

## ANNOUNCEMENT

### The European Supervisory Authorities weigh the benefits and risks of Big Data

The Cyprus Securities and Exchange Commission wishes to inform investors and other interested parties that the Joint Committee of the European Supervisory Authorities ('ESAs'), namely the European Securities and Markets Authority, the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority, has published a report on Big Data analysing its impact on consumers and financial firms.

The objectives of the report was to:

- (i) map the Big Data phenomenon and assess its potential benefits and risks;
- (ii) raise awareness among consumers of their rights set in existing financial legislation and in other relevant areas; and
- (iii) raise awareness of financial institutions of their obligations set in existing financial legislation and encourage the adaptation of good practices on Big Data.

As per the ESAs' press release, the ESAs have found that while the development of Big Data poses some potential risks to financial services consumers, the benefits of this innovation currently outweigh these. Many of the risks identified by the ESAs are mitigated by existing legislation. The report concludes that Big Data brings many benefits for the financial industry and consumers, such as more tailored products and services, improved fraud analytics, or enhanced efficiency of organisational internal procedures. On the other hand, financial services consumers should be made particularly aware of some of the risks posed by Big Data.

The ESAs have also created a [factsheet](#) on Big Data, aiming at informing consumers of financial services about the impact of Big Data. The factsheet provides consumers with the information about the potential benefits and risks of the use of Big Data techniques and aims to raise awareness of the measures consumers can take if they experience issues related to the use of Big Data.

The ESAs will continue to monitor any developments in this area in the coming years and invite financial firms to develop and implement good practices on the use of Big Data.

For more details, the full text of the report is available [here](#).

**Nicosia, 28 March 2018**