

FINTECH *INNOVATION* & *COOPETITION*

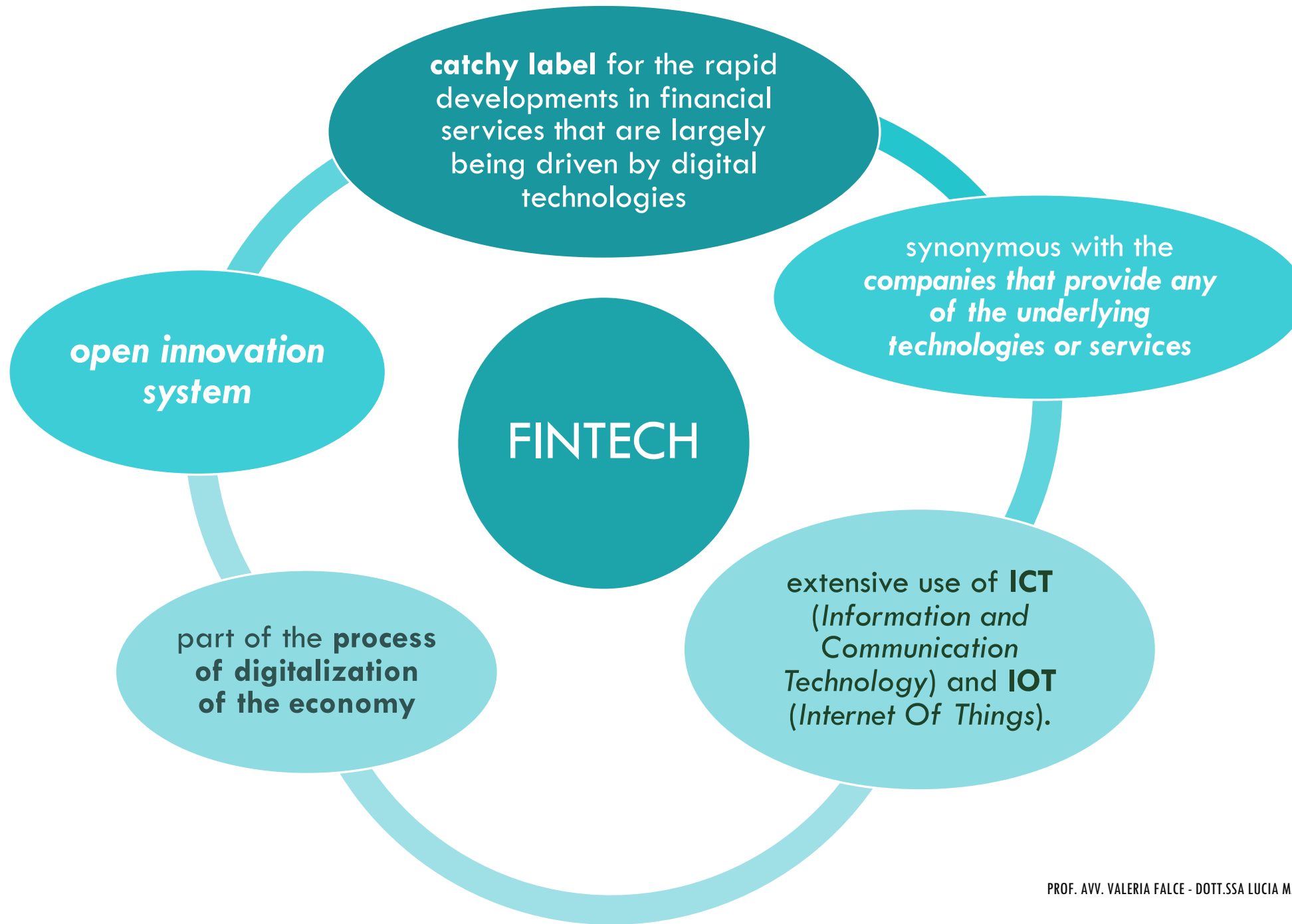
**PROF. AVV. VALERIA FALCE
DOTT.SSA LUCIA MARZIALETTI
30 settembre 2020**

FINTECH REVELATION OR REVOLUTION?

