

# Cybersecurity certification and the EU NIS market fragmentation

Antonio Ramos

Brussels, October, 12<sup>th</sup>

**ENISA Validation Workshop – Market Study of NIS Products and Services**



ICT Services  
Rating Agency

El estándar de calificación en ciberseguridad



#SellaTuSeguridad

01

**EUROPE LACK A COMMON  
LANGUAGE**

BLOG POST | By Andrus Ansip | 27 May 2016

# How multilingual is Europe's Digital Single Market?

Europe's vast marketplace is unique in the world for several reasons. This is not merely because of its sheer size – more than 500 million consumers – but also because of its impressive cultural and linguistic diversity.

While we may not think of it very often, the European Union is home to 24 official languages: Slovenian and Swedish, French and Finnish, Polish and Portuguese. And that is only a quarter of them.

Overcoming language barriers is vital for building the DSM, which is by definition multilingual. It is now time to reduce and remove the language barriers that are holding back its advance, and turn them into competitive advantages.

Un best seller del New York Times  
"FASCINANTE Y REVELADOR... INDISPENSABLE."  
—JEFFREY GOLDBERG, ATLANTIC



# START-UP NATION

LA HISTORIA DEL MILAGRO ECONÓMICO DE ISRAEL

DAN SENOR & SAUL SINGER

PRÓLOGO DE SIMON PERES

EPÍLOGO DE LOS AUTORES

UN LIBRO DEL CÓDIGO, UN FENÓMENO DEL MUNDO

What you can do  
if the language  
used in your  
market is not  
spoken in any  
other country all  
over the world?

# 02

**EUROPE HAVE TO BE  
AMBITIOUS**



“European entrepreneurs need to be more ambitious, take more risks, look for higher investment, aspire to be larger. [...] In ten years, all sectors will suffer a disruption.”

Niklas Zennström, Atomico CEO & skype founder, South Summit 2016, Madrid (4-Oct-2016)



- Being comfortable and disruptive is not easy (but not impossible)



- Regulated markets are nice for big companies (more entry barriers)

The Bla Bla Car logo is presented within a white rounded rectangle. The text 'Bla Bla Car' is in large, bold letters, with 'Bla' in green, 'Bla' in blue, and 'Car' in red. Below it, the tagline 'Le Covoiturage Confiance' is written in a smaller, black font.

