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24 February 2014

Greg Medcraft
Chair
International Organization of Securities
Commissions

Benoît Cœuré
Chair
Committee on Payments and
Market Infrastructures

David Wright
Secretary General
International Organization of Securities
Commissions

Klaus Löber
Secretary General
Committee on Payments and
Market Infrastructures

Re: Global Cybersecurity Harmonization

Dear Messrs Medcraft, Wright, Cœuré, and Löber:

On behalf of the Global Financial Markets Association (GFMA), we are writing to commend the International Organization of Securities Commissions (IOSCO), the BIS' Committee on Payments and Market Infrastructures (CPMI), and others in taking a proactive role in addressing cybersecurity, and encourage you to work jointly with industry to defend against cyber attacks and cyber crime and increase the protection of financial markets and financial market participants. Due to the global nature of this threat, it is essential for the public and private sectors to continue to work together in developing an effective and coordinated global strategy.

In today's digital world, both the public and private sectors must increase their ability to defend against a growing and diverse set of sophisticated cyber threats and be proactive in protecting their partners, clients, data and networks from theft, disruption or destruction. From criminals seeking financial gain to nation states committing corporate espionage or seeking to dislocate markets or destroy investor confidence, cyber threat actors are becoming more sophisticated, making cybercrime a substantial risk to firms.

Cybersecurity policy needs effective advocates from both the public and private sectors. The GFMA's US partner, the Securities Industry and Financial Markets Association (SIFMA), is a leader in developing and participating in the critical partnership between the government and the financial services industry. We understand there are complementary efforts in the EU, Asia and elsewhere which are also providing benefits to those participating. While the coordinated activities of SIFMA and others have advanced the issue regionally, cybersecurity at its core is an international issue and requires cross border cooperation to be truly effective. For instance, the destruction of important financial data or the disruption of capital markets caused by a successful cyber attack could have systemic implications to economies across the globe. The financial services sector as a whole needs

to expand the process of global engagement now in order to establish and maintain an orderly environment where firms can safely operate.

In this regard, GFMA seeks to work with IOSCO and the CPMI to provide an industry perspective on how regulators can provide the necessary guidance to protect the markets they oversee from cyber attacks and cyber crime. Global principles that encourage best practices and consistent approaches, and take into account the resources and business models of the firms operating in their local markets, as well as globally, will enhance market security. In addition, global best practice will provide the flexibility to address the most relevant risks regarding expectations for what all market participants must achieve within their cybersecurity programs. This type of coordinated action globally within the financial services industry, supported by active collaboration with the public sector, will ultimately lead to highly effective protections that reduce risk and increase resiliency. For your review and consideration, we have attached SIFMA's *Principles for Effective Cybersecurity Regulatory Guidance*, which you may find of interest. We welcome the review by the global regulatory community of SIFMA's regulatory guidance for cybersecurity, and its potential as a basis to guide the development of globally effective and consistent guidance.

GFMA believes it is critical to the smooth functioning of global financial markets for the cybersecurity programs of firms and critical market infrastructures to be subject to uniform, transparent, and sound practices. We welcome the opportunity to work with the regulatory community to advance this important effort.

Best Regards,



Kenneth E. Bentsen, Jr.
CEO
Global Financial Markets Association

Attachments:

- Annex 1: Principles for Effective Cybersecurity Regulatory Guidance

cc: Christian Noyer, BIS Chair
Jaime Caruana, BIS General Manager
Peter Dittus, BIS Secretary General
Stefan Ingves, BCBS Chair
Bill Coen, BCBS Secretary General
Hern Shin Ho, Monetary Authority of Singapore
Coen Voormeulen, De Nederlandsche Bank