

FOR IMMEDIATE RELEASE

For further information:

Judith Vanderkay

jvanderkay@gmail.com

+1 (781) 883-3793

X9 Seeks Participants for New Research into Bank-held Crypto Asset Risks

ANNAPOLIS, Md. – March 8, 2023 -- The Accredited Standards Committee X9 Inc. ([X9](#)) today announced that it is launching a research effort into the risks associated with crypto assets held by financial institutions. The initiative will develop a Technical Report that will be titled TR 60: Risk Assessment Framework for Bank Provided Crypto-Asset Custodial Accounts. The group [seeks participants](#) from stakeholders such as banks, brokerages, government agencies, fintech innovators, cybersecurity experts and academic thought leaders.

Crypto assets are a type of digital asset that employs cryptography for data protection and uses distributed ledger technology (blockchain) to record transactions. As a financial class, crypto assets are rapidly expanding, but there are few standards or guidelines to address the issues created by this development. Global crypto asset market capitalization is estimated to hover around \$2 trillion (U.S.), which is greater than the subprime mortgage market prior to the 2008 financial crisis; both public and private stakeholders are calling for a regulatory framework and establishment of standards.

This new technical report will support the financial services community with a framework to assess the risks associated with custodial services, including transferring and holding crypto assets, and to make progress toward needed standards in this rapidly growing financial services domain.

The work will supplement X9's existing [Blockchain Risk Assessment Framework Technical Report](#) by targeting financial institutions' payment services and activities involving crypto-currencies and crypto assets. Payment services include funds transfer, message transmission, payment processing, payment settlement, value storing and transaction recording. When a bank elects to operate a node on a blockchain network, exchange crypto-currencies, buy, sell or issue crypto assets or custody-related assets, new technical and operational risks should be identified and mitigated. This new technical report will describe these risks and document questions that can uncover potential hazards associated with these activities.

"The new initiative aims to satisfy the growing need for understanding and mitigating the risks related to bank-held crypto assets, as the popularity of NFTs and other crypto assets rises," said

Edward Scheidt, senior security development executive vice president at Tecsec. "We urge all interested parties to join with us in exploring this important area of security."

Prospective participants can [indicate their interest](#) on the X9 website.

About the Accredited Standards Committee X9 Inc.

The Accredited Standards Committee X9 Inc. is a non-profit organization accredited by the American National Standards Institute (ANSI) to develop and maintain national and – through ISO -- international standards for the financial services industry. The subjects of X9's standards include: retail, mobile and business payments; corporate treasury functions; block chain technology; processing of electronic legal orders issued to financial institutions; tracking of financial transactions and instruments; financial transaction messaging (ISO 8583 and 20022); quantum computing; PKI; checks; cloud; data breach notification and more.

X9 acts as the U.S. Technical Advisory Group (TAG) for ISO TC68 (Financial) and TC321 (E-Commerce) and performs the [secretariat](#) functions for ISO TC68. Please visit our website (www.x9.org) for more information.

Follow ASC X9 on [Facebook](#), [LinkedIn](#), [Twitter](#) and [YouTube](#)

###