**Bla Bla Car**  
Le Covoiturage Confiance

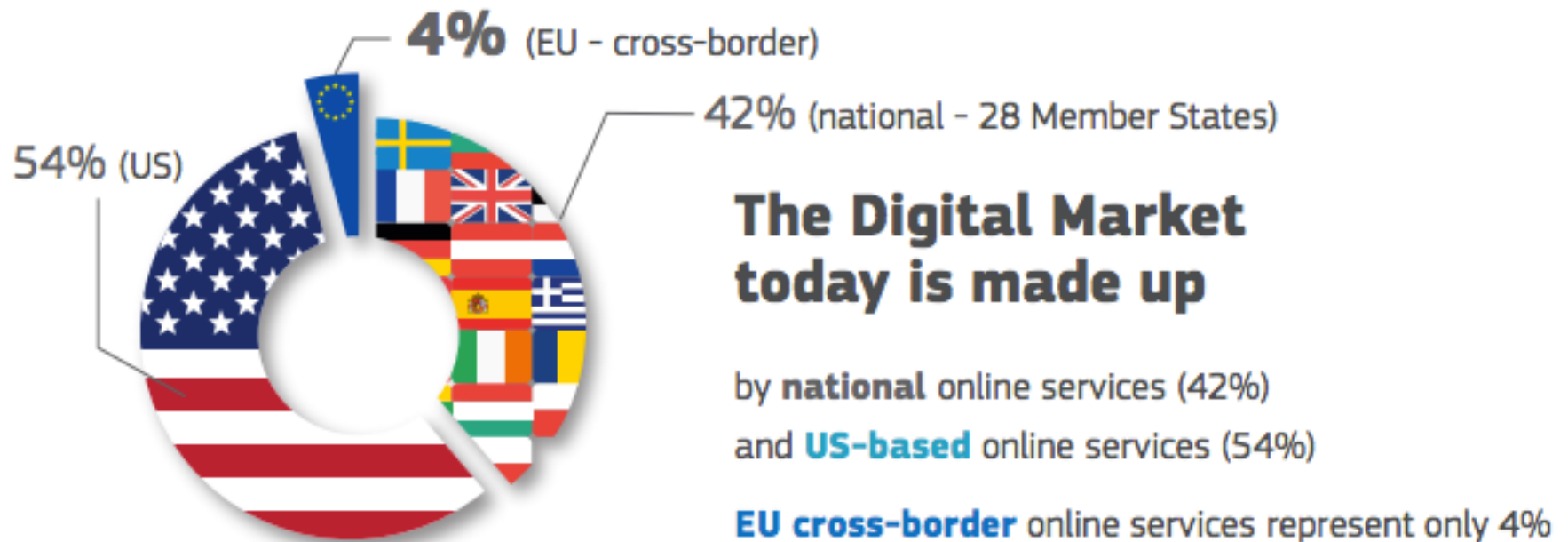
# 03

## FRAGMENTED MARKET



## Some data from the Comission...

- Only 7% of EU small- and medium-sized businesses sell cross-border.
- Objectives: “Making it easier for innovators to start their own company.”





”Create a start-up in Europe is a bigger challenge than in USA, because they are a single, big, and homogeneous market. This is more difficult to enter, because a fragmented and heterogeneous geography.”

Niklas Zennström, Atomico CEO & skype founder, South Summit 2016, Madrid (4-Oct-2016)

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What you can do  
if your market is  
very small and  
you cannot sell to  
your neighbours?

Different legislation makes  
difficult to provide services all  
over Europe

(Improvements: eIDAS, GDPR, digital  
services in NIS Directive)

(Not as good examples: Essential services  
in NIS Directive)

Every new regulation  
should be focused on  
reducing fragmentation

# Some data from the Comission...

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→ EU consumers could **save €11.7 billion** each year if they could choose from a full range of EU goods and services when shopping online



Only **7% of SMEs** in the EU sell cross-border

Small online businesses wishing to trade in another EU country face around **€9,000 extra costs** for having to adapt to national laws

## Simplifying VAT arrangements

Small online businesses wishing to trade in another EU country face a VAT compliance cost of at least **€5,000** annually for each Member State where it wishes to supply

---

Perhaps there could be grants for companies becoming International (at least, until the cost of being International persist)





"No domestic market is big enough for a star-up. You have to think big, globally. Big companies can emerge in any place, where nobody expect them. Borders have diluted, it does not matter where you come from, but where you go."

Niklas Zennström, Atomico CEO & skype founder, South Summit 2016, Madrid (4-Oct-2016)

