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Press Release - 9 May 2016

EBF, GFMA and ISDA Agree Common Principles to Promote Effective Global Policy on Cybersecurity, Data and Technology

WASHINGTON, 9 May 2016 – The European Banking Federation (EBF), the Global Financial Markets Association (GFMA, comprised of ASIFMA, AFME and SIFMA) and the International Swaps and Derivatives Association (ISDA) today announced they are seeking to encourage effective global policy measures on cybersecurity, data and technology through a new set of common principles.

The principles are published in the paper ‘International Cybersecurity, Data and Technology Principles’ and are designed as a starting point for dialogue with policymakers, industry and other stakeholders at the global level. The principles offer key considerations to be taken into account when a nation or one of its agencies or standard-setting bodies creates laws, regulations, or standards that affect the technology infrastructure of financial services firms operating globally.

The groups are submitting these principles to the Financial Stability Board (FSB) and the International Organization of Securities Commissions (IOSCO), each uniquely positioned as international standard-setting organizations, to seek their views and guidance on this process.

“A strong, open and resilient technological ecosystem is essential to the health and protection of financial markets. Increased reliance on and use of technology creates benefits, but also engender inherent risks,” the groups note in the paper. “We applaud governments for paying closer attention to this critically important issue. It is also important, however, that countries and jurisdictions tackling risks do not create rules that inadvertently force global businesses to fragment their technology systems, impeding competition and innovation and thereby harming investors.”

The paper highlights two crucial issues that must be recognized before principles for effective policymaking can be established. First, cybersecurity, data protection and technological advancement are international issues requiring global solutions. Second, cybersecurity threats, risks, and the technology that mitigate them shift faster than regulations and standards can respond. Effective regulations will go beyond assessing whether an institution is compliant with a particular standard and instead ensure that sufficient people, processes and technology are in place to manage risks.

The paper concludes that the best approach for developing technology policies is open and transparent formulation and implementation, which allows stakeholders to provide meaningful input to regulators. This helps ensure that the resulting regulations are effective, compatible with global norms, and unlikely to cause unintended consequences. In particular, effective prudential frameworks and policies must allow companies to conduct their own risk assessments and determine what technology best meets their security needs.

The full Principles are available here: www.gfma.org/correspondence/item.aspx?id=807.

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About EBF

The European Banking Federation is the voice of the European banking sector, uniting 32 national banking associations in Europe that together represent some 4,500 banks - large and small, wholesale and retail, local and international - employing about 2.5 million people. EBF members represent banks that make available loans to the European economy in excess of €20 trillion and that securely handle more than 300 million payment transactions per day. Launched in 1960, the EBF is committed to creating a single market for financial services in the European Union and to supporting policies that foster economic growth. For more information: www.ebf-fbe.eu

About GFMA

The Global Financial Markets Association (GFMA) brings together three of the world's leading financial trade associations to address the increasingly important global regulatory agenda and to promote coordinated advocacy efforts. The Association for Financial Markets in Europe (AFME) in London and Brussels, the Asia Securities Industry & Financial Markets Association (ASIFMA) in Hong Kong and the Securities Industry and Financial Markets Association (SIFMA) in New York and Washington are, respectively, the European, Asian and North American members of GFMA. For more information, visit <http://www.gfma.org>.

About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 850 member institutions from 67 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's web site: www.isda.org. ISDA® is a registered trademark of the International Swaps and Derivatives Association, Inc.