

# Clone Service Principal

Azure



# Agenda



Goal Definition



Requirements



Problem Statement



Going Forward Plan Definition



Risks (Threat Model)



# GOAL

Create a Service Principal (SPN)  
that can create other Service  
Principals



Goal	Functional Requirement
Automated Azure AD object creation	API <ul style="list-style-type: none"> <li>Microsoft Graph Permission</li> <li>Application.ReadWrite.OwnedBy Admin Consent</li> <li>True</li> </ul> <a href="#">Application resource permissions</a>
Read Azure AD Objects Write Azure AD Objects	API <ul style="list-style-type: none"> <li>Microsoft Graph Permission</li> <li>User.Read</li> <li>Directory.Read.All</li> <li>Directory.ReadWrite.All</li> </ul> Admin Consent <ul style="list-style-type: none"> <li>True</li> </ul> <a href="#">Integrate Azure Active Directory with Azure Kubernetes Service</a>
Request Permissions	Application Owner
Grant Permission	Tenant Administrator <ul style="list-style-type: none"> <li>Application Administrator *</li> <li>Global Administrator</li> </ul> <a href="#">Application Administrator</a>

## Non-Functional Requirements

- Governance
  - [What is Azure AD Identity Governance](#)
    - Tracing
      - Creation
      - Usage (Historization)
      - Archive
  - Monitoring
  - Application assignment
  - Owner
  - Notification (SPOC)
  - App Retirement
- Key Rotation
- Protection
- Azure AD Quota Limits
  - [Grant permission to create unlimited app registrations](#)
- Azure Policies

# Requirements

# Azure AD Permissions & Roles vs Azure Resource Manager Roles

Differences and Comparison



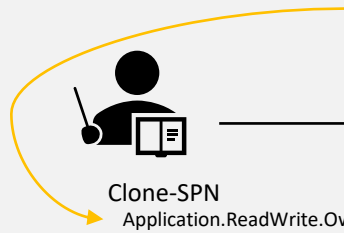
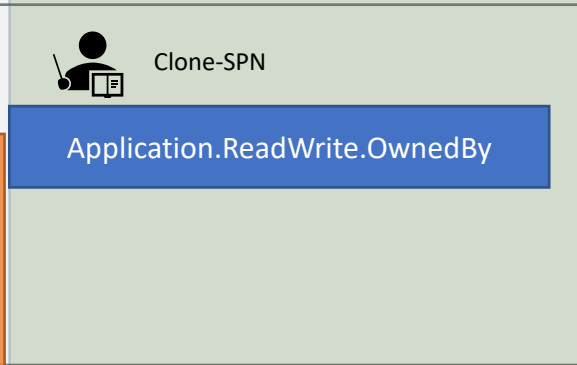
# API - Permissions

## Microsoft Graph API

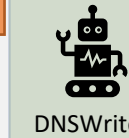
Create Azure AD Objects



request "Application.ReadWrite.OwnedBy" for App



az ad app create-for-rbac -name "DNSWriter"



DNSWriter

Azure AD

# RBAC

## Roles Based Access Control

Create Azure Resource Manager Objects



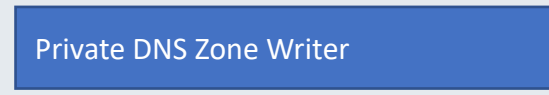
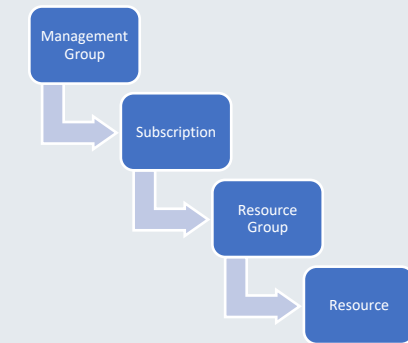
DNSWriter  
Role: Private DNS Zone Writer

write "Private DNS Zone" in "Resource Group"



Role : Owner

assign role "Private DNS Zone Writer" to "DNSWriter"  
to scope "Resource Group"