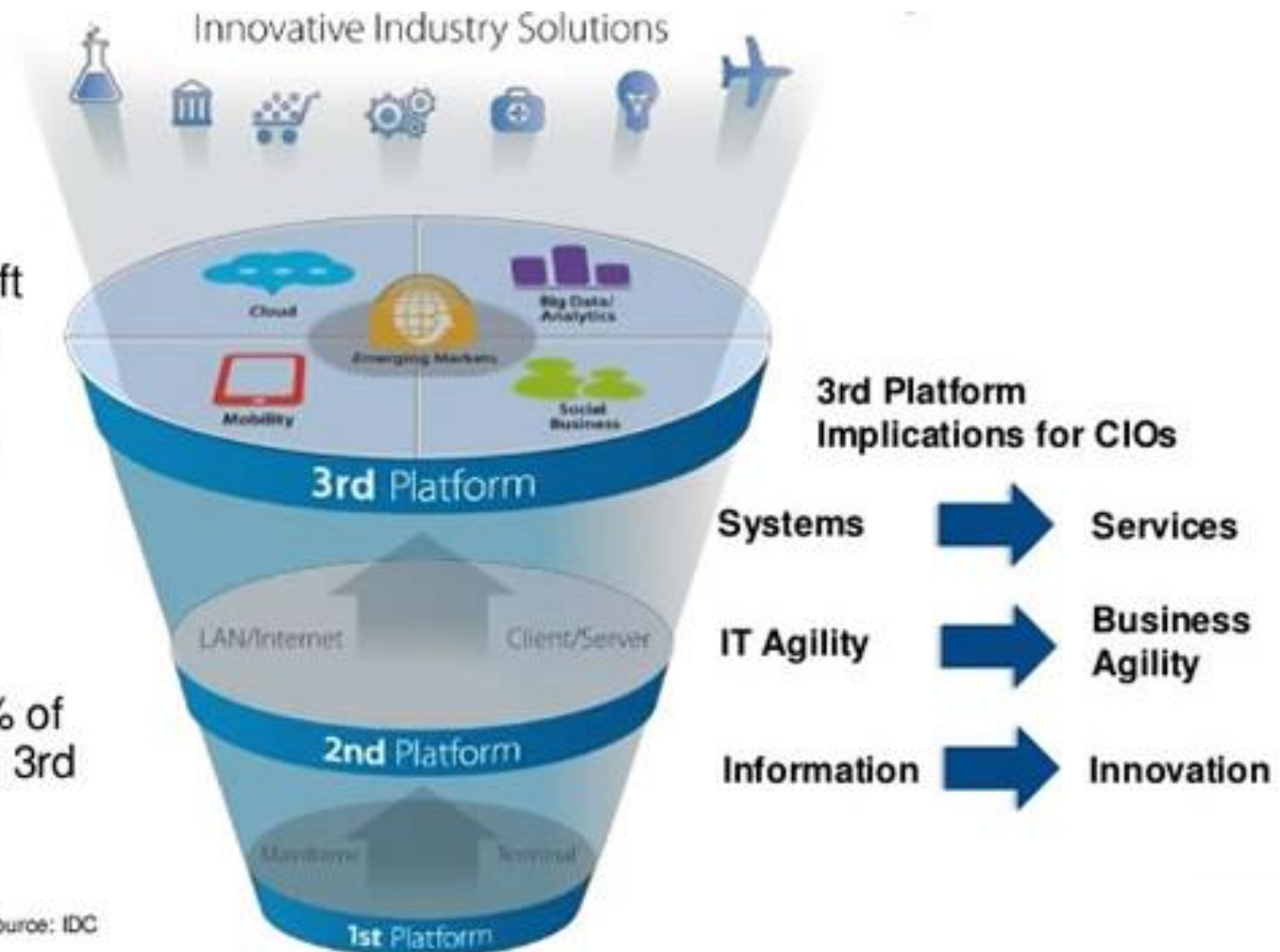


# 04

## **SECURITY CERTIFICATION & LABELLING AS A DRIVER FOR DSM**

# Digital Transformation

- Paradigm shift
- Every 20–25 years
- Winners and losers
- Impact on vendors and channel
- By 2020: 40% of revenue from 3rd Platform





## TRUST AND SECURITY

ES EU

What concern do you have when using the Internet for things like banking or shopping online?

You are concerned about someone misusing your personal data

52

43

You are concerned about the security of online payments

47

42

You prefer conducting the transaction in person e.g. so you can inspect the product yourself or ask a real person about it

41

26

You are concerned about not receiving the goods or services that you buy online

25

22

Other

## Big data and cloud



Digital data stored in cloud:  
**2013: 20% - 2020: 40%**

The use of big data by the top 100 EU manufacturers could lead to **savings worth €425 billion**

Studies estimate that, by 2020, big data analytics could boost EU economic growth by an additional **1.9%**, equalling a **GDP increase of €206 billion**

Users need to know that a service /  
product is compliant with  
minimum requirements,  
but also need to know its  
(cyber)security level

"Ford", Br.urtado, <https://flic.kr/p/7LgqNo>

o furtado | photos



om x 1000

Cybersecurity is not an  
absolute concept...

**Capability**





"Yes or No" Quinn Dombrowski <https://flic.kr/p/s8hvJo>

**YES**

**NO**

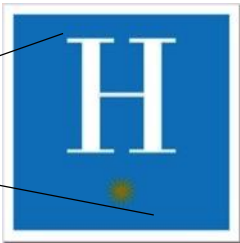
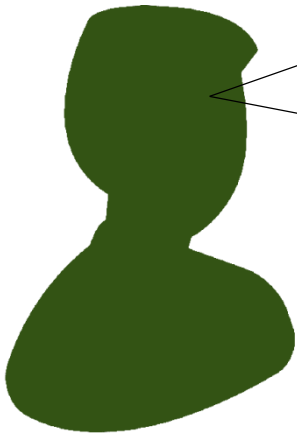
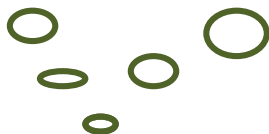
... but certifications are absolute



