

## FINTECH /NNOVATION & COOPETITION

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# FINTECH REVELATION OR REVOLUTION?

The rapid emergence and evolution of the Fintech phenomenon has led experts questioning the **nature**, the **breadth** and the **depth** of the transformations induced by the digital disruption in the financial system, as well as its **dynamics**, **challenges**, **risks** and **opportunities**.

This revolution affects all segments of financial sector, making it necessary to **rethink** existing law and enforcement mechanisms,

Fintech contributes to the creation of an open network of modular services for companies, individuals, banking, financial and insurance intermediaries in a way of cooperation-competition: the coopetition model.



catchy label for the rapid developments in financial services that are largely being driven by digital technologies

**FINTECH** 

synonymous with the companies that provide any of the underlying technologies or services

open innovation system

part of the **process** 

of digitalization

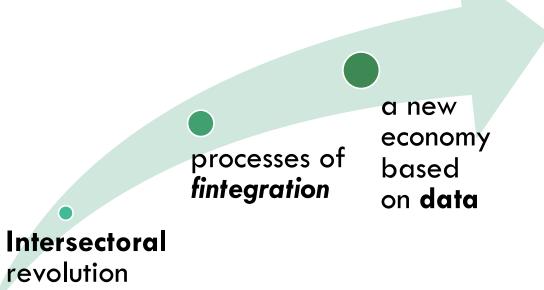
of the economy

extensive use of ICT (Information and Communication Technology) and **IOT** 

(Internet Of Things).

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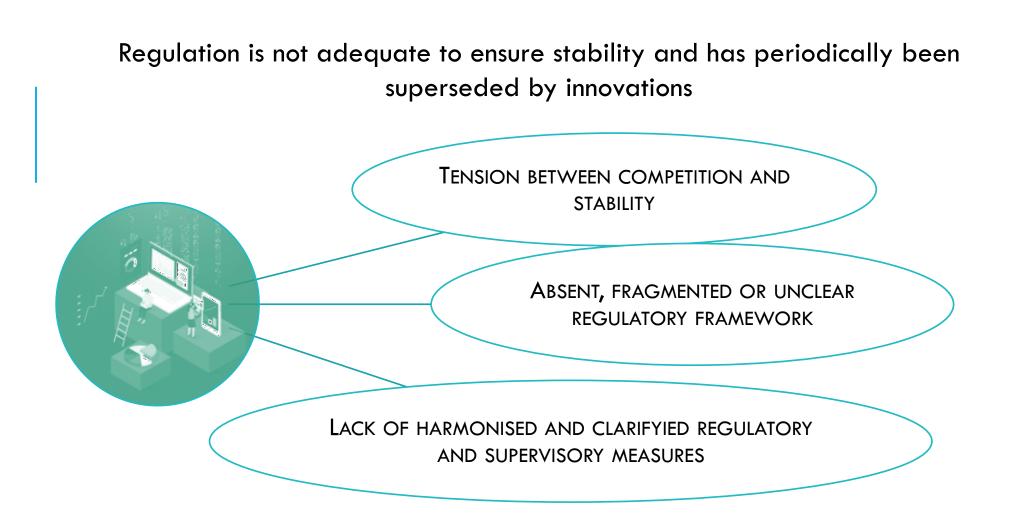
# DIGITAL DISRUPTION IN FINANCIAL MARKETS



The financial sector is definitively disconnected from a bank dimension in order to assume an **open and variable** geometry character.

The synergy between technological innovation and financial expertise translates into a **renewed offer of products and services**, characterized precisely by **digitalization**, **disintermediation and decentralization**, and the enlargement of the participants in the system.





In order to provide an effective tool to support the scaling up of FinTech across the EU, the **focus** is changing:

UE institutions and States must **look at the risk** and only then regulate through a **bottom-up approach**.



## **R**EGULATION FOR **COOPETITION**

Efficiency and safety must be considered in light of the need to **ensure the global competitiveness of the EU financial sector**.

The EU needs to **keep pace with the application of new technological developments** and the setting of relevant regulatory standards in the financial sector in order to remain competitive in a global financial market.

More ambitiously, the EU should take a **proactive lead** in responding to these developments and in the **search for a level-playing field**, .

Competitiveness and regulatory sovereignty in relation to technology-driven finance require a considerably more harmonised framework on the basis of existing regulatory axioms than currently exists in the EU.

There is an urgent **need for new rules** to give a boost to the Financial Revolution.



