

Cyber risks in focus – How can we strengthen financial market preparedness?

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Increased uncertainty over international developments

Trade conflict USA - China

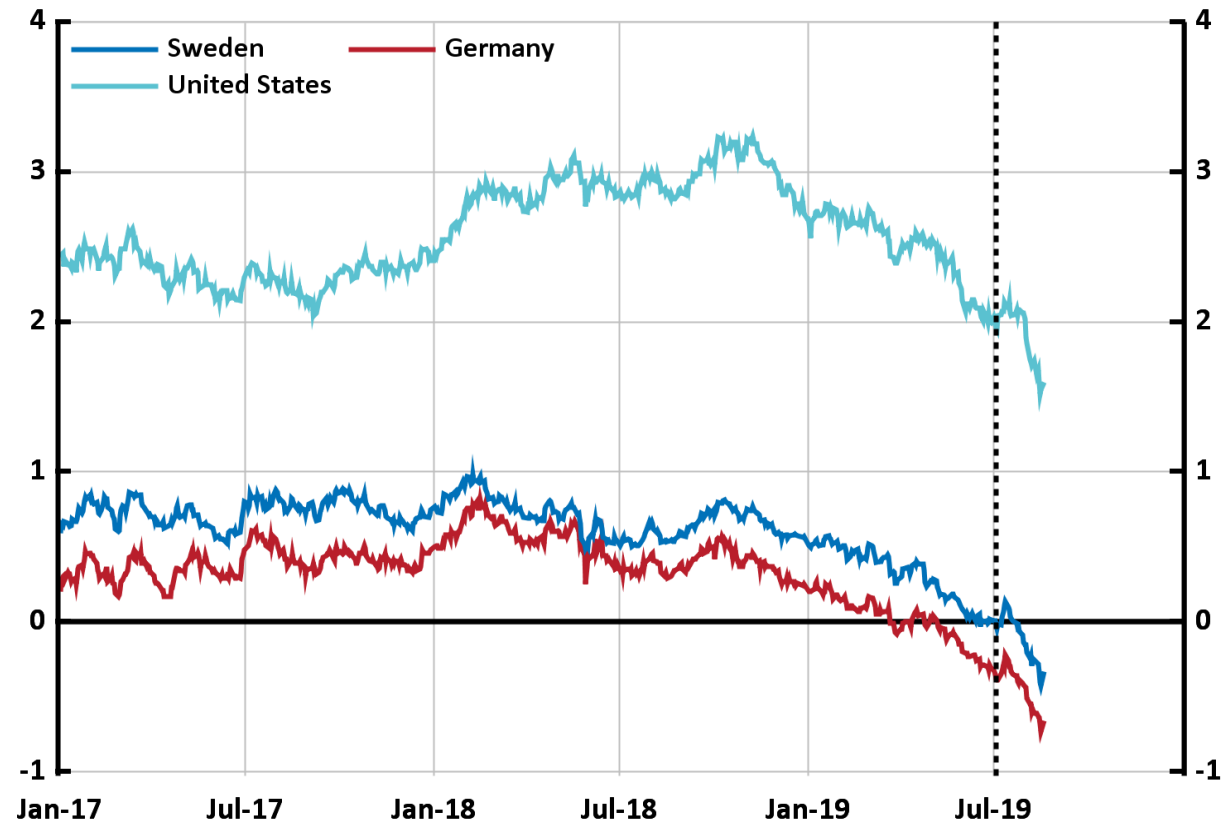
Brexit

Geopolitical unease in several countries

Strength of international economic activity



Lower interest rates in an uncertain world



Zero coupon rates from 10-year government bonds. The vertical line indicates the Monetary Policy Report in July.

