



## ***PRESS RELEASE***

### ***Cyber risks and crypto assets, but also new opportunities for the market***

#### ***In CONSOB the European regulators make the point on the "digital revolution" in finance***

The digitalization of the financial sector offers opportunities for savers and investors, but it is also a "new frontier" with unprecedented risks, from the challenges of *cyber security* to the world of *crypto assets*, that national and international regulators have to deal with.

The point was made today, in Rome, in a Conference on *The New Frontiers of Digital Finance*, organized by CONSOB, which brought together some of the leading subjects of European supervision around the same table. The President of CONSOB, Paolo Savona and the Commissioners Carlo Comporti and Paolo Ciocca did the honours.

“Digitalization brings benefits but risks altogether, such as the growing *cyber security* threats to the financial sector,” said Verena Ross, President of ESMA (the European financial markets regulating Authority). "The digitized and mutually interconnected financial infrastructures increase - she added - the vulnerability to the risks of *cyber attacks*" also due to the increasingly common recourse by market operators to outsourced suppliers.

The new European regulation MICAR (*Markets in Crypto Assets Regulation*), according to Ross, “is an significant milestone in the regulation of *crypto assets*”. In terms of the *cyber-resilience*, the DORA (*Digital Operation Resilience Act*) has entered into force, to which the financial services industry and supervisory authorities will have to quickly adapt. However, she cautioned, "there's a lot to do in a very short time."

“With the arrival of MICAR – said Elisabeth McCaul, of the ECB Banking Supervisory Council – Europe places itself at the forefront in the regulation of *crypto assets*. But MICAR alone will not be sufficient to bridge the regulatory gaps between the various juridical systems” with the following risk of “regulatory arbitrage” towards the more accommodating countries.

“The risks implied by the recent *crypto asset* stress have remained low due to the still small size of this market and the limited interconnection with systemically important financial institutions,” added Carmine Di Noia, Head of the Financial and Corporate Affairs Directorate of OECD. But “in a future perspective, with an extensive adoption of decentralized finance and greater interconnectedness, traditional markets would be infected more easily”.

However, in the face of these risks there are also new opportunities for savers, underlined John Berrigan, Director General of DG FISMA (European Commission). “Digitalisation favours financial inclusion, helps to support small and medium-sized enterprises, promotes sustainable growth”. The core argument, he stressed, is to ensure that " the same rules and the same supervision correspond to the same risks".

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