



# UNDERSTANDING AND COMPLYING WITH THE EU CYBER RESILIENCE ACT, 2022

WHITEPAPER

## BACKGROUND AND CONTEXT

The European Union Cyber Resilience Act, released in late 2022, aims to establish a set of rules and guidelines on how to ensure cybersecurity for IoT devices. With the increasing number of cyber-attacks on IoT devices, this Act aims to create a more secure environment for IoT technology. The Act covers various aspects of IoT security, including device security, network security, data security, and incident response management.

## PURPOSE

This guide provides a detailed overview of the significant requirements of the EU Cyber Resilience Act 2022 related to IoT devices. We will also expand on how to achieve these requirements, providing information about the available tools and techniques to ensure compliance. This guide aims to help the audience understand the requirements of the Act and assist IoT technology manufacturers in achieving compliance with these regulations.

# UNDERSTANDING THE EU CYBER RESILIENCE ACT, 2022

## OVERVIEW OF THE ACT

The EU Cyber Resilience Act, 2022 is a new regulation that was introduced in late 2022. The Act outlines a framework that requires manufacturers to design, develop and distribute IoT devices securely and resiliently. The Act provides guidelines on how to treat security for IoT devices. Its primary goal is to ensure the cybersecurity of IoT devices, which have been a growing concern in recent years due to their vulnerability to cyberattacks.

## KEY PROVISIONS RELATED TO IOT SECURITY

The EU Cyber Resilience Act, 2022 contains several key provisions that are directly related to IoT security. These include:

### ▶ Security by Design

The Act requires manufacturers to implement security measures in the design phase of IoT devices. The device must be designed with a secure architecture that ensures data privacy and prevents unauthorized access. The manufacturers must conduct a security risk assessment and take necessary measures to mitigate risks.

### ▶ Communication Security

Manufacturers must ensure secure communication between the IoT device and other devices or networks. This includes encryption of data transmitted over networks and authentication of devices accessing the network.

## •▶ Software Updates

Manufacturers must provide regular software updates to their IoT devices to ensure that security vulnerabilities are addressed in a timely manner. This includes the ability to update and patch devices remotely.

## •▶ Data Protection

Manufacturers must implement appropriate measures to protect personal data collected by IoT devices. This includes data encryption at rest and in transit and strict access control mechanisms.

## •▶ Incident Response

Manufacturers must establish an incident response plan to detect, respond to, and recover from security incidents. The plan should include procedures for reporting security breaches and notifying users.

## •▶ Labelling and Transparency

Manufacturers must provide clear and concise information on the security features of their IoT devices, including any vulnerabilities and how they are addressed. The Act requires manufacturers to label devices with a unique identifier and provide clear instructions for proper use and disposal.

Overall, the Act aims to ensure that IoT devices are designed and manufactured with security in mind, and that manufacturers are accountable for the security of their devices throughout their lifecycle.

Non-compliance with the Act can result in penalties outlined in the next section.



# COMPLIANCE REQUIREMENTS FOR IOT DEVICE MANUFACTURERS:

The Act places several compliance requirements on IoT device manufacturers. These requirements include:



## DOCUMENTATION

01

IoT device manufacturers must maintain detailed documentation of their security features and vulnerability management processes.



## RISK ASSESSMENT

02

IoT device manufacturers must conduct regular risk assessments to identify potential security threats and vulnerabilities in their products



## TESTING AND CERTIFICATION

03

IoT device manufacturers must have their products tested and certified by independent third-party organizations to ensure that they meet the Act's security requirements.

## PENALTIES FOR NON-COMPLIANCE

The EU Cyber Resilience Act, 2022 imposes significant penalties on IoT device manufacturers who fail to comply with its provisions. These penalties include fines of up to €20 million or 4% of the company's global turnover, whichever is higher. Additionally, non-compliant manufacturers may be subject to legal action and reputational damage. It is, therefore crucial that IoT device manufacturers understand the Act's requirements and take steps to comply with them.

