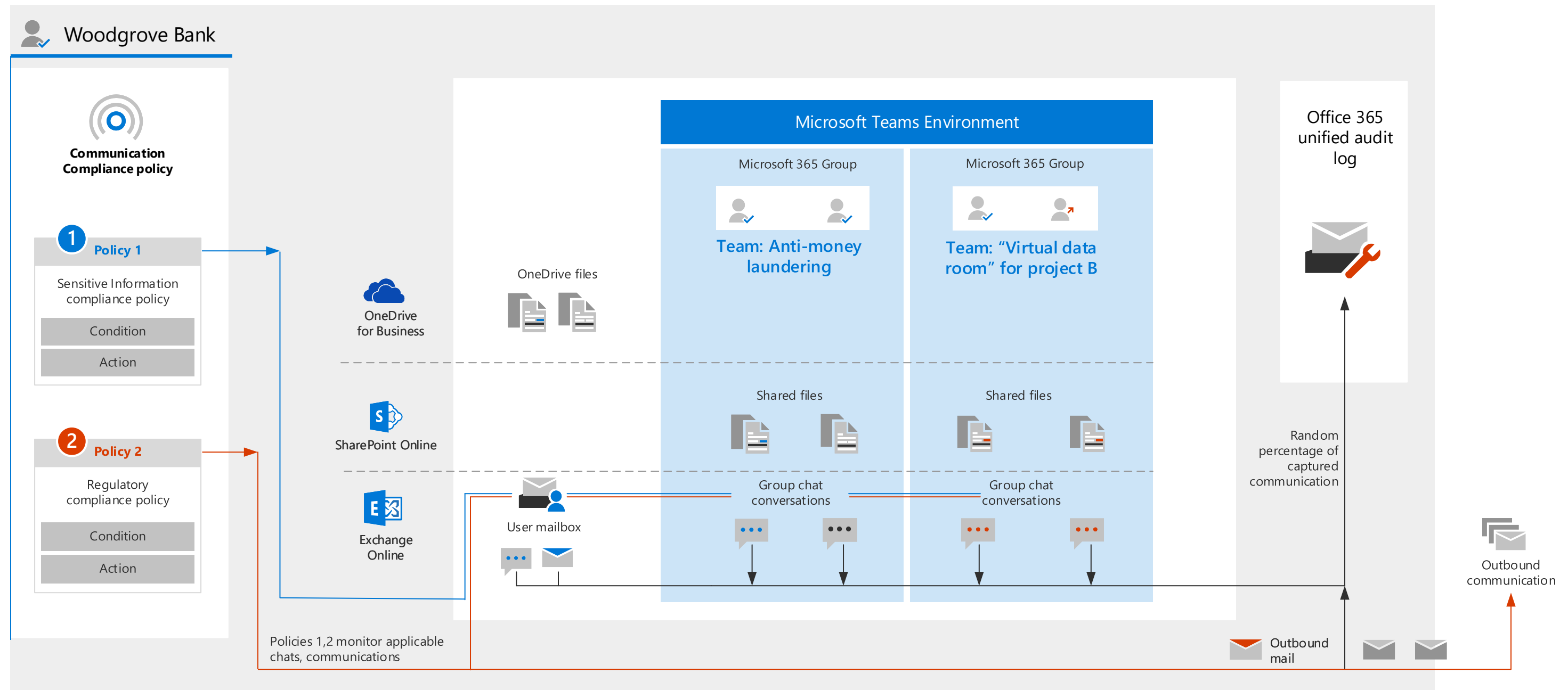
The example below shows policy enforcement that creates an information barrier between the Financial Advisor and Investment Banker segments. Segments are defined via Azure Active Directory.



Communication compliance — Implement supervisory control

FINRA has established supervisory functions within financial organizations to monitor employee activities to help achieve compliance with applicable securities laws; such as **FINRA Rule 3110 (Supervision)** and **FINRA Rule 3120 (Supervisory Control System)**. Microsoft 365 enables organizations to pre-configure policies to capture communications for monitoring and review by

authorized supervision. The illustration below shows two policies applied to employee communications. Similar to other information protection capabilities, the conditions for these policies can be based on sensitive information types (such as Policy 1). A random percentage of the communications are logged for subsequent review in the communication compliance mailbox.