Sources: Macrobond and the Riksbank

Swedish economy in a calmer phase

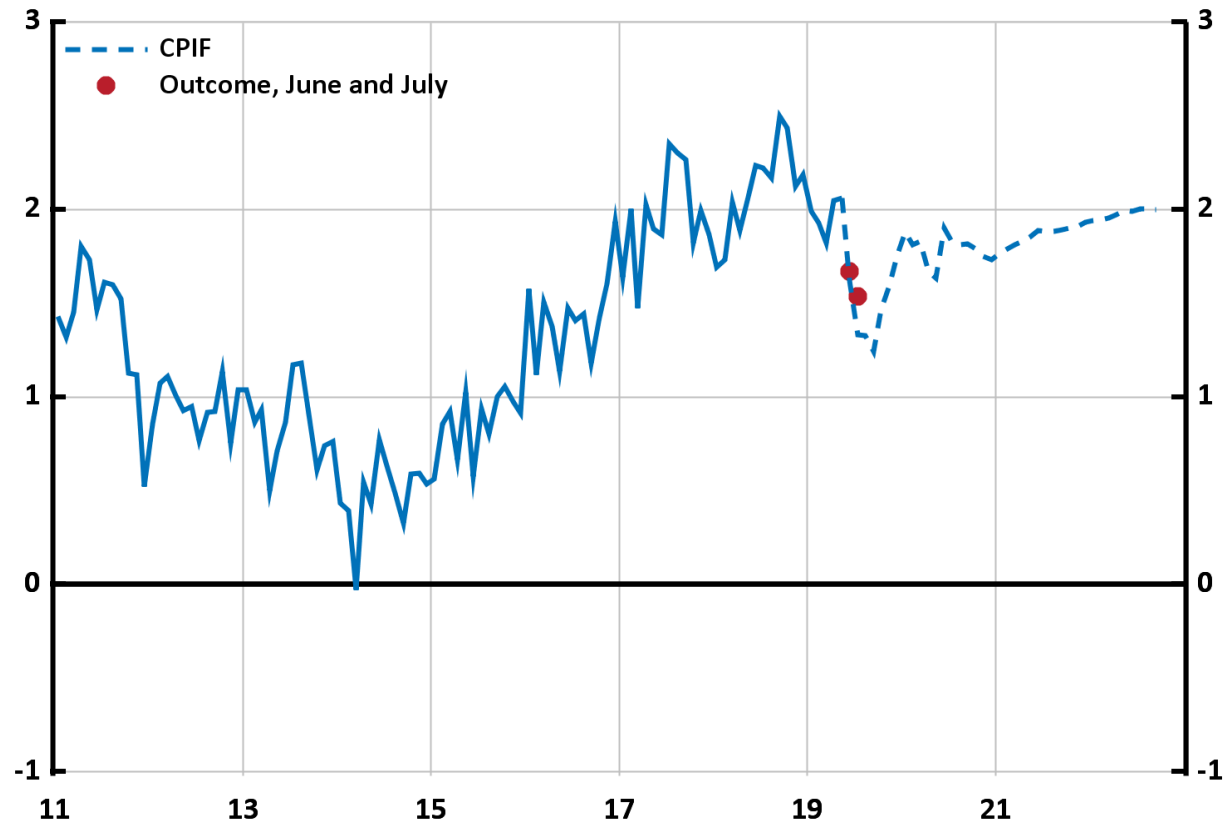
Strong economic activity and high employment rate

Economic activity as expected in a calmer phase

Resource utilisation higher than normal also in the years ahead



Inflation on target



Note. Annual percentage change.
Forecast from Monetary Policy Report July 2019

Sources: Statistics Sweden and the Riksbank

An increasingly digitalised world – opportunities and risks



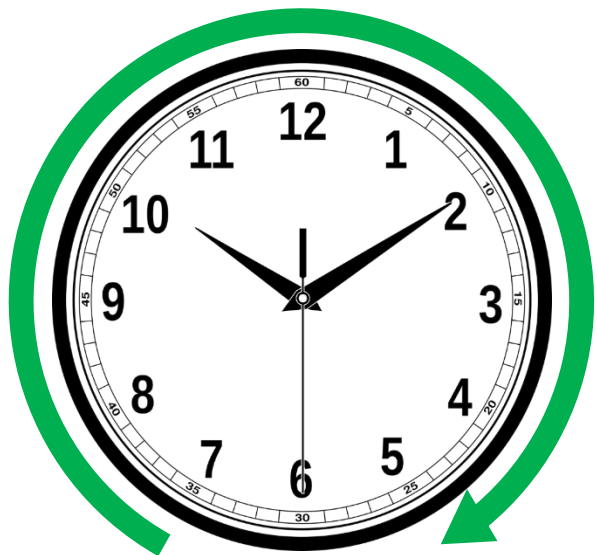
Challenges on the payment market in coming years

- Our role in the future payment market
- Central bank money in the future
- Protect the payment system against increased risks