# ACHIEVING COMPLIANCE WITH THE EU CYBER RESILIENCE ACT, 2022

## IMPLEMENTING SECURITY BY DESIGN

The EU Cyber Resilience Act requires IoT device manufacturers to design security features into their products from the outset. Security by design involves embedding security measures into the product development process and creating devices that are resistant to cyber threats. This means designing devices that have secure boot processes, secure firmware updates, and secure communication channels. Manufacturers must also ensure that devices are resistant to physical attacks, such as those that involve tampering with the device's hardware.

## CONDUCTING RISK ASSESSMENTS AND VULNERABILITY TESTING

IoT device manufacturers must conduct regular risk assessments and vulnerability testing to identify any potential security weaknesses in their products. Risk assessments should take into account the entire lifecycle of the device, including design, manufacturing, and end-of-life disposal. Vulnerability testing involves actively attempting to exploit weaknesses in the device's security and identifying areas that need improvement. Manufacturers must document these assessments and testing results to demonstrate compliance with the EU Cyber Resilience Act.

## ESTABLISHING SECURE COMMUNICATION PROTOCOLS

IoT devices communicate with other devices and systems over networks, making them vulnerable to interception and unauthorized access. The EU Cyber Resilience Act requires manufacturers to establish secure communication protocols for their devices. This involves implementing encryption to protect data in transit, using secure authentication mechanisms to ensure that only authorized devices can communicate with each other, and implementing secure network protocols to prevent unauthorized access.

## ENSURING SOFTWARE INTEGRITY AND UPDATING MECHANISMS

Manufacturers must ensure that their devices' software is secure and that updates are delivered securely. This involves implementing secure software development processes incorporating code signing, version control, and change management processes. Manufacturers must also ensure that devices are updated securely, using mechanisms such as secure over-the-air updates or physical updates using trusted devices.

## ENCRYPTING DATA AT REST AND IN TRANSIT

IoT devices often store sensitive data, such as passwords, personal data, and confidential business information. The EU Cyber Resilience Act requires manufacturers to ensure that this data is encrypted both at rest and in transit. Encryption involves converting data into a code that can only be deciphered using a decryption key. This ensures that even if an attacker gains access to the data, they cannot read it without the decryption key.

## IMPLEMENTING ACCESS CONTROL MECHANISMS

IoT devices should only be accessible to authorized users and devices. Manufacturers must implement access control mechanisms, such as password protection, biometric authentication, or multi-factor authentication, to ensure that only authorized users can access the device. Manufacturers must also ensure that access control mechanisms are securely implemented and cannot be bypassed.