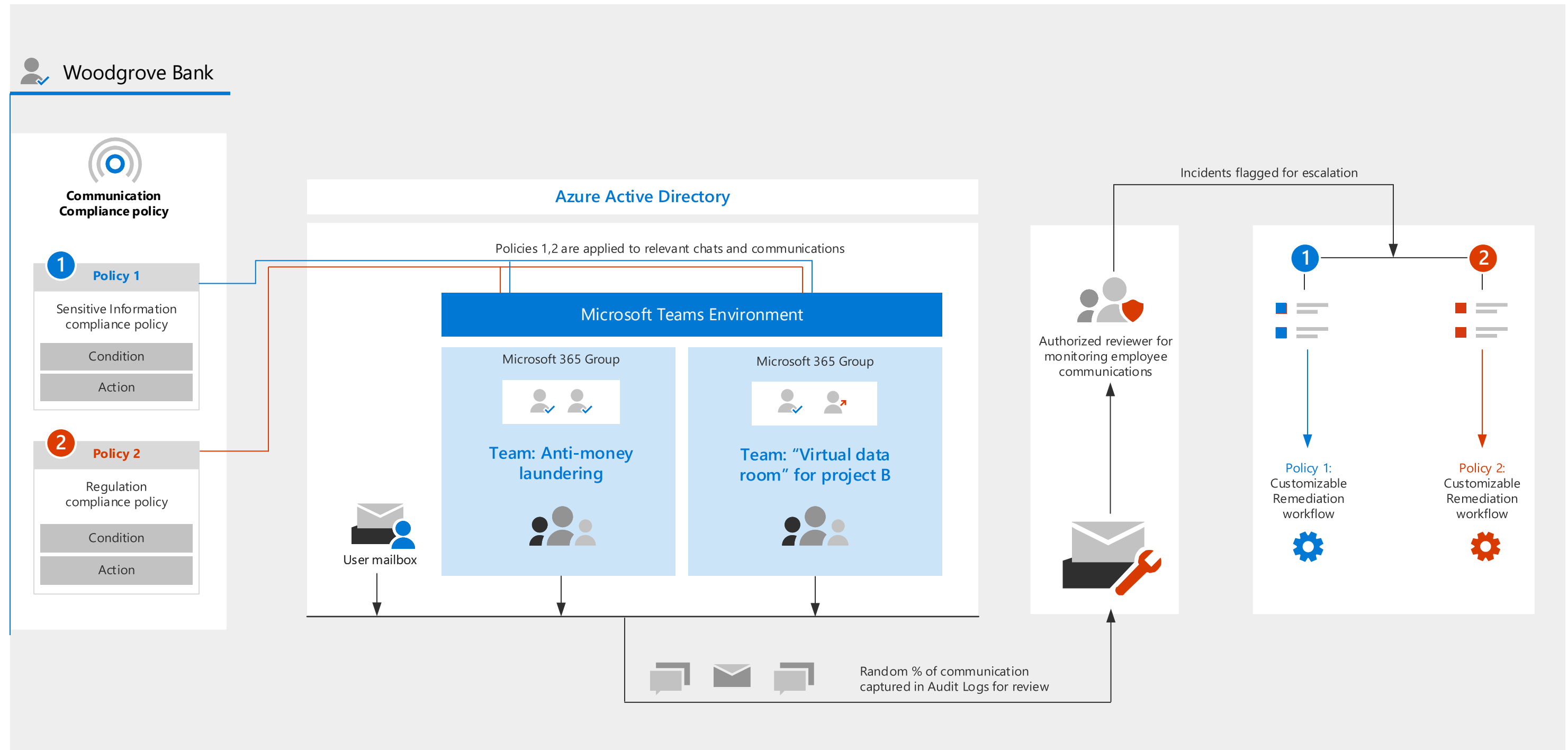


Flexible remediation workflows

Communication compliance policies scan and capture messages across communication channels to help you quickly review and remediate compliance issues. Built-in remediation workflows let you identify and take action on messages (monitored by reviews on audit logs) with policy matches in your organization. Reviewers get a dashboard in which they can review and act on flagged

communications, that potentially violate policies, and mark flagged items as resolved.

The illustration below describes a scenario where certain logged communications trigger incidents needing review. A reviewer investigates these incidents through built-in, flexible remediation workflows.