#### On this purpose we can summon some of the actions taken by UE

EBA Report on **Big** 

**Data and Advanced** 

Analytics

**European Commission's** 2020 Action Plan on Fintech, 23 initiatives dedicated to the Fintech sector **2020** Regulation on the free flow of non-personal data (FFD **Regulation**) **European Privacy Regulation** which, in various respects, help to increase market transparency and provide greater protection in the

circulation of data: GDPR and

we are waitinig for *E-Privagy* 

Regulation

2020 EU Commission' White Paper on Artificial Intelligence

**PSD2 Directive**, on payment services, Third Parties' acces use existing banking infrastructures

> 2020 UE consultations on a new digital financial strategy, data strategy, crypto asset, payment services

2019 Expert Group on Regulatory Obstacles to **Financial Innovation** (ROFIEG) 30 **Recommendation's** Directive, on data processing and

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#### COMPLIANCE BY DESIGN & BOTTOM UP APPROACH

One of the most used tools to give power to stakeholders and enhance bottom up approach is CONSULTATION.

On this purpose UE Commission lauched **several consultations** on Payment Services, Cryptoasset, Sustainability, and last but not least on a new Digital Finance strategy.

ensuring EU financial services regulatory framework is fit for the digital age;

enabling consumers and firms to reap the opportunities offered by the EU-wide Single Market for digital financial services

promoting a data-driven financial sector for EU consumers and firms

enhancing the digital operational resilience of the EU financial system.



# **CROWDINVESTING REGULATION**

Brussels, 29 july 2020

Communication from the UE Commission on the adoption of a regulation of the European Parliament and of the Council on European crowdfunding service providers for business

The goal of the proposal is to **provide crowdfunding platforms with an enabling regulatory framework** that allows access to the entire single market through a single authorisation based on a single set of rules.

The proposal also introduces **investor protection requirements** tailored to the type of service covered by the legislative action.

Overall, the legislation is aiming to make the cross-border offer of these financial services easier across the EU and **increase access to innovative forms of finance for small and medium enterprises**, particularly start-ups, in the context of the CMU and help the EU economy grow more rapidly.

## *"THE FUTURE OF FINANCE IS DIGITAL"*

Brussels, 24 september 2020

NEW

Digital Finance Package Focus on: - Digital Finance and Retail Payments Strategies

- Legislative proposals on crypto-assets and digital resilience

Boost Europe's competitiveness and innovation in the financial sector, paving the way for Europe to become a global standard-setter

Give consumers more choice and opportunities in financial services and modern payments

Ensuring consumer protection and financial stability

Supporting the EU's economic recovery

A Digital Finance Strategy: towards a European financial data space - new ways of channelling funding to SMEs better financial products for consumers



make Europe's financial services more digitalfriendly

reduce fragmentation in the digital single market

promote data sharing and open finance



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A Retail Payments Strategy: modern and cost effective payments



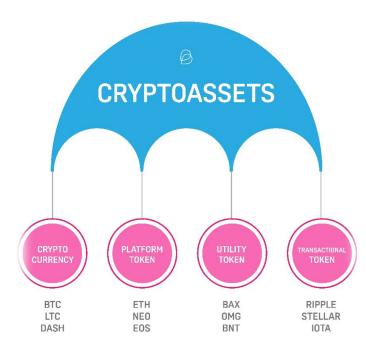


safe, fast and reliable payment services a fully integrated retail payments system in the EU, including instant cross-border payment solutions

promote the emergence of homegrown and pan– European payment solutions



'Regulation on Markets in Crypto Assets' (MiCA)
Legislative proposals on crypto-assets:
seizing opportunities and mitigating risks.



legal clarity and certainty for crypto-asset issuers and providers boost innovation while preserving financial stability and protecting investors from risks

a pilot regime for market infrastructures that wish to try to trade and settle transactions in financial instruments in crypto-asset form



# GOALS



- 1. Promote a **regulatory framework** with full and effective transparency in the use of personal information.
- 2. Strengthen **international cooperation** for the establishment of a digital single market.
- 3. Promote a **single policy** for the extraction, accessibility and use of data.
- 4. Reduce **information asymmetries** between digital users and operators.
- 5. Before the **data processing** operations, identify the nature and ownership of the data and assess the possibility of identifying the person from anonymous data.

- 6. Introduce new tools to promote **online pluralism**, transparency in content selection, user awareness.
- 7. Pursue the objective of **consumer protection**.
- 8. Reform merger control.
- 9. Facilitate **data portability** and mobility between different platforms by adopting open and interoperable standards.
- 10.Strengthen the powers of acquisition of information.
- 11.Establish "permanent coordination" between Authorities.





The challenges given by the development of the digital economy and Big Data call for a **full exploitation of the synergies between ex ante and ex post organization**, in order to protect privacy, competition, consumers and pluralism.

The competent national authorities and the European Union, each within the scope of its own competences, can better achieve its own institutional objectives, insofar as they will be able to fully seize the opportunities offered by an effective cooperation.

# THANKS FOR YOUR ATTENTION!

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