## MONITORING AND LOGGING SECURITY EVENTS

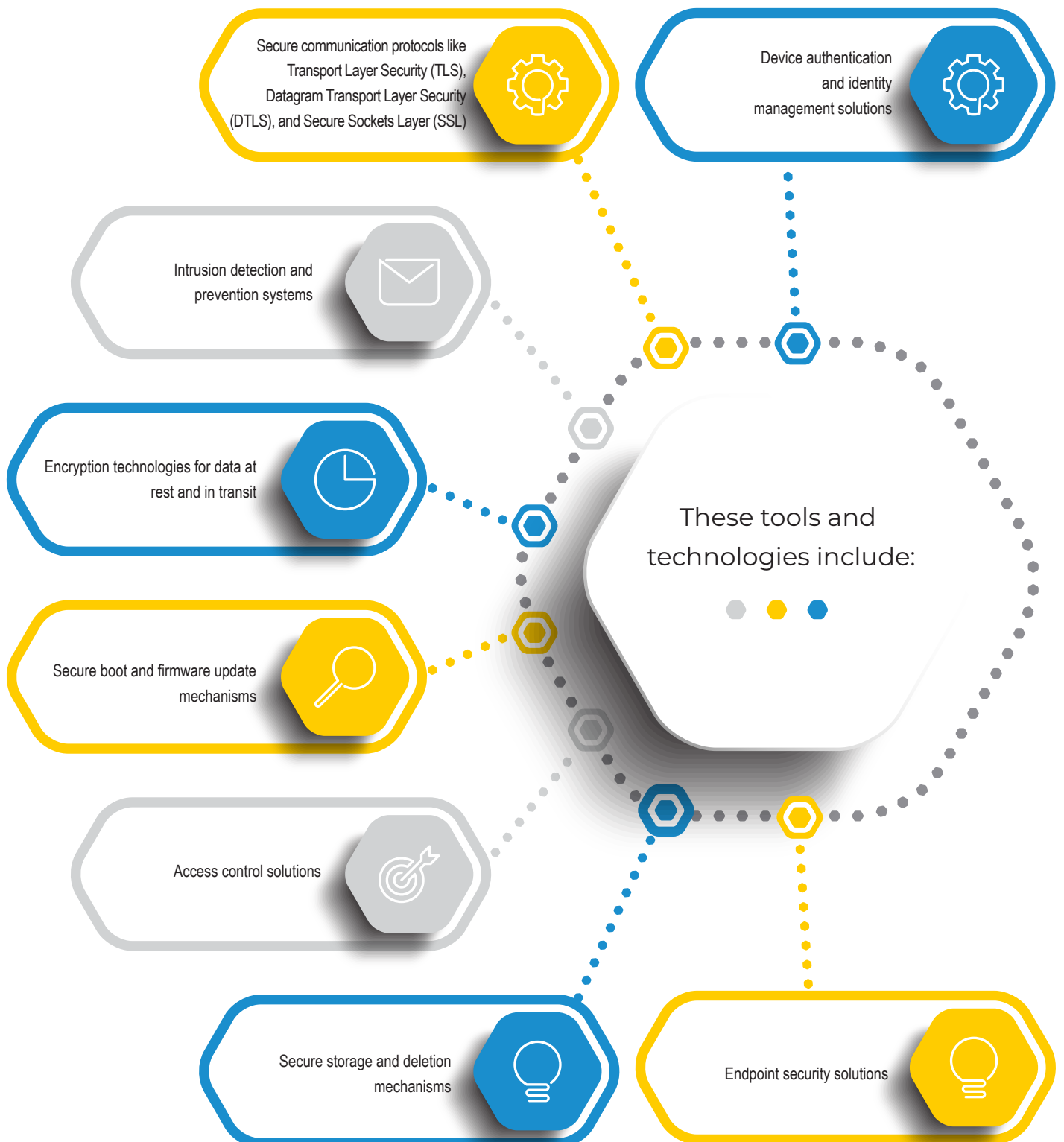
IoT devices generate vast amounts of data that can be used to monitor their security status. Manufacturers must implement logging mechanisms that capture security-related events, such as attempted attacks or configuration changes. This data can be used to identify potential security breaches and to help diagnose and remediate security issues. Manufacturers must also ensure that logs are stored securely and cannot be tampered with. By implementing these security measures, IoT device manufacturers can comply with the EU Cyber Resilience Act and help protect their devices from cyber threats.



# TOOLS AND TECHNOLOGIES FOR IOT SECURITY

## OVERVIEW OF IOT SECURITY TOOLS AND TECHNOLOGIES

IoT devices are vulnerable to cyber-attacks, and the EU Cyber Resilience Act, 2022 mandates the implementation of security measures for IoT devices to ensure their resilience against such attacks. There are several IoT security tools and technologies available that can help device manufacturers meet the security requirements of the Act.





# BEST PRACTICES FOR SELECTING IOT SECURITY SOLUTIONS

Selecting the right IoT security solutions is crucial for meeting the compliance requirements of the EU Cyber Resilience Act, 2022. Here are some best practices for selecting IoT security solutions:

- Conduct a security risk assessment to identify the security threats and vulnerabilities your IoT devices are exposed to.
- Identify the security requirements of the EU Cyber Resilience Act, 2022, and ensure that the selected security solutions meet these requirements.
- Consider the scalability of the selected security solutions, as the number of IoT devices deployed may increase in the future.
- Ensure that the selected security solutions are compatible with the existing IoT infrastructure and technologies.
- Evaluate the vendor's reputation, track record, and customer support before finalizing the security solutions.