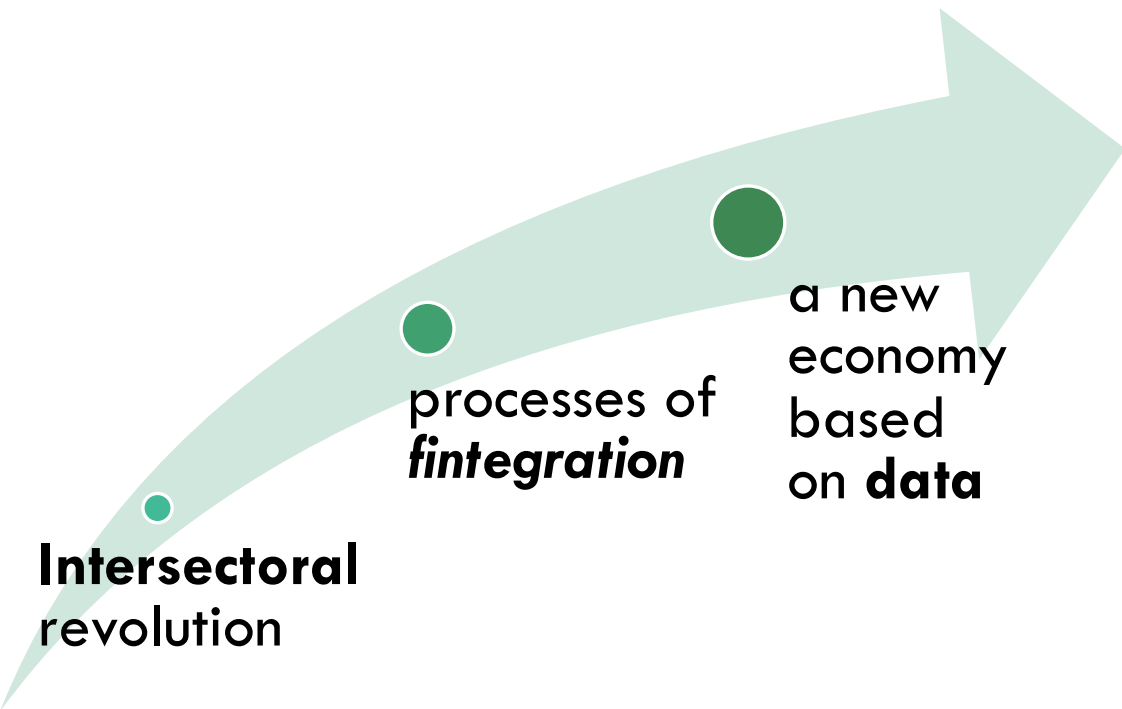
The rapid emergence and evolution of the Fintech phenomenon has led experts questioning the **nature**, the **breadth** and the **depth** of the transformations induced by the *digital disruption* in the financial system, as well as its **dynamics**, **challenges**, **risks** and **opportunities**.

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.



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.

Regulation is not adequate to ensure stability and has periodically been superseded by innovations



TENSION BETWEEN COMPETITION AND STABILITY

ABSENT, FRAGMENTED OR UNCLEAR REGULATORY FRAMEWORK

LACK OF HARMONISED AND CLARIFIED REGULATORY AND SUPERVISORY MEASURES

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**.

REGULATION 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.