Azure Resource Manager

# Problem Statement

01

Create Service  
Principal  
automatically

02

Request  
permissions  
automatically

03

Grant  
permissions  
automatically

04

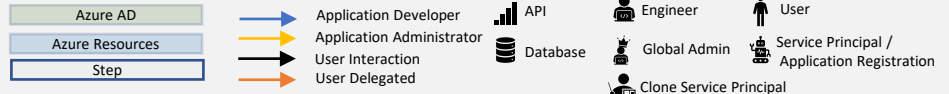
Establish  
Governance  
structure

# Solutions Inspection



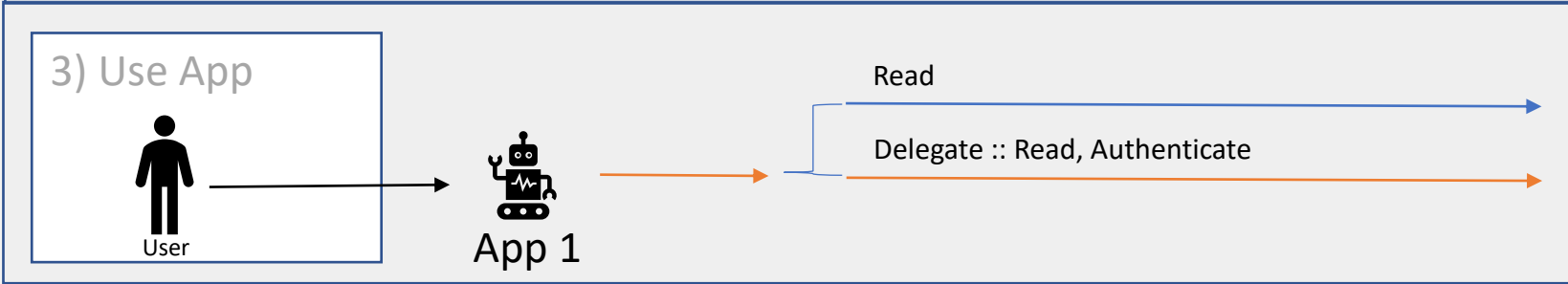
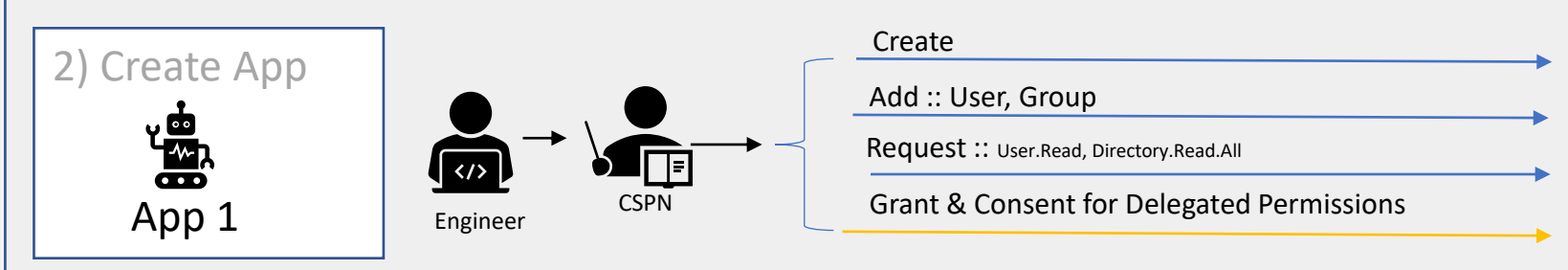
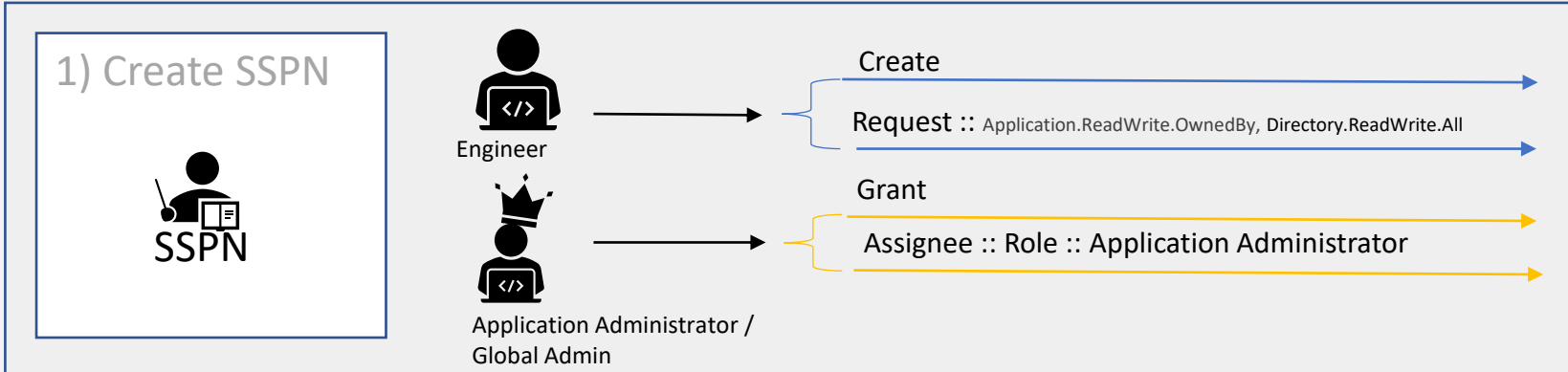
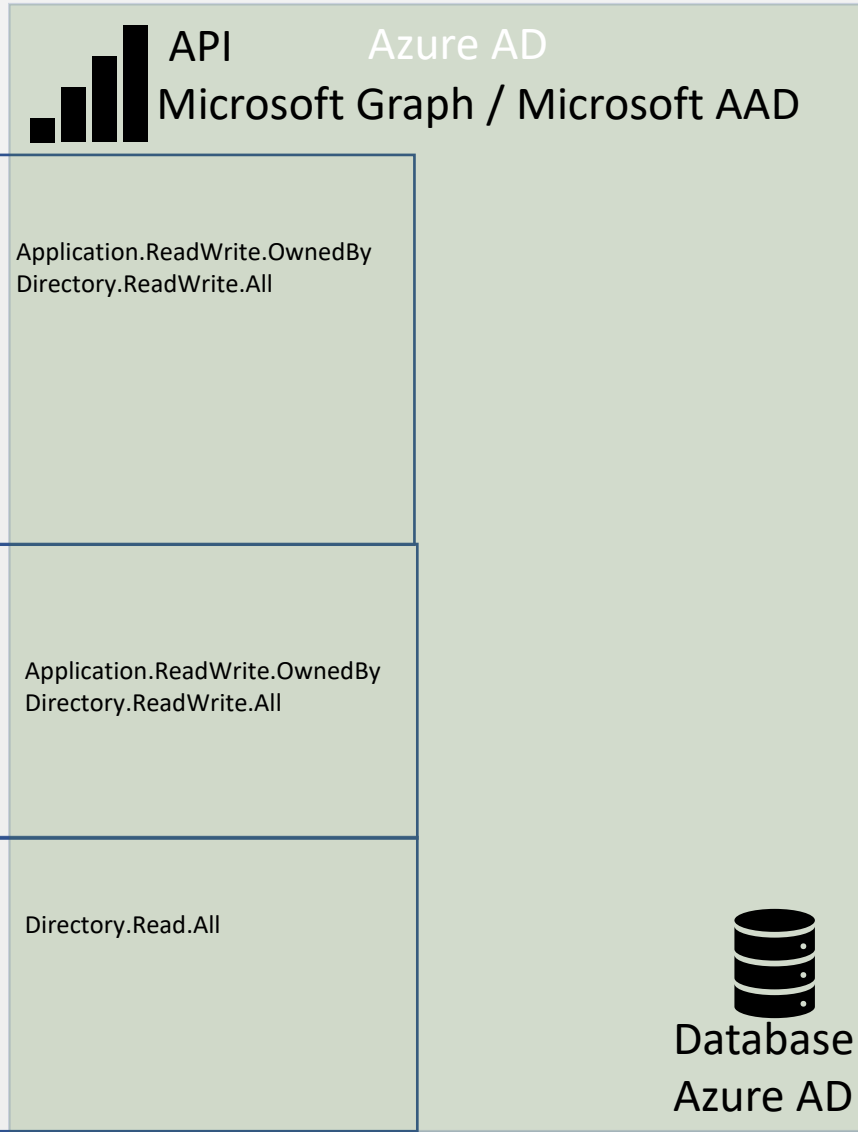
CLONE SERVICE PRINCIPAL





# Threat Model

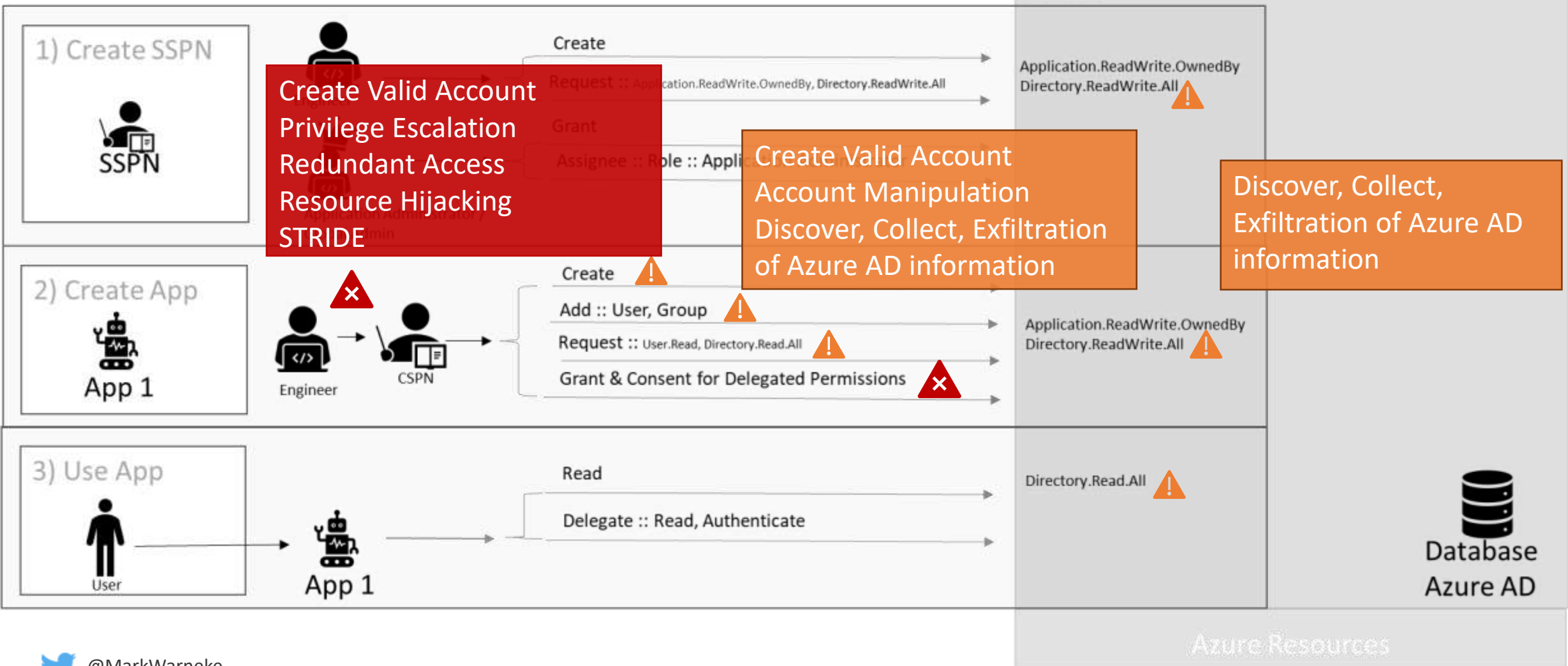
## CLONE SERVICE PRINCIPAL (CSPN)





# Threat Model

## CLONE SERVICE PRINCIPAL (CSPN)





SPECIAL SERVICE PRINCIPAL

# Threat (MITRE ATT&CK)

Below are the tactics and technique representing the MITRE ATT&CK® Matrix for Enterprise covering cloud-based techniques.

Initial Access	Persistence	Privilege Escalation	Defense Evasion	Credential Access	Discovery / Collection / Exfiltration	Impact
Create Valid Accounts (Rogue)	Use for Account Manipulation (Rogue)	Valid Accounts (Rogue)	Redundant Access, Valid Accounts (Rogue)	Account Manipulation (Rogue)	Enumerate Azure AD (Rogue)	Resource Hijacking
Creation of malicious application associated to the Azure AD tenant. (Rogue)	Created Redundant Access (Rogue)  Create Valid Accounts (Rogue)			Leakage of synced secrets & custom identity properties *		accidental deletion of Azure AD objects like application registrations.  deliberate deletion of Azure AD objects by a rogue admin.