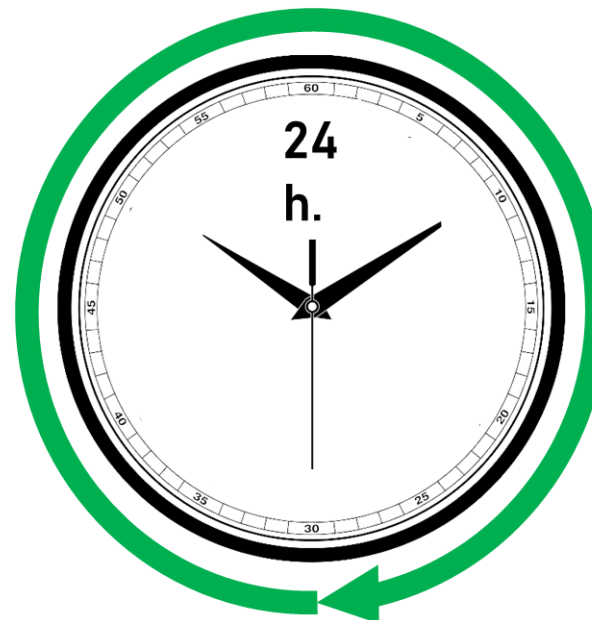


Riksbank planning for instant payments 24/7

- Today RIX is open weekdays
0700-1700



- 24 hours a day, every day of the
year



Open 24/7 gives safer payments

Settlement should be in central bank money:

- Safest means of settlement
- Follows international principles
- Cost-efficient liquidity management

Payment system is critical infrastructure:

- The Riksbank is a neutral supplier
- Economies of scale, natural monopoly

Platform sharing with the Eurosystem must comply with Swedish security legislation



- TIPS has been developed and is driven by the Eurosystem
- Platform for the settlement of instant payments
- Designed to manage more currencies than the euro
- Important that the requirements in Swedish legislation are observed