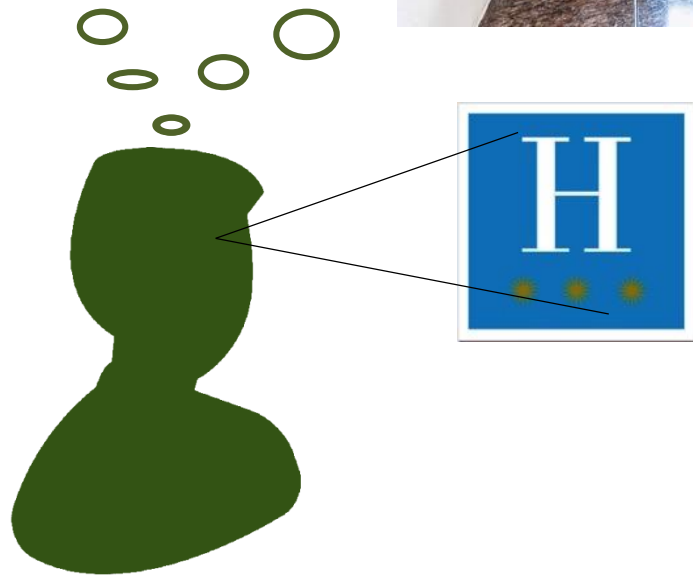
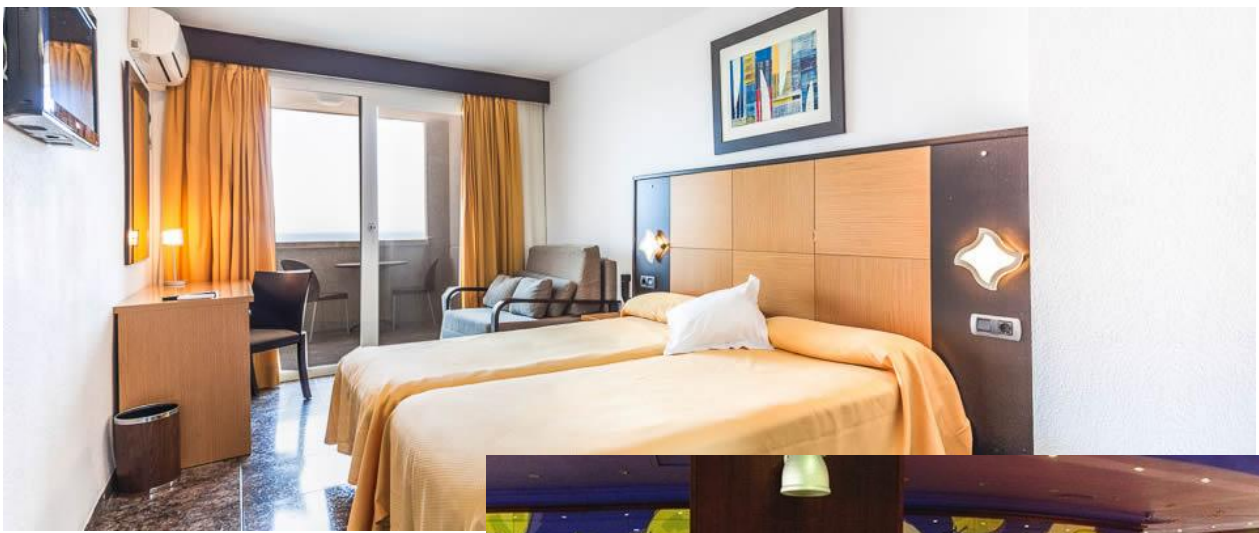
We have done it before...



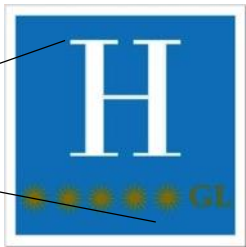
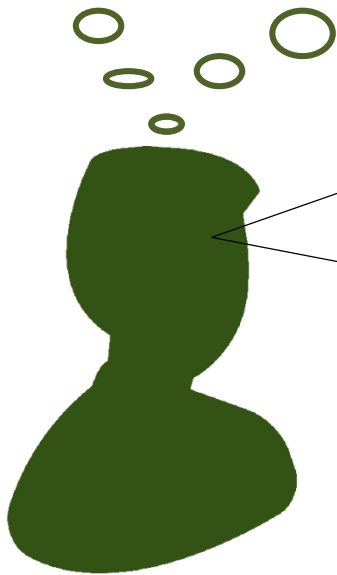
# Rating levels provide information...



# ... about expectancies...



...of service quality; before acquiring it.
