SPECIAL SERVICE PRINCIPAL

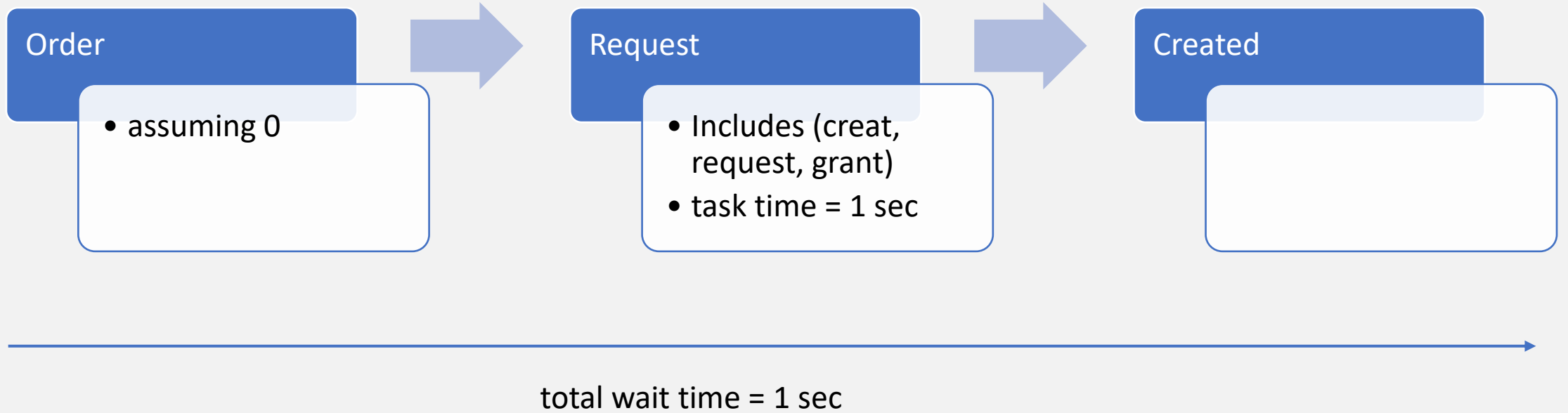
# Threat (STRIDE)

STRIDE categorizes different types of threats and simplifies the overall security conversations.

Spoofting	Tampering	Repudiation	Information Disclosure	Denial of Service	Elevation of Privilege
Creation of malicious application associated to the Azure AD tenant	Use for Account Manipulation, grant access to Application Registrations of others	Service Principal not User Principal	Use for Account Manipulation, grant access to Application Registrations of others  Gather employee data	accidental & deliberate deletion of Azure AD objects	Use to elevate access of user / service principals



# Value Stream Mapping



Touch time =  $1/1 = 1 = 100\%$   
0 % lead time



# Analysis Special Service Principal

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Risk Quantity  
(applicable/ identified risk) **20/20**

Risk Impact

**Severe**

Compromise of Azure AD possible,  
elevated permissions possible  
(tenant admin)

Grad of Automation  
(based on handover)

**High**

No Handover

---

# 01

Create Service Principal automatically

# 02

Request permissions automatically

# 03

Grant permissions automatically

# 04

Establish Governance structure

## **Service Principal Creator/Factory**

- Service Principal to create other service principal
- Create and request predefined & limited (least privilege) permissions based on automation process
- Notification of tenant admin

## **Pool Approval**

Administrator approves pools of created service principals based on predefined process and convention given risk acceptance & approval  
- “Standard” change

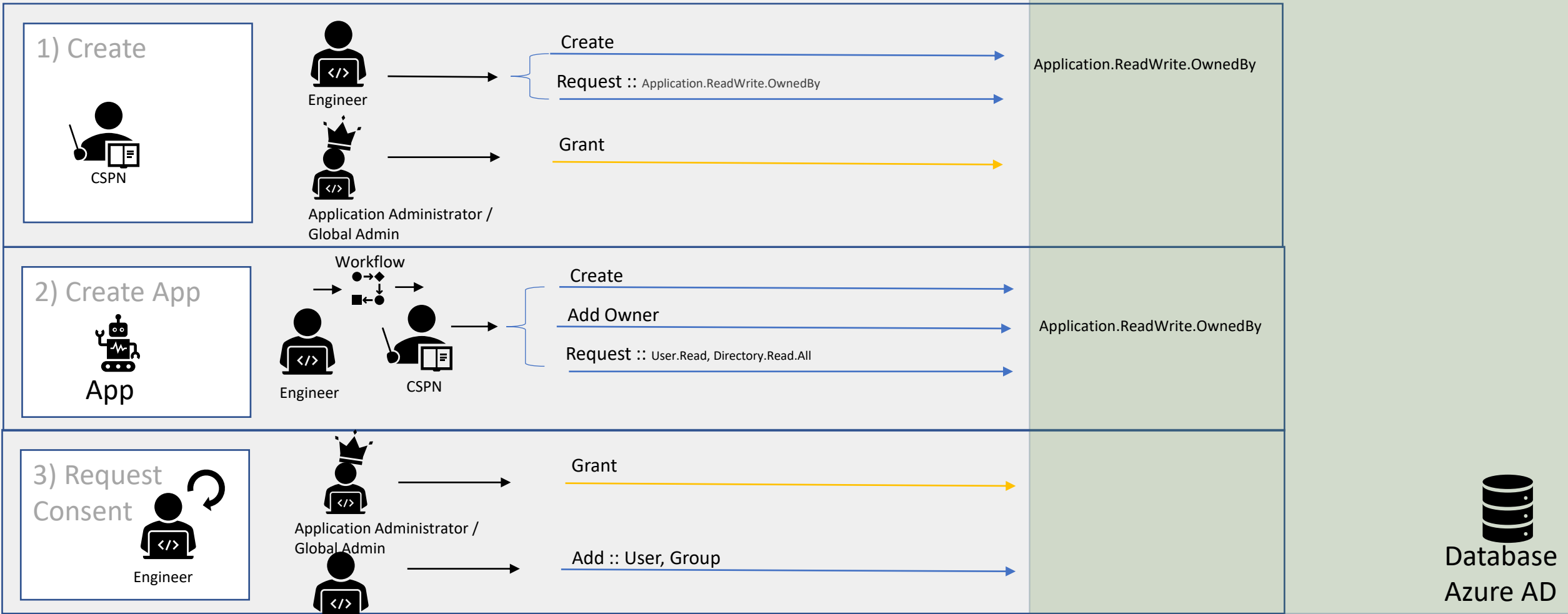
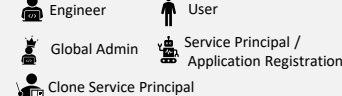
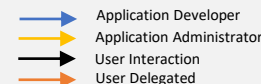
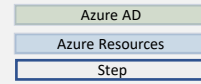
## **Ownership**

assign and manage service principals per customer given approved/granted permissions (same as before)

# Option

OPTION: COPY SERVICE PRINCIPAL

# Threat Model Template





CENTRAL SERVICE SERVICE PRINCIPAL

# Threat (MITRE ATT&CK)

Below are the tactics and technique representing the MITRE ATT&CK® Matrix for Enterprise covering cloud-based techniques.

Initial Access	Persistence	Privilege Escalation	Defense Evasion	Credential Access	Discovery / Collection / Exfiltration	Impact
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# Threat (STRIDE)