## ALTIUX'S APPROACH TO IOT SECURITY

Altiux specializes in providing end-to-end IoT solutions for various industries, including battery manufacturers. Altiux's approach to IoT security includes:

- ▶ **Security by design** : Altiux designs its IoT solutions with security in mind from the start of the development process, ensuring that security is integrated into every aspect of the solution.
- ▶ **Risk assessment and vulnerability testing** : Altiux conducts thorough risk assessments and vulnerability testing to identify and address any security vulnerabilities in its IoT solutions.
- ▶ **Implementation of industry-standard security measures** : Altiux implements industry-standard security measures like encryption, secure communication protocols, and access control mechanisms to ensure the security of its IoT solutions.
- ▶ **Regular security updates and patches** : Altiux regularly updates its IoT solutions with the latest security updates and patches to ensure that they are protected against new security threats.
- ▶ **Compliance with industry standards and regulations** : Altiux ensures that its IoT solutions comply with industry standards and regulations like the EU Cyber Resilience Act, 2022, to ensure the security and privacy of its customers' data.



# CONCLUSION

## ▶ Summary of the key takeaways

In summary, the EU Cyber Resilience Act, 2022 has introduced key provisions that directly impact the security of IoT devices. Manufacturers of IoT devices must comply with the requirements to avoid penalties, and they can achieve compliance by implementing security by design, conducting risk assessments and vulnerability testing, establishing secure communication protocols, ensuring software integrity and updating mechanisms, encrypting data at rest and in transit, implementing access control mechanisms, and monitoring and logging security events. Furthermore, selecting the appropriate tools and technologies for IoT security is crucial in ensuring compliance and enhancing overall security posture.

## ▶ Recommendations for IoT device manufacturers

To comply with the EU Cyber Resilience Act, 2022, IoT device manufacturers should adopt a proactive approach to security, implementing the best practices and technologies available. They should establish a security-focused culture within their organization, conduct regular risk assessments and vulnerability testing, and ensure that security is considered throughout the entire product development life cycle. By doing so, they will not only comply with the Act but also enhance their reputation for producing secure IoT devices.

## ▶ Future outlook on IoT security and compliance

IoT security and compliance will continue to be a significant concern for manufacturers and regulators alike. As the number of IoT devices continues to grow, the potential risks and threats associated with these devices also increase. Therefore, it is expected that regulations will continue to evolve to ensure that IoT devices are secure and compliant. IoT device manufacturers should keep themselves updated with the latest developments in IoT security and compliance to stay ahead of the curve.

## ▶ Getting ahead with Altix

Altix, with its vast experience and expertise in IoT security, can help IoT device manufacturers achieve compliance with the EU Cyber Resilience Act, 2022. By partnering with Altix, manufacturers can ensure that their devices are secure and compliant with the latest regulations, enhancing their reputation and instilling trust in their customers. Altix offers a range of services, including security assessments, risk management, and implementing security solutions. Contact Altix today to learn more about how they can help.



## CONNECTED BATTERY SECURITY - CASE STUDY

Altix, as the product engineering services company, was assigned the responsibility of designing and developing a connectivity solution capable of extracting information from a Battery Management System (BMS) and securely transmitting the data to a cloud application. Although not explicitly required to comply with the EU Cyber Resilience Act of 2022, Altix proactively prioritized security during the research phase, investigating various operating systems and hardware options to align with the spirit of the act.

The final product boasts numerous features, including flexibility, built-in security, secure package update mechanisms, advanced wireless connectivity, a user-friendly GUI, and integration with a top three Cloud IoT platform. By adopting a robust security framework, Altix demonstrated its commitment to addressing potential cybersecurity concerns in the development of this innovative connectivity solution.

