

Nathaniel Lalone Comments On MiFID II and Information Cyber Risks

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Financial Services partner Nathaniel Lalone was quoted on *Risk.net* regarding his views on the second Markets in Financial Instruments Directive and the cybersecurity risks that certain of its regulations—requiring platforms and investment firms to collect personal information identifying individual traders and clients—may pose. To curb this cyber risk, industry participants have devised a way of converting personal data into unique numbers known as short codes. But many wonder if the short-code solution is compatible with the legislation. According to Nate, he believes MiFID II could be flexible enough to allow short codes within the existing framework.

But with regulators needing to adapt their systems to accept the platforms' short codes, and each venue developing its own proprietary solution, the task becomes more complex. "[Major venues] have a common goal, but they are making it operational differently, which causes problems for firms as they then have to be able to interface with all these different systems."

Read "Hackers' jackpot: Mifid heightens cyber risk" in its entirety.

CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.



Nathaniel Lalone

+44 (0) 20 7776 7629

nathaniel.lalone@katten.co.uk

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