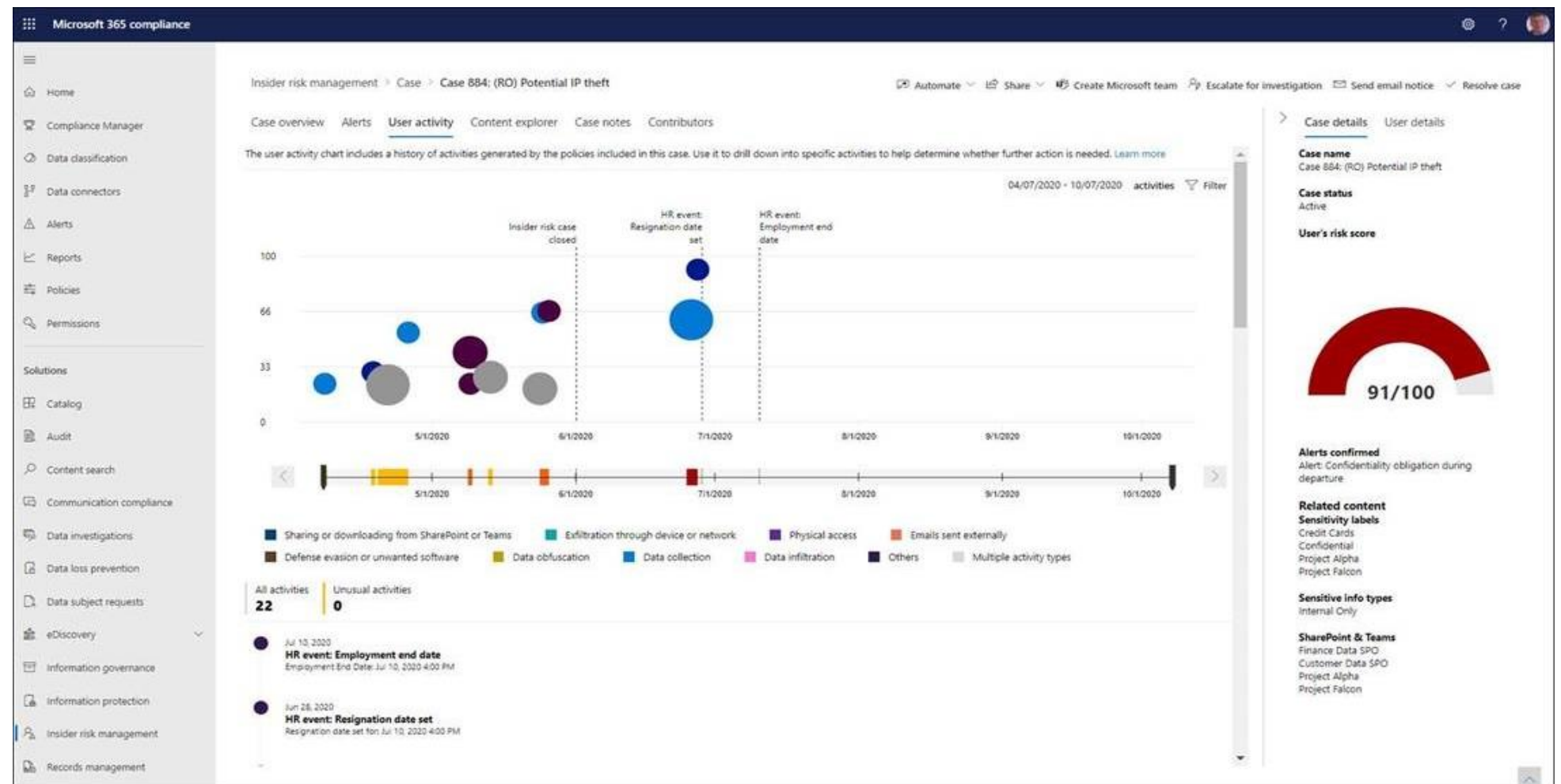