E-krona – also a question of security

- Focus on accessibility
- Security aspect important for the e-krona pilot



Preparedness for crisis and war

Deterioration in geopolitical
situation

Further develop crisis
preparedness

Payments in crisis and war

Sector responsibility

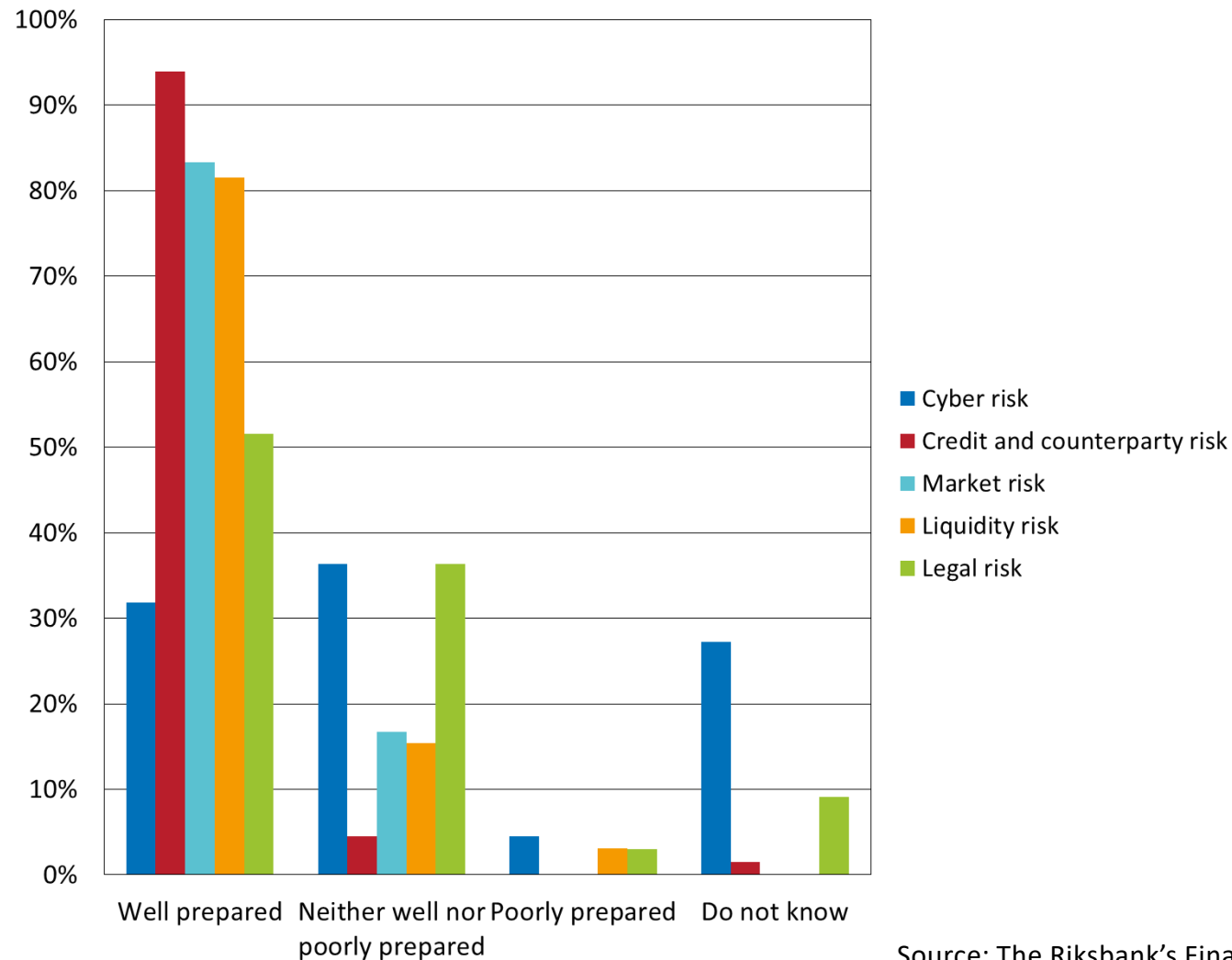
Cyber risks present new challenges

- Cyber attacks will succeed
- The cyber threat covers both sectors and country borders
- **A cyber attack can constitute a systemic risk**



Resilience to cyber risks must be improved

“How prepared do you feel you are with regard to cyber risks?”



Coordination needs to be strengthened

**Coordination with the Swedish
financial sector**

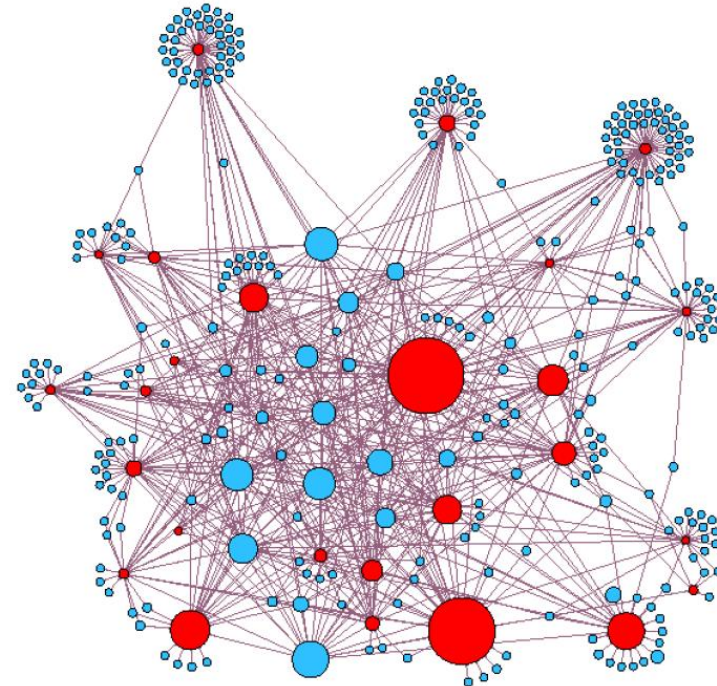
National coordination

Cyber risks in focus for the Riksbank

The Riksbank's own resilience



The resilience of the financial system as a whole



Picture source: Analysis of Central Clearing Interdependencies, August 2018. BIS, CPMI, FSB and IOSCO.

The Riksbank is coordinating TIBER-SE

- Test of resilience to cyber risks through TIBER-EU
- Tests resilience in a standardised manner
- The Riksbank has a driving and coordinating role
- External suppliers used to carry out the actual tests



TIBER-EU FRAMEWORK

How to implement the
European framework for Threat
Intelligence-based Ethical
Red Teaming

May 2018



Summary

- Digitalisation of operations – opportunities and risks
- The payment market is changing rapidly – how to ensure a safe and efficient payment system
- Digitalisation also brings cyber risks – resilience must be increased in the financial sector
- Coordination and dialogue need to be improved