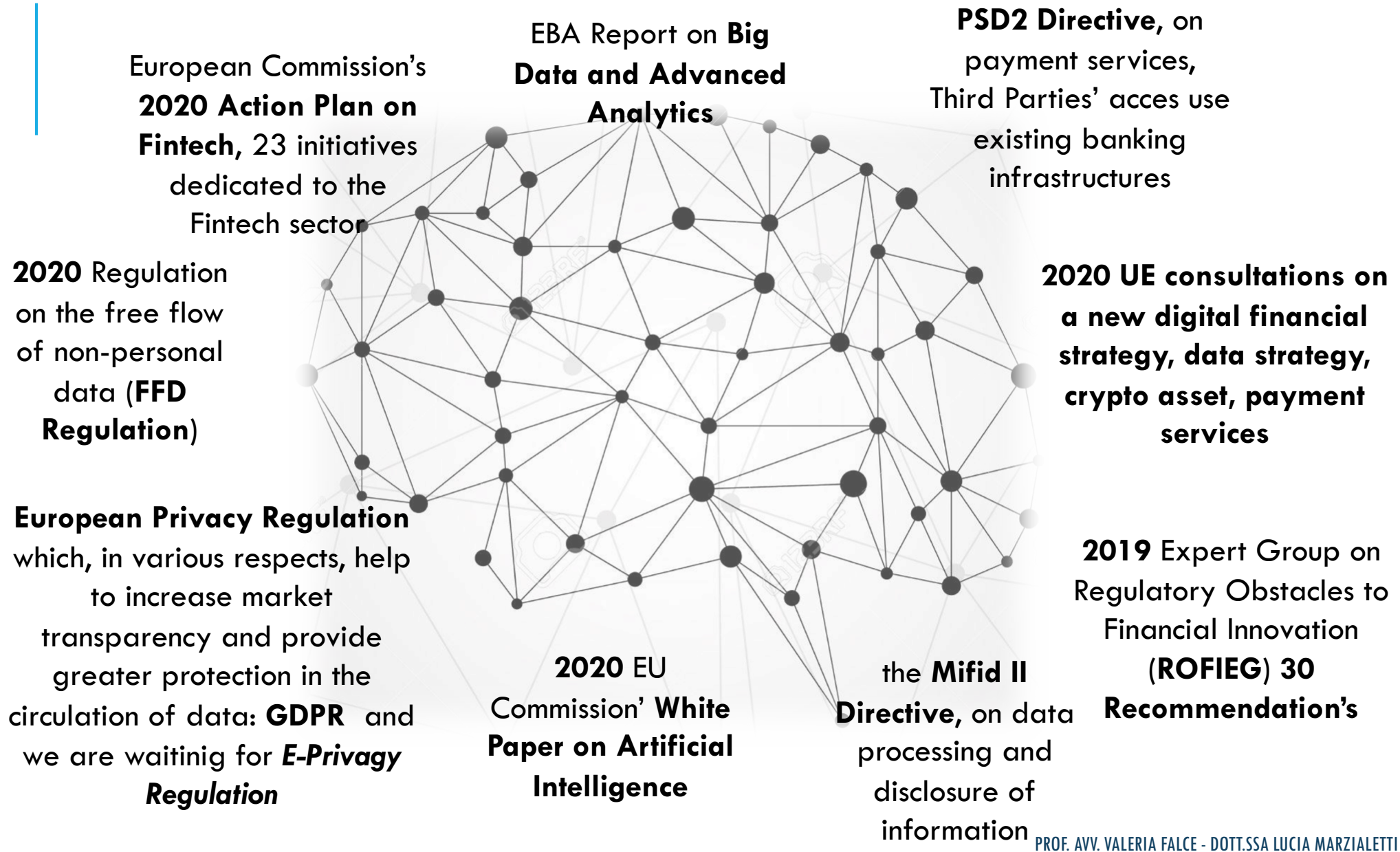
More ambitiously, the EU should take a **proactive lead** in responding to these developments and in the **search for a level-playing field,** .

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**



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 launched **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