# Ratings labels are not a new tool... to provide transparency about effective capabilities

# CREDIT RATINGS

## LONG-TERM SOVEREIGN DEBT RATINGS

Country/Ratings Agency	Moody's	S&P	Fitch	INVESTMENT GRADE RATINGS
U.S.A. 	Aaa	AA+	AAA	 <b>Aaa/AAA</b> Minimal risk
Japan 	Aa3	AA-	AA	
EURO ZONE				
Austria 	Aaa	AAA	AAA	 <b>Aa/AA</b> Very low
Belgium 	Aa1	AA	AA+	
Cyprus 	Baa3	BBB	BBB	
Estonia 	A1	AA-	A+	 <b>A/A</b> Low risk
Finland 	Aaa	AAA	AAA	
France 	Aaa	AAA	AAA	
Germany 	Aaa	AAA	AAA	 <b>Baa/BBB</b> Moderate risk
Greece 	Ca	CC	CCC	
Ireland 	Ba1	BBB+	BBB+	
Italy 	A2	A	A+	 <b>Ba/BB</b> Substantial risk
Luxembourg 	Aaa	AAA	AAA	
Malta 	A2	A	A+	
Netherlands 	Aaa	AAA	AAA	 <b>B/B</b> High risk
Portugal 	Ba2	BBB-	BB+	
Slovakia 	A1	A+	A+	
Slovenia 	Aa3	AA-	AA-	 <b>Caa/CCC</b> Very high
Spain 	A1	AA-	AA-	

Sources: Moody's, Standard & Poors, Fitch

 **REUTERS**

FOR SAFER CARS

EURO NCAP

www.euroncap.com

★★★★★

TEST 2014

H

ENERG

Y I A  
IE I A

BOSCH

WAS32743

A+++

A+++

A++

A+

A

B

C

D

XYZ  
kWh/annum

ENERGIA - ENERGIA - ENERTEA  
ENERGIA - ENERGY - ENERGIE - ENERG

VWXYZ  
L/annum

Y, Z  
kg

ABCDEFG

YZ dB

YZ dB

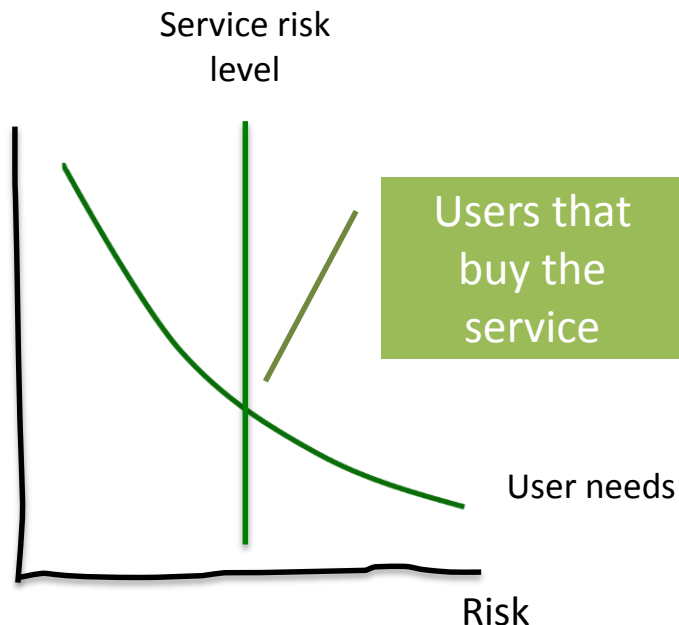
2009/0002

Every company in Europe  
(independently of size,  
activity and country)  
should and can be  
measured against the  
same metric

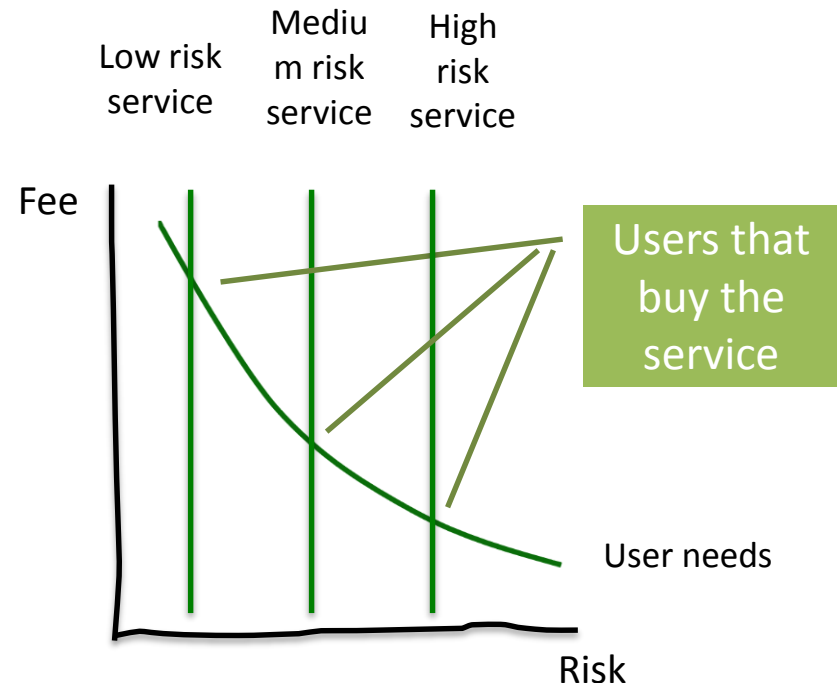
Opportunity:  
Show that Europe is the  
place where you can  
**TRUST** all the supply  
chain