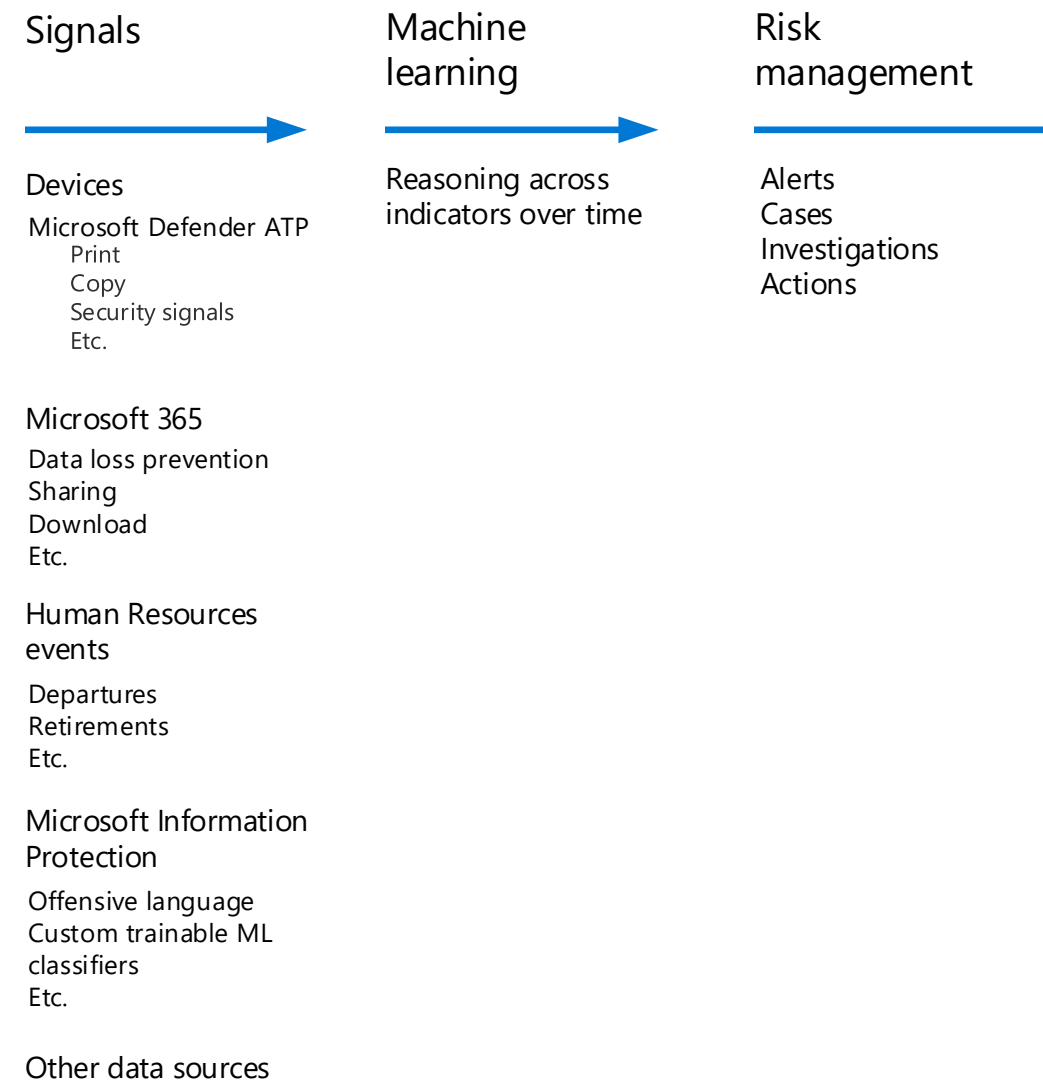