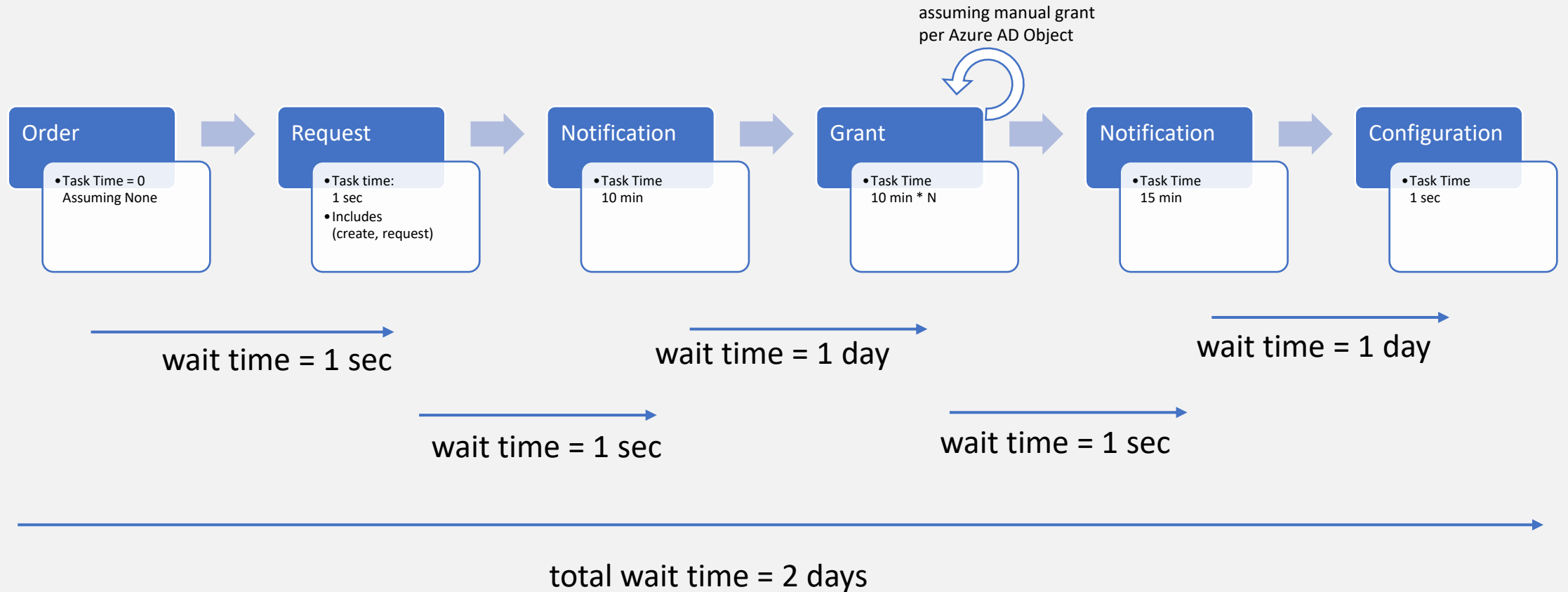
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OPTION: COPY SERVICE PRINCIPAL

# Value Stream Mapping



touch time =  $10 / 960 = 0.0104 = 1.04 \%$   
98.95% of lead time

# Others Solution Inspection



POOL OF SERVICE PRINCIPALS

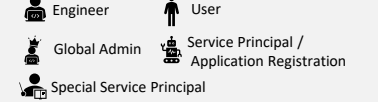
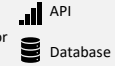
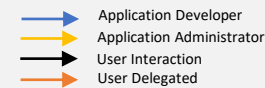
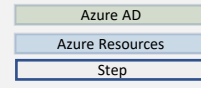


CENTRAL SERVICE FOR  
APPROVAL PROCESS

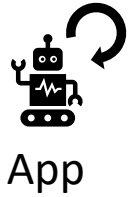


# Threat Model

## POOL SERVICE PRINCIPAL



### 1) Create Pool



App



Engineer



Application Administrator /  
Global Admin

Create

Request :: User.Read.All

Grant



Application.ReadWrite.OwnedBy  
Directory.Read.All

### 2) Create App



App 1



Engineer

Update

Add :: User, Group

Application.ReadWrite.OwnedBy  
Directory.Read.All

### 3) Use App



User



App 1

Read

Delegate :: Read, Authenticate

User.Read.All



Database  
Azure AD

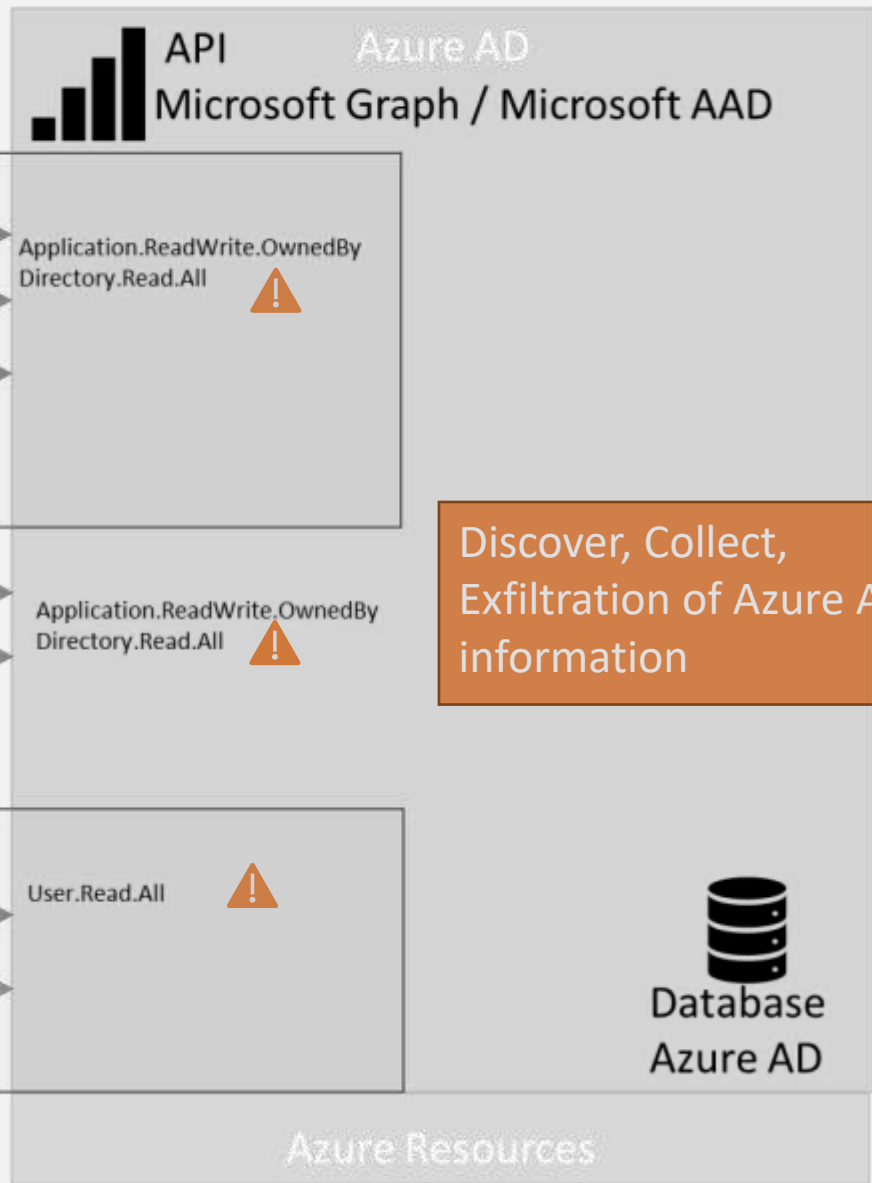
Azure Resources





# Threat Model

## POOL SERVICE PRINCIPAL



Discover, Collect, Exfiltration of Azure AD information

### 1) Create Pool



Engineer



Application Administrator / Global Admin

Create

Request :: User.Read.All

Grant

Application.ReadWrite.OwnedBy  
Directory.Read.All



### 2) Create App



Engineer

Update

Add :: User, Group

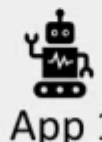
Application.ReadWrite.OwnedBy  
Directory.Read.All