## SECURING COMMUNICATION AND FIRMWARE UPDATES

### ▶ Communication Security

Securing the communication channel and device configuration presents a complex challenge, as striking the perfect equilibrium between robust security features and efficient operational requirements is crucial. Altix, with its deep understanding of these intricacies, adeptly implemented a call-home interface, wherein the device establishes a connection to a central server. This innovative approach ensures that no open ports are present on the device, significantly mitigating potential vulnerabilities.

Recognizing the importance of secure device-cloud communication, Altiux harnessed the capabilities of major cloud vendors' IoT APIs, which facilitated certificate-based authentication in both directions. This advanced measure effectively safeguards devices against phishing attacks, reinforcing the overall security posture of the communication channel.

Moreover, Altiux diligently accounted for potential edge cases, such as the timely renewal of certificates, to preempt any communication disruptions for devices deployed in the field. By addressing these critical aspects, Altiux demonstrates a holistic approach to security, ensuring that the connectivity solution remains highly reliable and resilient throughout its operational life.

## •▶ Secure Communication

Altiux, in its pursuit of the highest standards of security and communication, implemented an advanced MQTT-based TLS V2.0 protocol to establish a secure and reliable connection between the cloud provider and the device. This sophisticated approach ensured that data transmitted across the network was both encrypted and protected from unauthorized access.

In addition to the secure communication protocol, Altiux employed a robust, security-centric authentication system that utilized temporary tokens, which were systematically renewed at regular intervals. This proactive measure effectively mitigated the risk of man-in-the-middle attacks by preempting the possibility of unauthorized devices attempting to gain access using expired or duplicated tokens.

## •▶ Secure Firmware Updates

Altiux emphasized the importance of secure firmware updates as a key security strategy. In line with the EU Cyber Resilience Act, 2022. Altiux ensured that the underlying OS supported secure package management and firmware updates. Separating package-based updates limited the update's surface area, while secure package managers checked for the authenticity and integrity of the package, preventing "fake" packages from being downloaded or executed. In addition, Altiux ensured the ability to update the entire firmware as needed.

## •▶ Open Source Components

Altiux employed open-source components, development stacks, and protocol stacks. This facilitated prompt identification, reporting, and patching of vulnerabilities, enhancing the overall security of the system. Open source contributors often provide patches and fixes, enabling device manufacturers to promptly address issues and stay ahead of potential vulnerabilities.

# OUTCOME

With a strategic focus on connecting its power solutions to the internet, the lithium-ion battery manufacturer partnered with Altiux to achieve its goals securely and efficiently. In accordance with the EU Cyber Resilience Act, 2022, Altiux's solution architects selected flexible and modular off-the-shelf software components that offered a wide range of management capabilities. This approach allowed Altiux to complete the project in record time and enabled a small team of engineers to concentrate on customizations unique to the product.

In the development of their advanced connectivity solution, Altiux astutely recognized the significance of prioritizing security, despite the fact that strict compliance with the EU Cyber Resilience Act of 2022 was not a mandatory requirement for this particular product. With a forward-thinking approach, the company thoroughly investigated a wide range of operating systems and hardware options, seeking to identify and integrate the most advanced and secure technologies available.

Through careful research and an unwavering commitment to robust security, Altiux was able to implement key aspects of the security framework outlined in the EU Cyber Resilience Act. This strategic decision not only demonstrated their dedication to cybersecurity best practices but also ensured that the resulting connectivity solution would be well-positioned to meet the majority of the stringent criteria established by the act.



# WE HELP ACCELERATE YOUR IOT!



Altiux Innovations is a software & product engineering services organization focused on helping you accelerate development of your IoT solutions and products. We provide specialized engineering services across the entire IoT development cycle from consulting, device engineering, cloud and mobility application development, data analytics, and support & maintenance.

Altiux has developed an IoT Toolkit - BoxPwr™. BoxPwr is a production ready suite of software frameworks for sensor nodes & actuators, communication gateways, Edge computing & Cloud connectivity that helps accelerate IoT product & solution development.

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