Protect against data exfiltration and insider risk

Insider risk management

Enabling employees with online collaboration tools that can be accessed anywhere inherently brings a risk of data exfiltration to the organization. Insider risk management in Microsoft 365 can correlate signals from a user's Windows 10 desktop, such as copying files

to a USB drive or emailing a personal email account, as well as HR events such as review, separation, etc. with activities from online services such as Office 365 email, SharePoint Online, Microsoft Teams, or OneDrive for Business, to identify data exfiltration patterns.



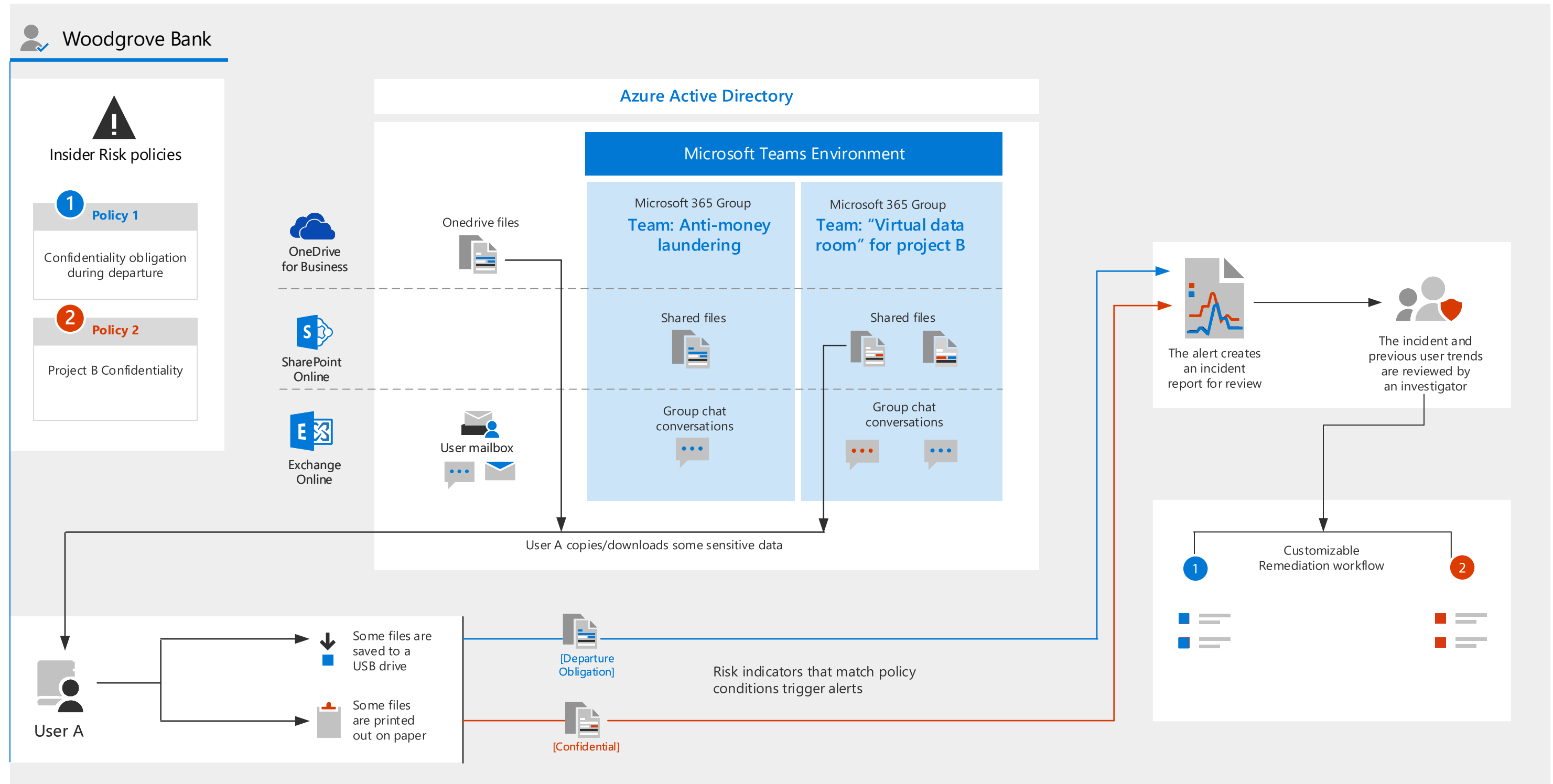
For a video walkthrough of insider risk management capabilities, see aka.ms/insiderriskguide.

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Insider risk management workflows

The insider risk management workflow helps you identify, investigate, and take action to address internal risks in your organization. With focused policy templates, comprehensive activity signaling across the Microsoft 365 service, and alert and case management tools, you can use actionable insights to quickly identify and act on risky behavior.

The illustration below describes a scenario where certain user activities trigger policy conditions. These automatically generate alerts and are assigned a *Needs review* status. Reviewers can quickly identify and review, evaluate, and triage these alerts on a case-by-case basis.



Ingestion of third-party application data

Microsoft 365 lets administrators use data connectors to import and archive third-party data to mailboxes in your Microsoft 365 organization. One primary benefit of this is that you can apply various compliance solutions to that after it's been imported, helping ensure that your non-Microsoft data is in compliance with relevant regulations and standards.

The following illustration shows an example of Bloomberg chat being ingested by a data connector into mailboxes associated with the user profiles in your M365 environment.

You can **apply a retention policy** to user mailboxes to retain and then delete third-party data (and other mailbox content) after retention period expires. You can **also use retention labels** to trigger a disposition review when the retention period for third-party data expires.

Importing and archiving this third-party data can be used to **ensure communication compliance, minimize insider risk, and apply retention settings** to be compliant with necessary regulations.

For more information, see [Archive third-party data](#).