# Each Process, its Risk appetite Each Process, its Cybersecurity level

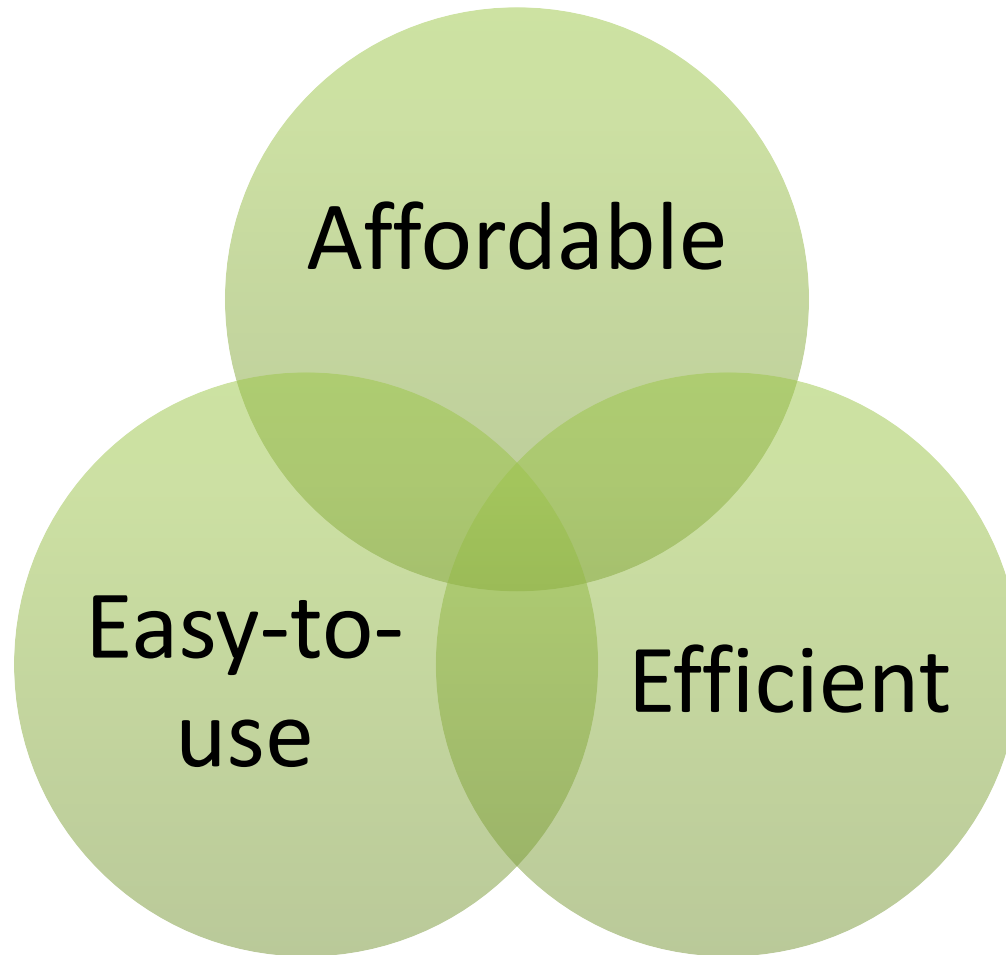
Current Situation –  
Services are “one size  
fits all”