### 3) Use App



User

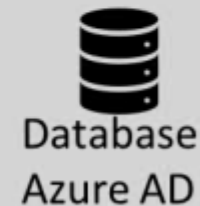


App 1

Read

Delegate :: Read, Authenticate

User.Read.All



Database  
Azure AD



## POOL SERVICE PRINCIPAL

# Threat (MITRE ATT&CK)

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POOL SERVICE PRINCIPAL

# Threat (STRIDE)

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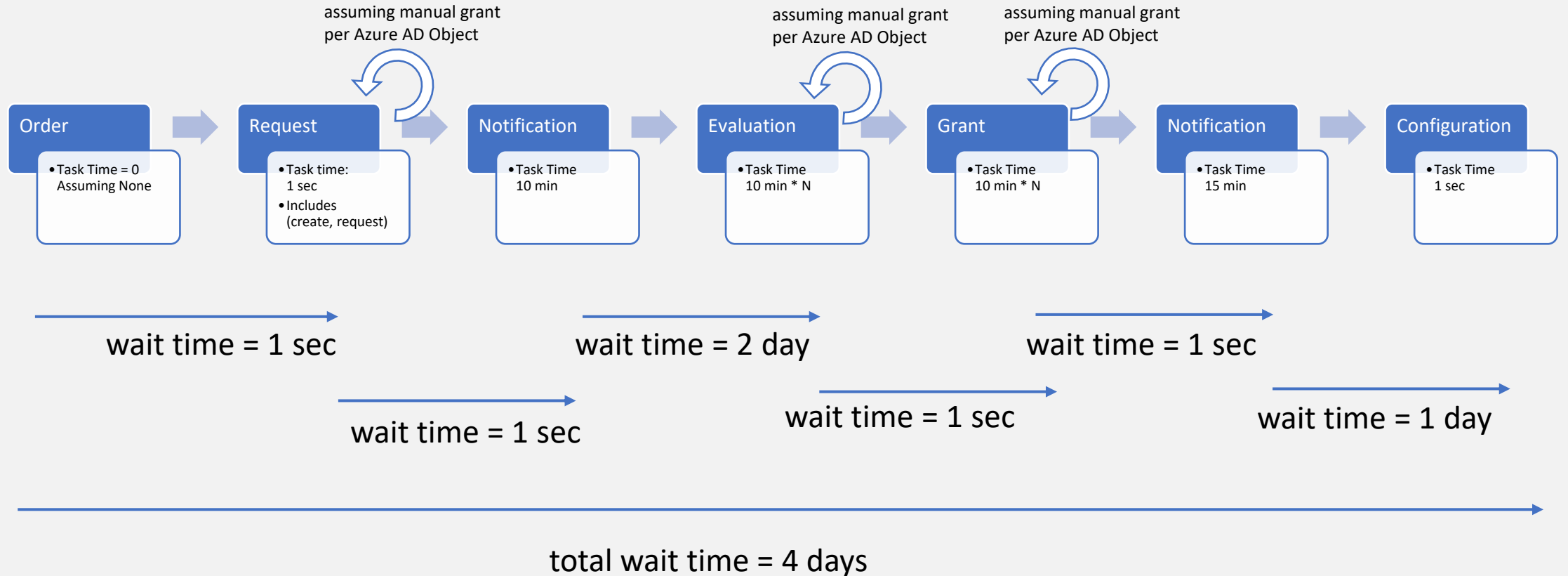
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# Value Stream Mapping



touch time =  $10 / 1920 = 0.0052 = 0.52 \%$   
99.5% of lead time



# Analysis Pool Service Principal

Risk Quantity

(applicable/ identified risk)

**3/20**

Risk Impact

**Low**

Low, as pool like manual but in batches, can be specified and approved once including definition of permissions etc.

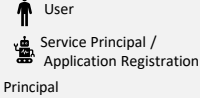
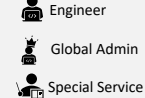
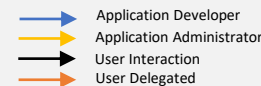
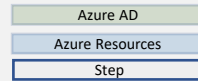
Grad of Automation

(based on handover)

