



CAPITAL MARKETS: PHASE 1 DRAFT

Proposed Risk Mitigation Framework for Non-Financial Risks of Blockchain Infrastructures

for Regulated Financial Institutions

WHAT IS THE RISK MITIGATION FRAMEWORK (RMF)?

- Led by industry leaders to help financial institutions identify, evaluate, and minimize non-financial risks associated with blockchain infrastructures, particularly public blockchains
- Prioritizes the integration of blockchain-specific risks into existing enterprise risk frameworks using the broad set of risk management frameworks deployed in regulated financial institutions

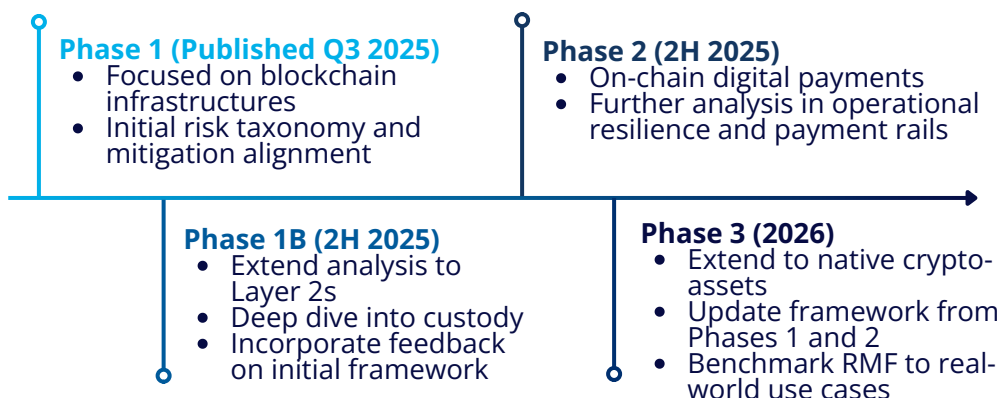
CORE CONTRIBUTORS (PHASE 1)

- Ava Labs
- Cardano Foundation
- Clearstream
- DTCC
- Euroclear Group
- GBBC
- Hedera Foundation
- Oliver Wyman
- Ripple
- And other regulated financial institutions

Observer: The World Bank

Confirmed Phase 2: Canton Foundation, Chainlink

ROADMAP

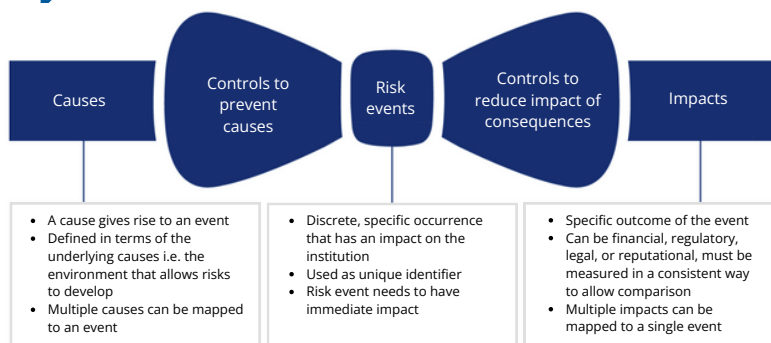


WHY RMF?

- ✓ Increasing trend of blockchain infrastructure use
- ✓ Bridging the gaps amongst existing risk frameworks
- ✓ Provide global risk mitigation solutions

APPROACH TO FRAMEWORK

➡ Use of the Bow-Tie model



➡ Coordinate with existing regulatory standards (MiCA, DORA, NIST, COSO)

KEY RISK CATEGORIES COVERED



Novel Risks

- Tech risks
 - Ex. protocol governance, node diversity
- Financial crime
- Sanctions evasion, AML, KYC
- Key management & cybersecurity
- Smart contract vulnerabilities



Adapted Risks

- Contractual enforcement
- Legal ambiguity
- Data management & irreversible transactions



Standard Risks

- Traditional risk domains
 - Regulatory compliance
 - Internal fraud
 - People risk

ACCESS THE FRAMEWORK AT
[GBBC.IO/NEWS/RISK-MITIGATION-FRAMEWORK](https://gbbc.io/news/risk-mitigation-framework)