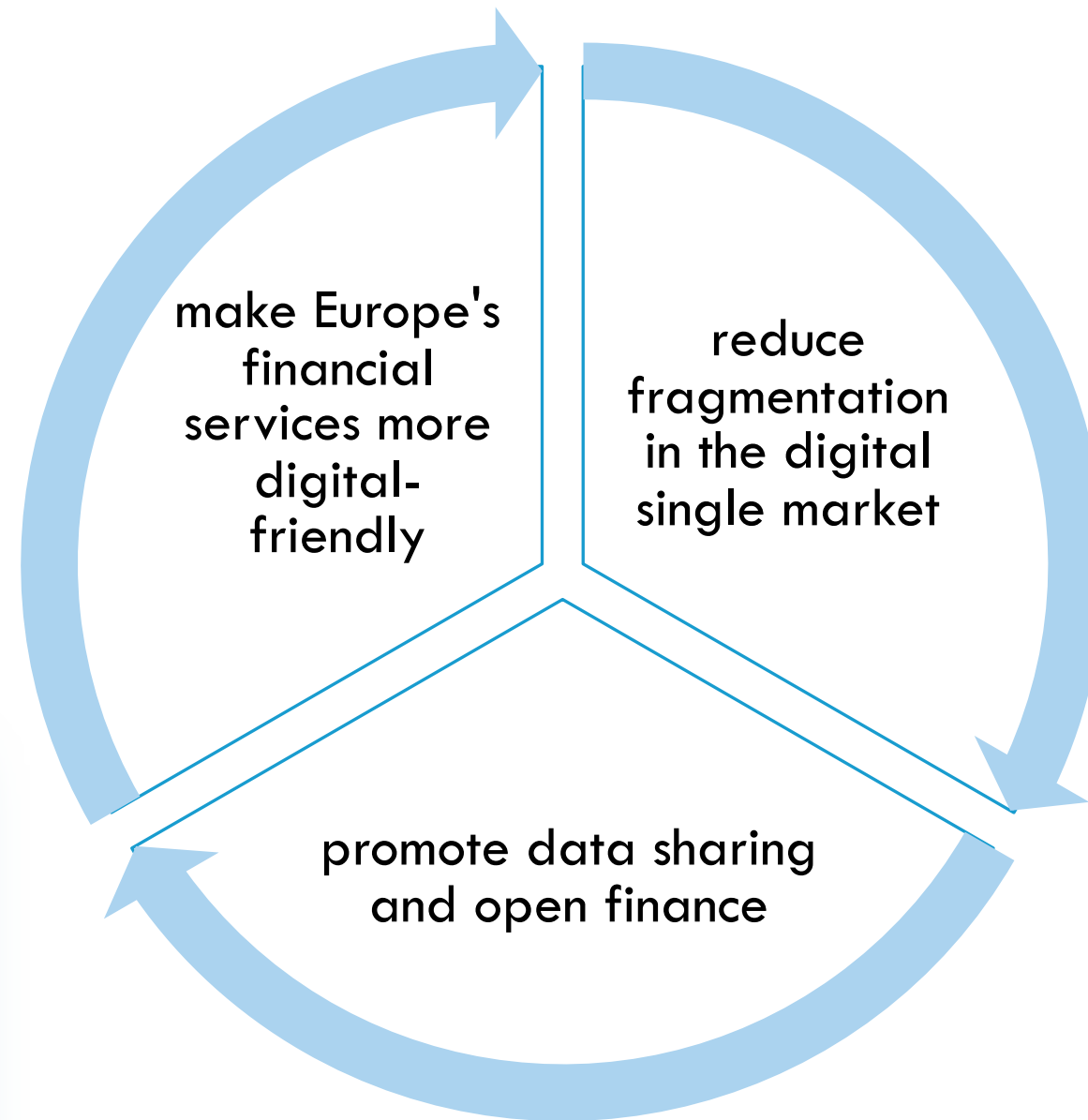
Give consumers more choice and opportunities in financial services and modern payments