Different processes  
have different needs



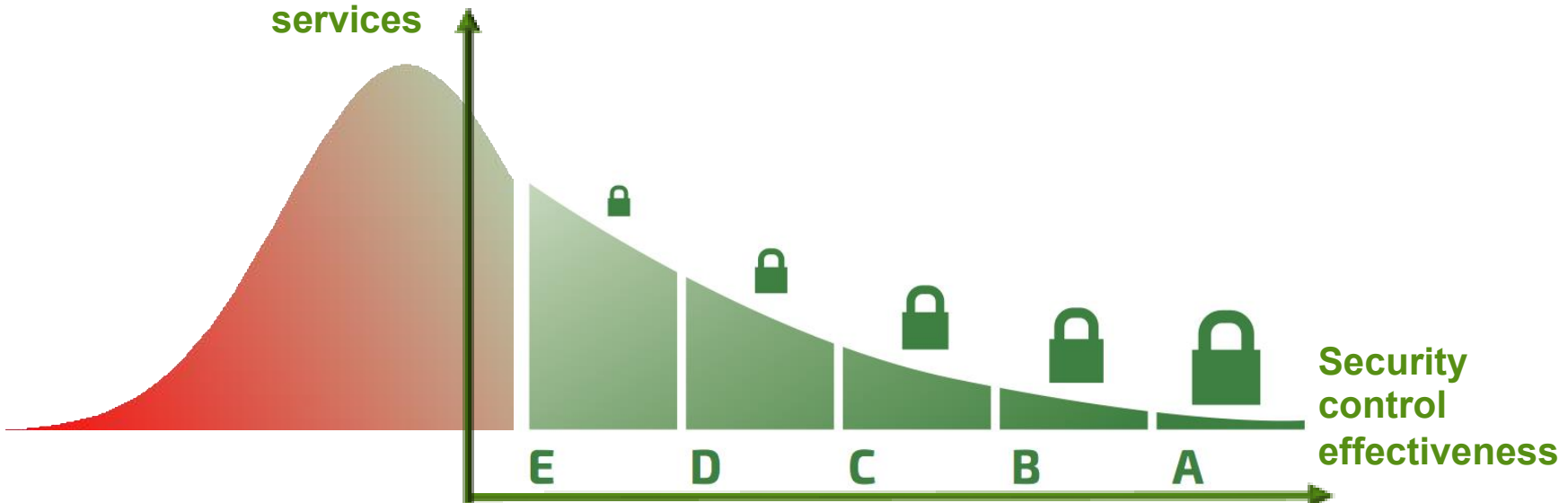
# We need something...





# Security ratings as a way to “measure” cybersecurity capabilities of services

Number of  
services



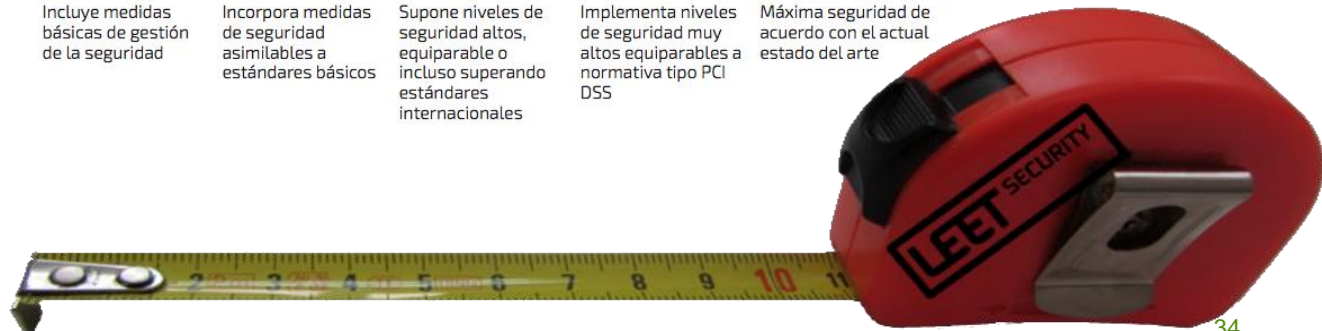
Incluye medidas básicas de gestión de la seguridad

Incorpora medidas de seguridad asimilables a estándares básicos

Supone niveles de seguridad altos, equiparable o incluso superando estándares internacionales