**Low**

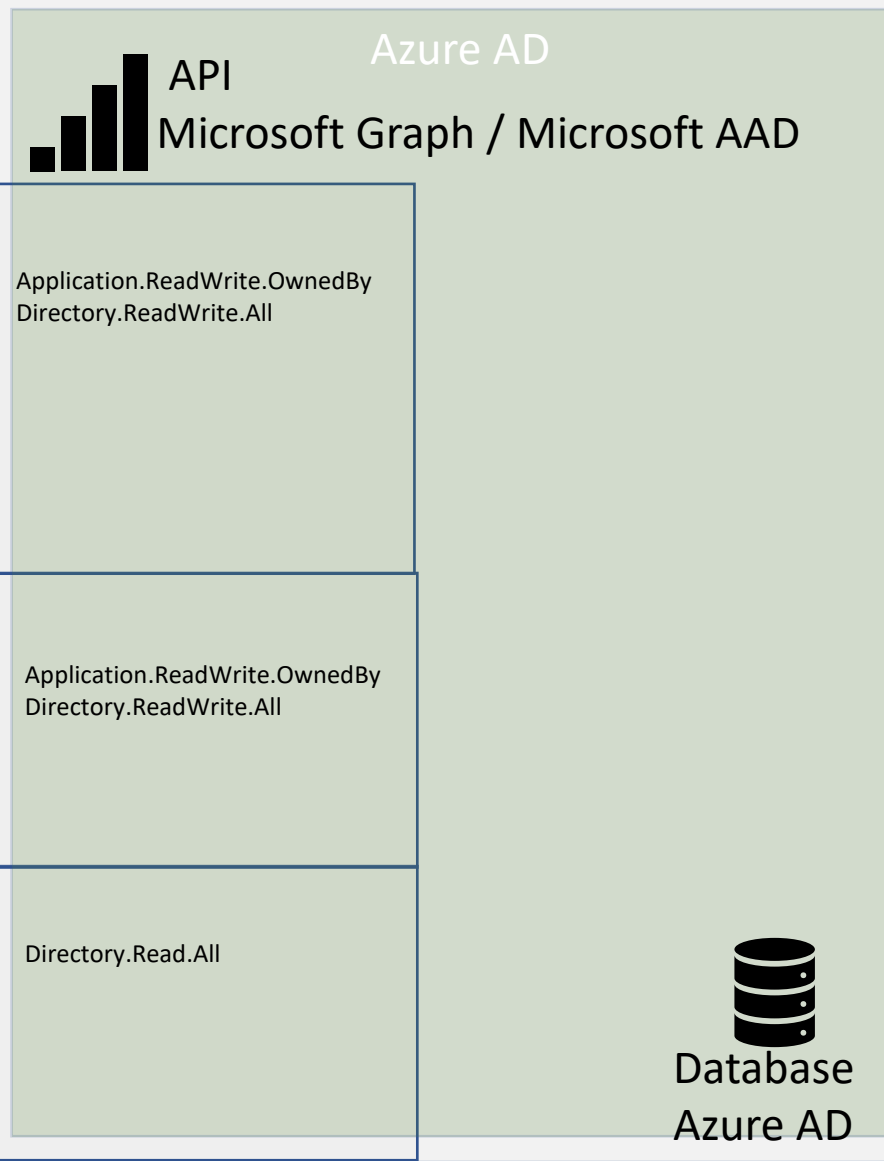
2 handover per pool





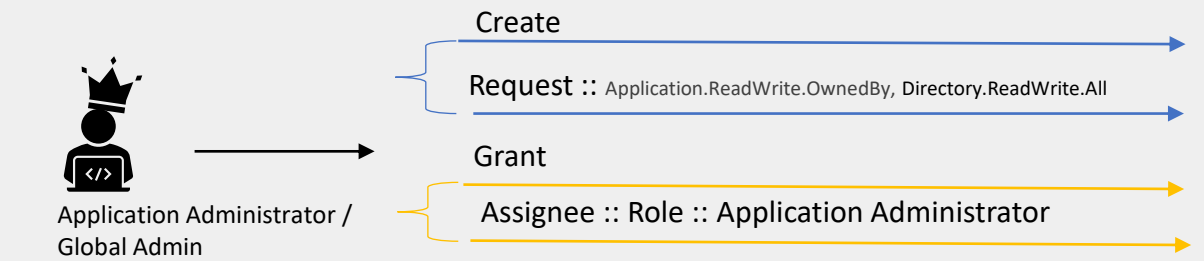
# Threat Model

## CENTRAL SERVICE SERVICE PRINCIPAL (CSSPN)



1) Create SSPN

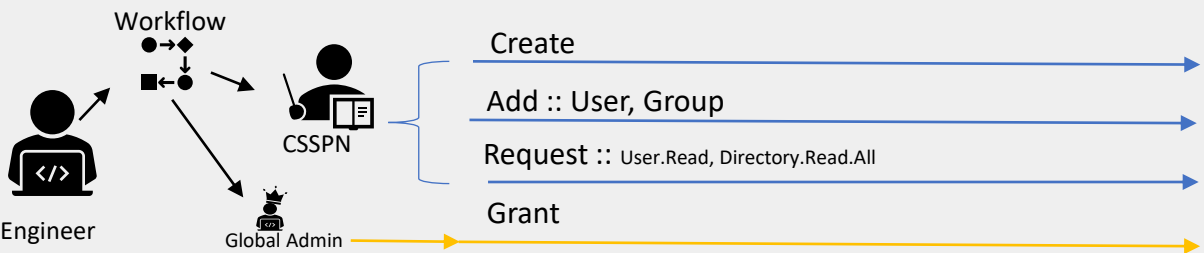
CSSPN



Application.ReadWrite.OwnedBy  
Directory.ReadWrite.All

2) Create App

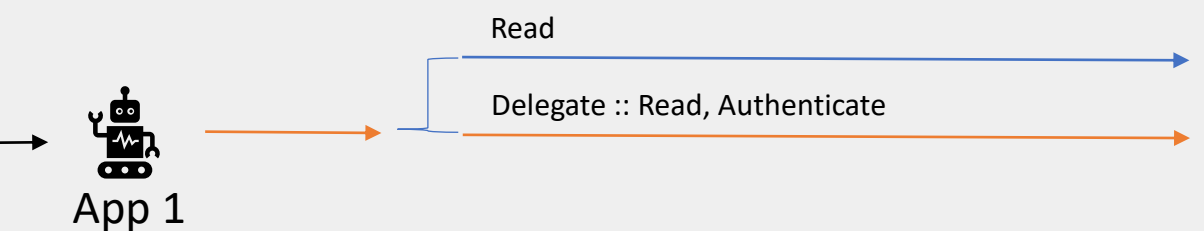
App 1



Application.ReadWrite.OwnedBy  
Directory.ReadWrite.All

3) Use App

User



Directory.Read.All

Database  
Azure AD



# Threat Model

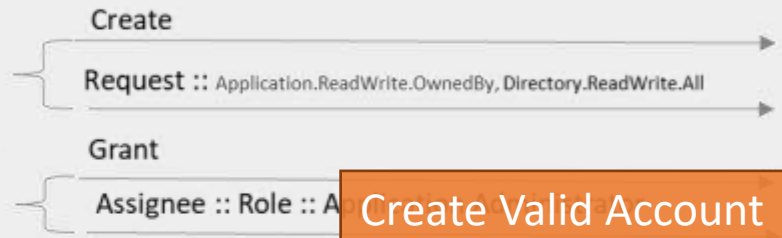
## CENTRAL SERVICE SERVICE PRINCIPAL (CSSPN)

### 1) Create SSPN

Create Valid Account  
 Redundant Access  
 Resource Hijacking  
 Impact: Deletion  
 S + D



Application Administrator /  
 Global Admin

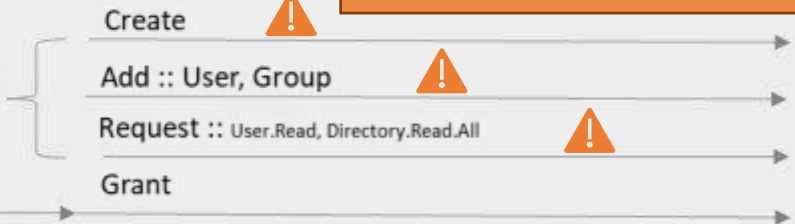
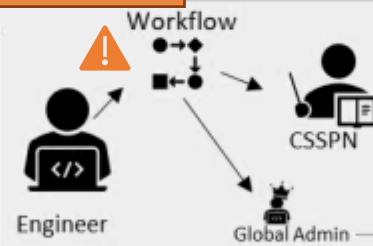


Create Valid Account  
 Account Manipulation

### 2) Create App



App 1



Discover, Collect,  
 Exfiltration of Azure AD  
 information

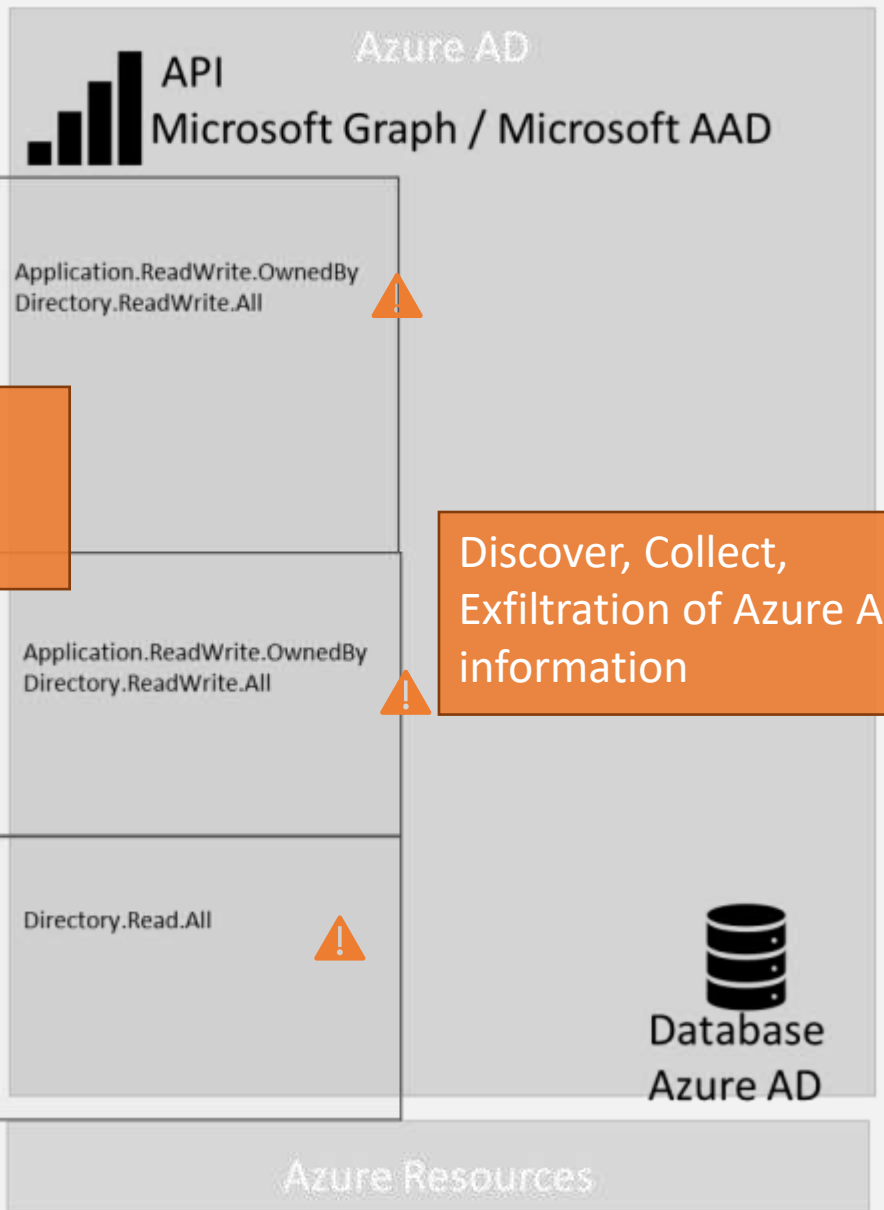
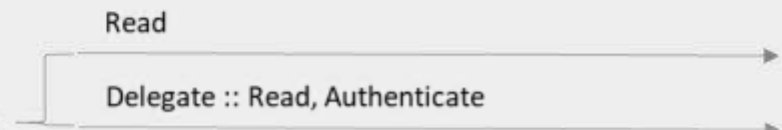
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CENTRAL SERVICE SERVICE PRINCIPAL

