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The AMF publishes a study about stock market cybercrime

The Autorité des Marchés Financiers (AMF) has published a study on stock market cybercrime to shed light on the issues, operating methods and problems of potential stock market violations that the regulator could face. Focus on the main findings of this study.

Cybercrime: a major threat

Cybercrime has become a major threat in recent years, as seen in the many press reports. It is one of the most costly forms of crime, representing an estimated 0.5% of global GDP. According to various studies, this impact is between -1% and -5%. Although the financial sector and, more particularly, the stock market, have not been spared from this threat, the specific cost to this sector seems more difficult to estimate.

Three main stock market violations observed

If we exclude cybercrime related to cryptocurrencies, the study shows that stock market cybercrime revolves around the following three violations: insider cybercrime (e.g. computer hacking to obtain privileged information), cyber-distribution of false financial information (e.g. : creation of "fake" websites or false rumours disseminated through social networks to influence the price of a listed company) and cyber manipulation of prices (e.g. hacking into trading accounts in order to set up "pump & dump" type schemes).

All players along the chain are potentially concerned

The analysis of cases of cyber-insider trading or the cyber-distribution of false information shows that the entire chain of players of the financial world can be affected: issuers, banks, information providers, stock market regulators, stock exchanges, etc. Cases of cyber price manipulation, meanwhile, stem mainly from intrusions into the trading accounts of private individuals.

The need for enhanced international cooperation

The study shows the extent of stock market cybercrime and its far-reaching consequences, in a context where, despite widespread awareness of cyber risk and new laws on cybersecurity, personal data protection or "fake news", the international cooperation of regulators remains difficult and the international legal framework is still inadequate. Continued efforts by regulators such as the SEC (which set up its Cyber Unit in July 2017), and the AMF, active participation in various international working groups dedicated to financial cybersecurity and the involvement of European institutions are therefore essential to curb this stock market crime in cyberspace.

Read more

📄 [Study - Stock market cybercrime : definition, cases and perspectives](#)

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