Ensuring consumer protection and financial stability

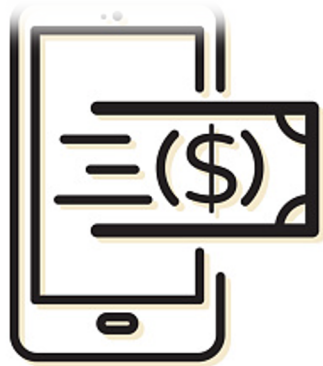
Supporting the EU's economic recovery



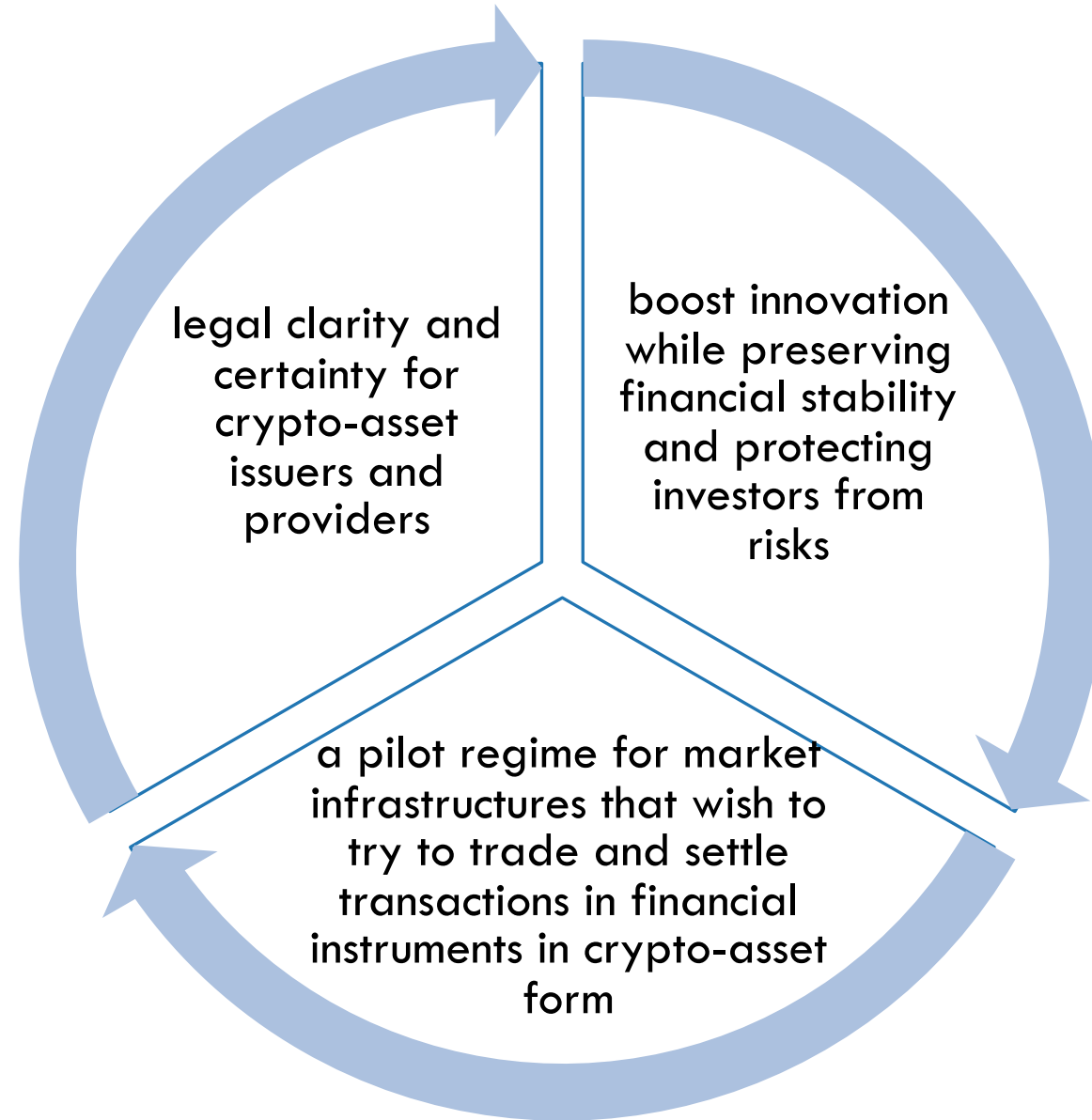
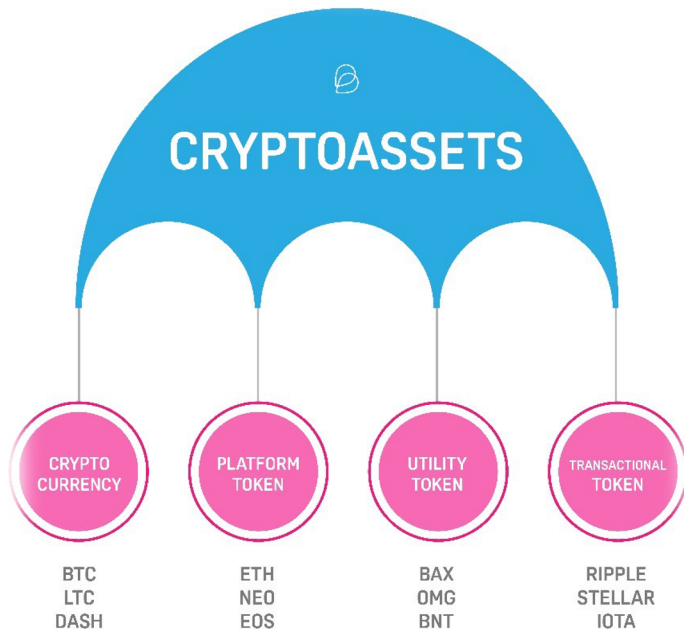
A Digital Finance Strategy: towards a European financial data space - new ways of channelling funding to SMEs - better financial products for consumers