# Threat (STRIDE)

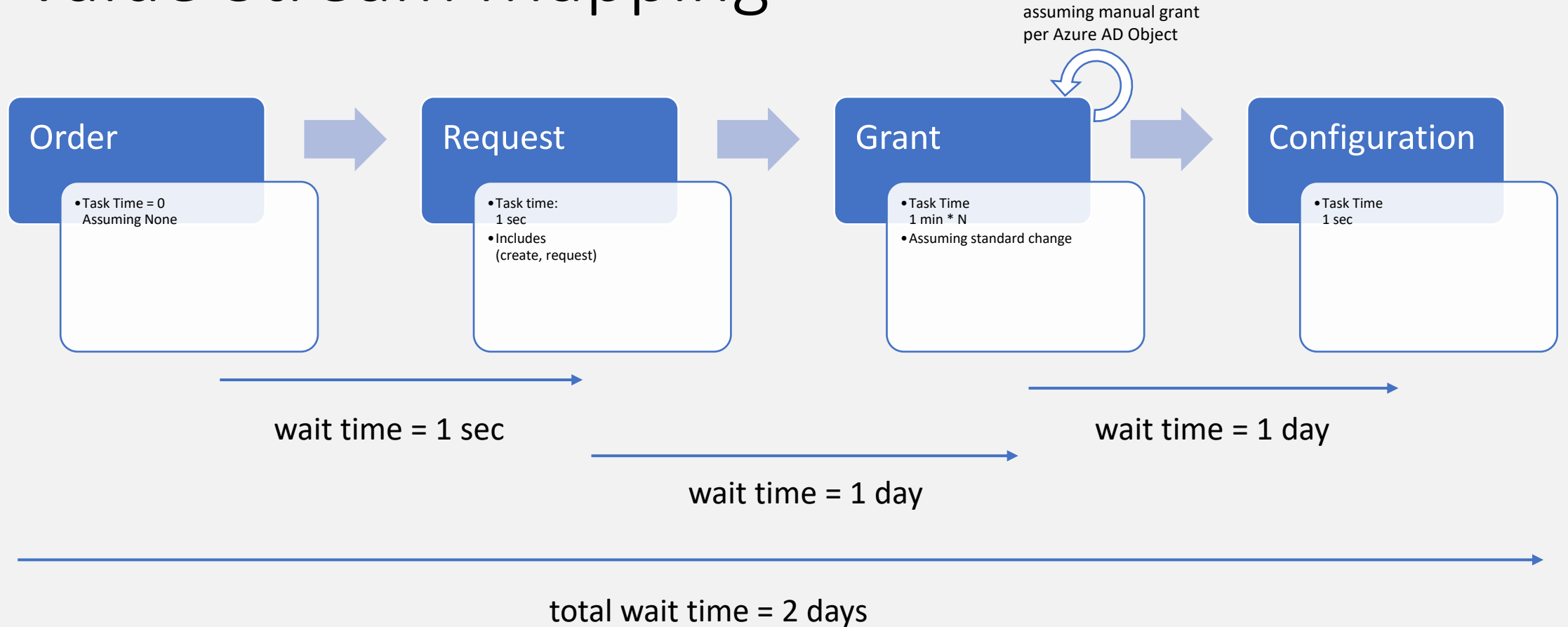
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# Value Stream Mapping



touch time =  $1 / 960 = 0.001 = 0.01 \%$   
99.9% of lead time



# Analysis Central Service Service Principal

Risk Quantity

(applicable/ identified risk)

12/20

Risk Impact

Low - **Medium**

Medium, as workflow **must reduce risk exposure and reduce threat vector** – but needs to be implemented correctly. Could be miss used for escalation of permissions.

Grad of Automation

(based on handover)

**Medium** to high

2 handover needed per request, for each SP effort for creating request and granting access needed based on “special service principal”





# Analysis Comparison

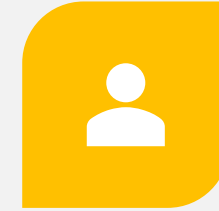
## Solution



CENTRAL SERVICE FOR APPROVAL PROCESS



POOL OF SERVICE PRINCIPALS



CLONE SERVICE PRINCIPAL

Risk Quantity  
(applicable/ identified risk)

12 / 20

3 / 20

20/20

Risk Impact

**Low - Medium**

Medium, as workflow can reduce risk exposure and reduce threat vector – but needs to be implemented correctly

**Low**

Low, as pool like manual but in batches, can be specified and approved once including definition of permissions etc.

**Severe**

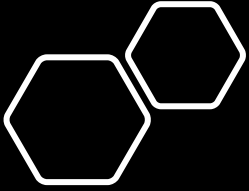
high impact risks, e.g. risk of full tenant compromise

Grad of Automation  
(based on handover)

**Medium**  
(2 Handover) per request

**Low**  
(2 Handover) per pool

**High**  
No Handover



# Mitigation

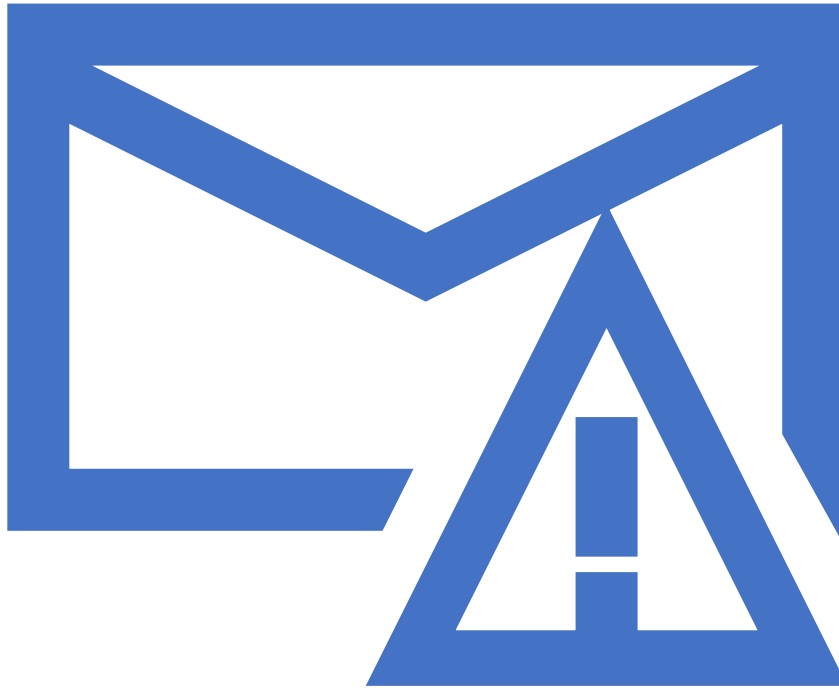
- Monitor the [sign-in activity reports in the Azure Active Directory portal](#) of the *Service Principal* or consider creating alerts similar to [Role security > emergency accounts](#) for unexpected sign-ins.
- Create [Azure AD Identity Governance](#) for the *Service Principals*.  
Make sure the created applications are active and used, recycle unused application periodically.
- Consider the permission granted *Service Principal* as a high privileged account and secure the secrets and access to it accordingly, by [improving security by protecting elevated-privilege accounts at Microsoft](#) and [securing privileged access for hybrid and cloud deployments in Azure AD](#).

# Thoughts out of the box

- Create own Azure AD tenant -> federation with AAD ([ESAE Administrative Forest Design Approach](#))
- [Azure AD custom roles](#) and [available permissions](#)
- One Service Principal per service with granted permissions -> using multiple secrets (One secret per customer, revoke secret when compromised)
  - can not identify which customer on usage
- Workflow engine that is user principal based with automated decommissioning of special service principal
  - Soft delete
- [PIM](#), [PAM](#) for service principal



# Limitations



## Azure AD Quota

Code: Directory\_QuotaExceeded

Message: The directory object quota limit for the Principal has been exceeded. Please ask your administrator to increase the quota limit or delete objects to reduce the used quota.


The Application Developer role grants the ability, but the total number of created objects is limited to 250 to prevent hitting the directory-wide object quota. [Source](#)

# Resources

- **Integrate Azure Active Directory with Azure Kubernetes Service**  
<https://docs.microsoft.com/en-us/azure/aks/azure-ad-integration>
- **Integrate Azure Active Directory with Azure Kubernetes Service using the Azure CLI** <https://docs.microsoft.com/en-us/azure/aks/azure-ad-integration-cli>
- **Delegated permissions, Application permissions, and effective permissions:** <https://developer.microsoft.com/en-us/graph/graph/docs/concepts/permissions-reference#delegated-permissions-application-permissions-and-effective-permissions>
- **Azure Active Directory v1.0 App Provisionin:**  
<https://marketplace.visualstudio.com/items?itemName=stephane-eykens.aadv1appprovisioning>





# Application permissions (Creator SPN)

 You are editing permission(s) to your application, users will have to consent even if they've already done so previously.

### Configured permissions

Applications are authorized to call APIs when they are granted permissions by users/admins as part of the consent process. The list of configured permissions should include all the permissions the application needs. [Learn more about permissions and consent](#)

API / Permissions name	Type	Description	Admin consent...	Status
▼ Azure Active Directory Graph (1)				...
<a href="#">Application.ReadWrite.OwnedBy</a>	Application	Manage apps that this app creates or owns	Yes	 Not granted fo... <span>...</span>
▼ Microsoft Graph (1)				...
<a href="#">Application.ReadWrite.OwnedBy</a>	Application	Manage apps that this app creates or owns	Yes	 Not granted fo... <span>...</span>



# Application permission (AKS)

**API permissions**

Applications are authorized to use APIs by requesting permissions. These permissions show up during the consent process where users are given the opportunity to grant/deny access.