Implementa niveles de seguridad muy altos equiparables a normativa tipo PCI DSS

Máxima seguridad de acuerdo con el actual estado del arte



# 05

## CULTURAL ISSUES

# US government is willing to use private “models”

The screenshot shows the EPEAT website (www.epeat.net) in a web browser. The browser's address bar displays the URL. The website's header includes the EPEAT logo, a navigation menu with links for 'ABOUT EPEAT', 'PARTICIPANTS', 'RESOURCES', and 'MANUFACTURER LOGIN', and a search bar labeled 'SEARCH FOR PRODUCTS'. Below the header, a large banner image shows a person's hands typing on a laptop. Overlaid on the banner is the text 'Who Buys More-Sustainable Electronics?' and a green button labeled 'Find Out More'. At the bottom of the banner, there are four small circles, with the first one being filled green. Below the banner, the text 'Why Choose More-Sustainable Electronics?' is displayed, underlined.

www.epeat.net

Aplicaciones leet security | Googl... ISACA @twitter En castuo inside leet + Flip it Add to RTM! [Delicious-do\_not\_d... Panel admin blog Le... Otros marcadores

A program of the Green Electronics Council

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ABOUT EPEAT PARTICIPANTS RESOURCES MANUFACTURER LOGIN

Q SEARCH FOR PRODUCTS

Who Buys More-Sustainable Electronics?

Find Out More

Why Choose More-Sustainable Electronics?

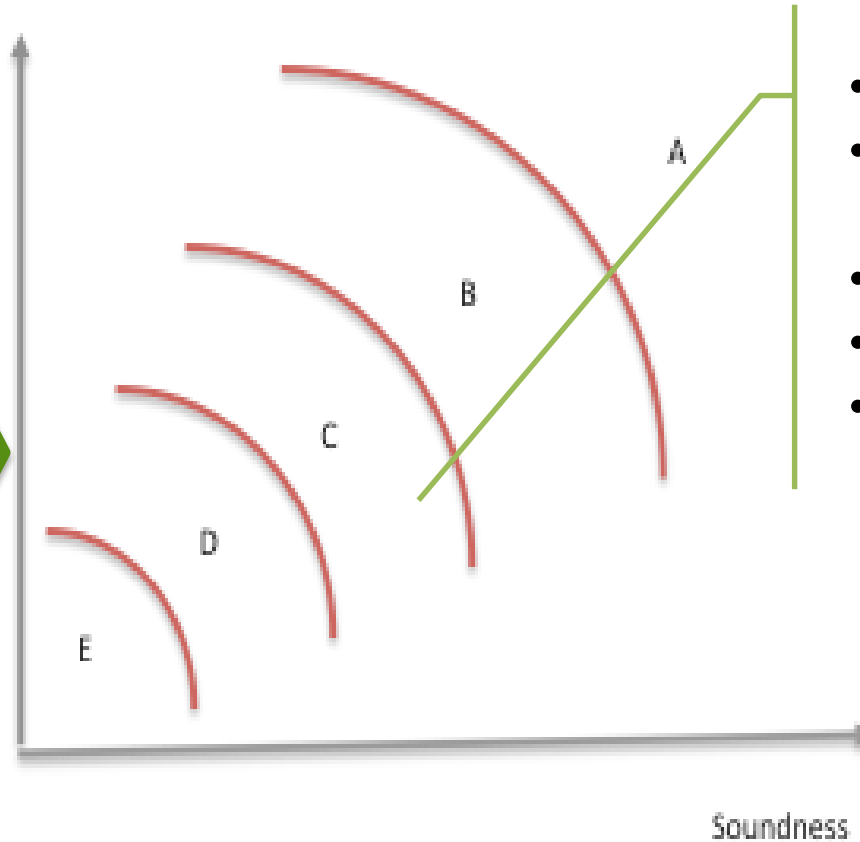
# Public-Private-Partnership



ICT Services  
Rating Agency

Collaboration  
agreement

Maturity



- NIST 800-82
- Cybersecurity Framework
- TIA942
- ISO27001
- ...

06

# CONCLUSIONS

- In Europe we have the opportunity to lead the future.
- Perhaps we should re-focus the future instead of try to change the present.
- Will Europe support and leverage the potential of European companies?





"Yes, Europe has the problem that it is not homogenous: languages, legislations, barriers. Obstacles for the future."

Niklas Zennström, Atomico CEO & skype founder, South Summit 2016, Madrid (4-Oct-2016)





# Keep the conversation going at...



ICT Services  
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<http://goo.gl/n2XVIN>



<http://flip.it/BZOFF>



[www.antonio-ramos.es](http://www.antonio-ramos.es)



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[es.linkedin.com/in/sorani/](https://es.linkedin.com/in/sorani/)



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# Thank you!

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