A Retail Payments Strategy: modern and cost effective payments



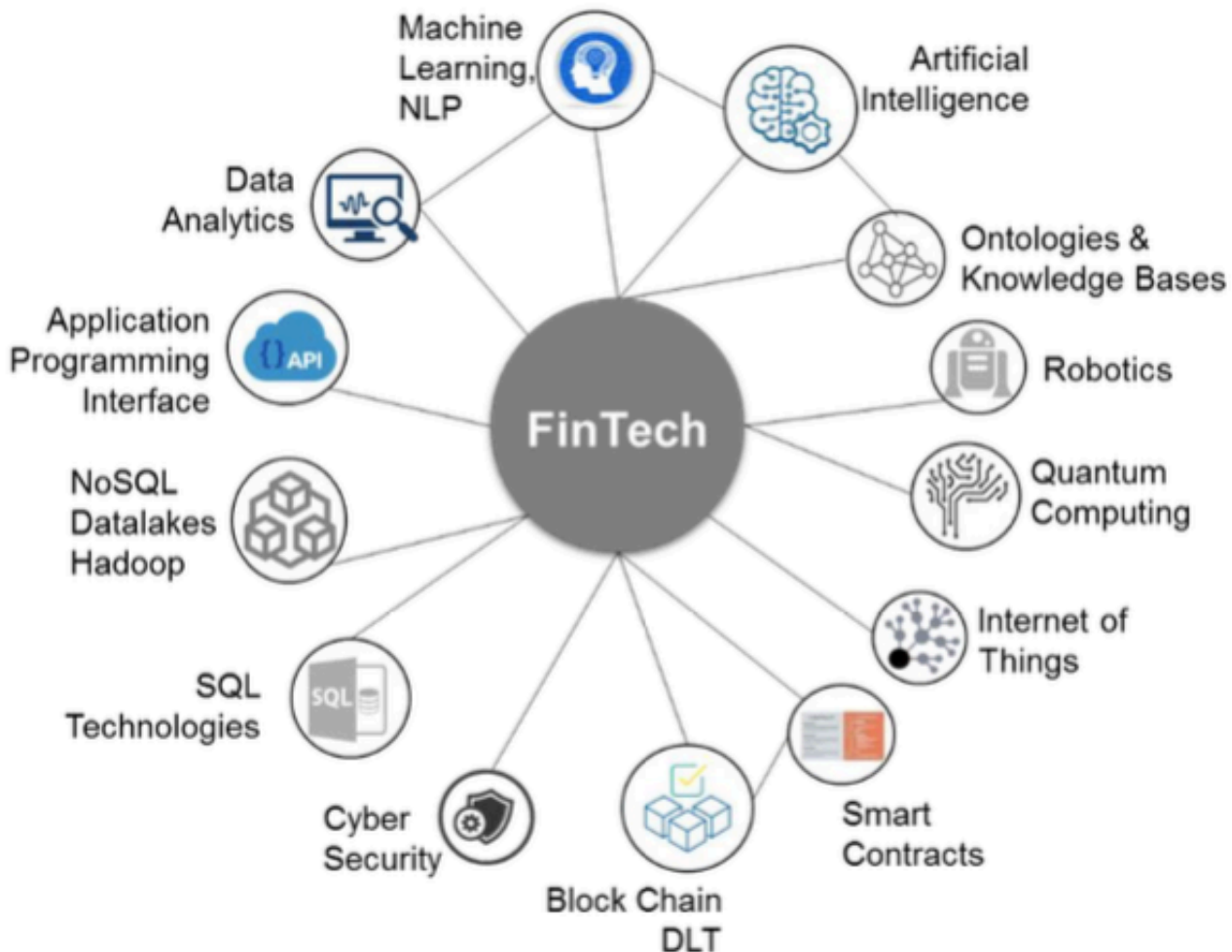
'Regulation on Markets in Crypto Assets' (MiCA)
Legislative proposals on crypto-assets: seizing opportunities and mitigating risks.



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!

Prof. Avv. Valeria Falce

Valeria.Falce@unier.it

Università Europea di Roma

Jean Monnet Professor in EU Innovation Policy

Dott.ssa Lucia Marzialetti

Università Europea di Roma



30 settembre 2020