[+ Add a permission](#)

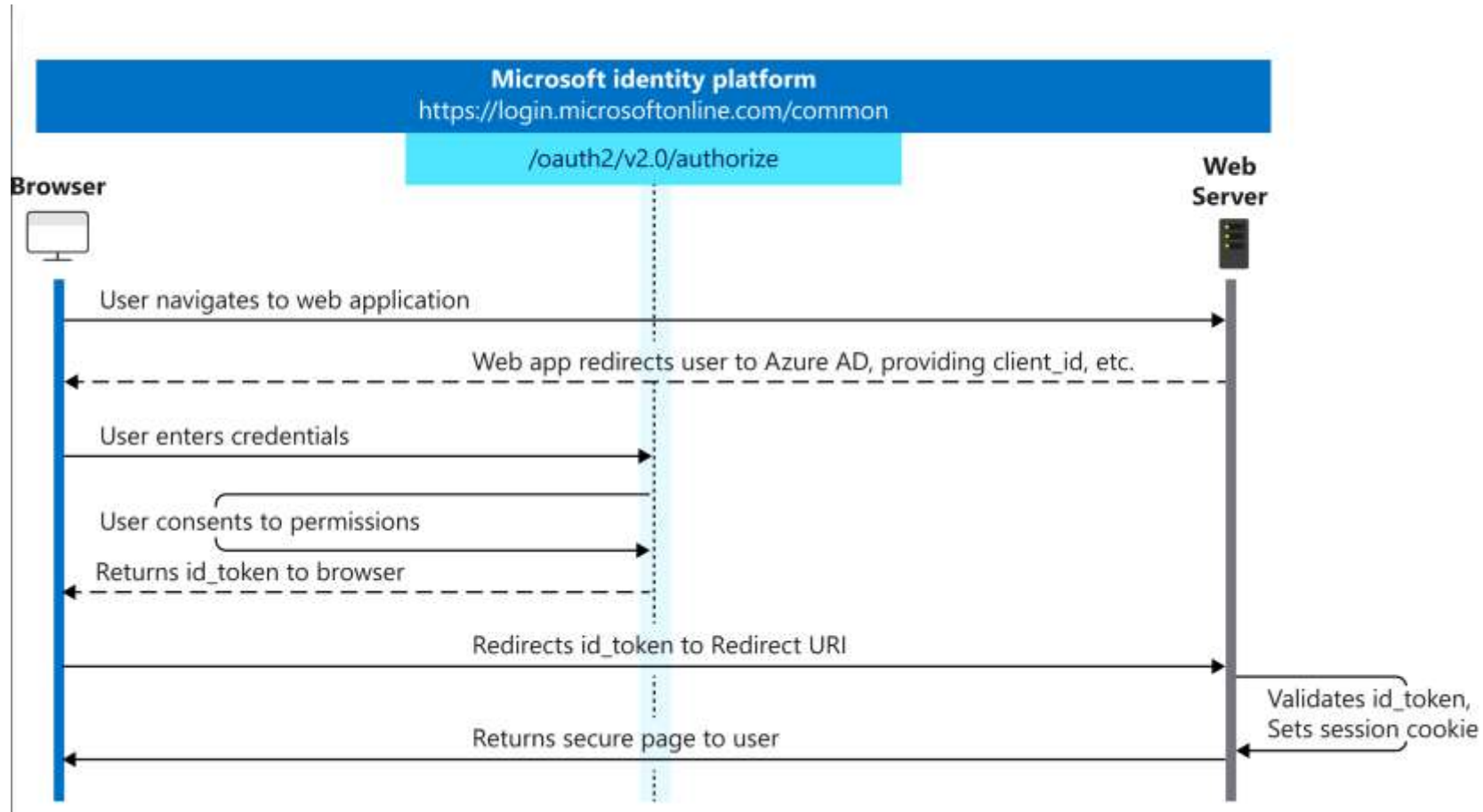
API / PERMISSIONS NAME	TYPE	DESCRIPTION	ADMIN CONSENT REQUIRED
▼ Microsoft Graph (3)			
<a href="#">Directory.Read.All</a>	Delegated	Read directory data	Yes ⚠ Not granted for Micro...
<a href="#">Directory.Read.All</a>	Application	Read directory data	Yes ⚠ Not granted for Micro...
<a href="#">User.Read</a>	Delegated	Sign in and read user profile	-

These are the permissions that this application requests statically. You may also request user consent-able permissions dynamically through code. [See best practices for requesting permissions](#)

<https://docs.microsoft.com/en-us/azure/aks/azure-ad-integration#create-the-server-application>

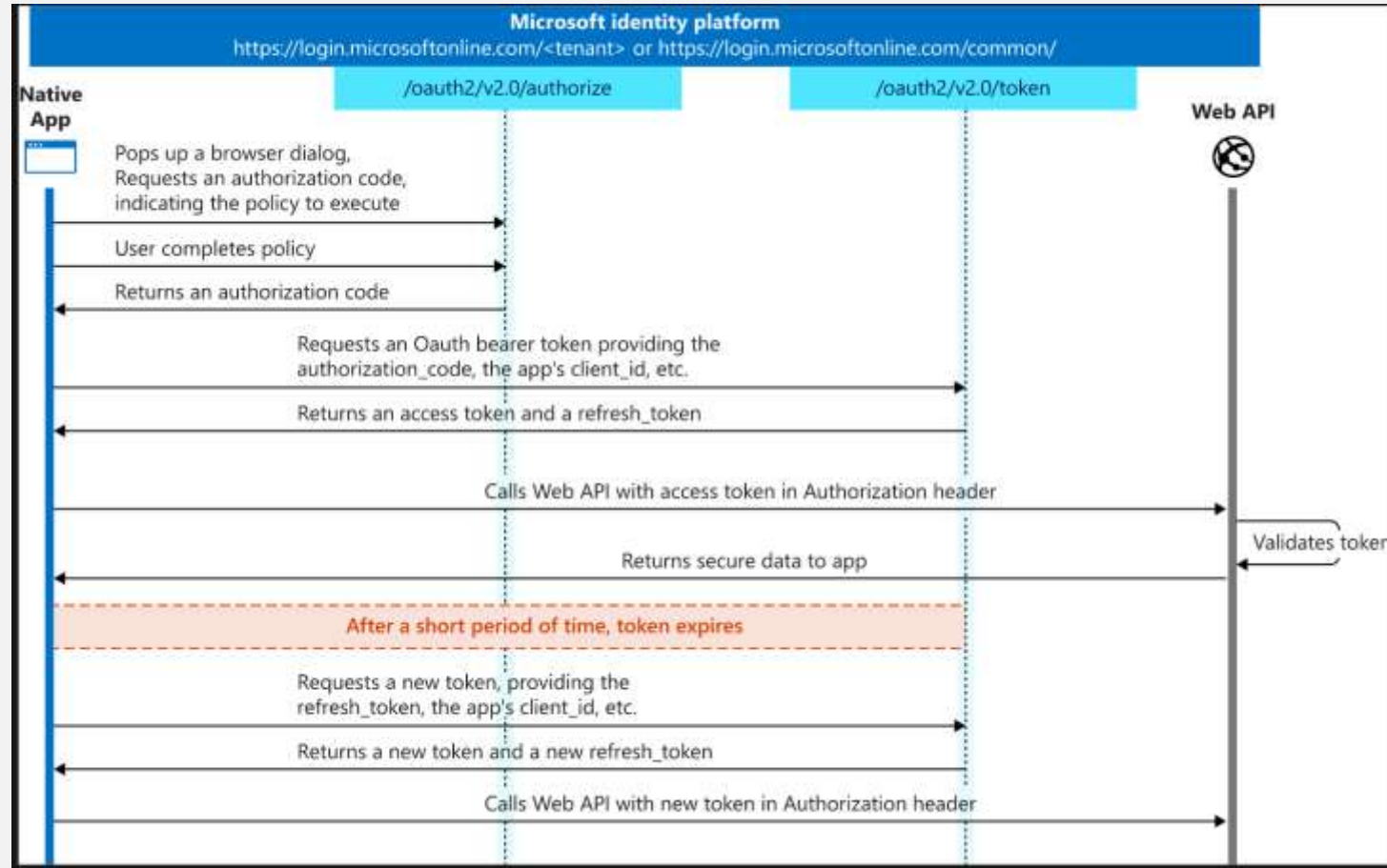


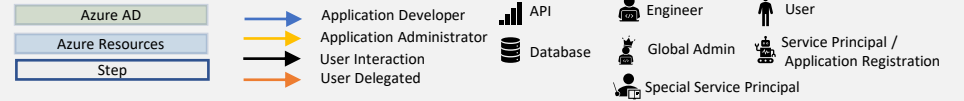
# Protocol diagram: sign-in





# Microsoft identity platform and OAuth 2.0 authorization code flow





# Threat Model Template

