

Comments

Consultation on a new digital finance strategy for Europe / FinTech action plan by European Commission

Register of Interest Representatives (EU)

Identification number in the register: 52646912360-95

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Berlin, 25. June 2020

The **German Banking Industry Committee** is the joint committee operated by the central associations of the German banking industry. These associations are the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), for the cooperative banks, the Bundesverband deutscher Banken (BdB), for the private commercial banks, the Bundesverband Öffentlicher Banken Deutschlands (VÖB), for the public-sector banks, the Deutscher Sparkassen- und Giroverband (DSGV), for the savings banks finance group, and the Verband deutscher Pfandbriefbanken (vdp), for the Pfandbrief banks. Collectively, they represent approximately 1,700 banks.

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Consultation on a new digital finance strategy for Europe / FinTech action plan

Fields marked with * are mandatory.

Introduction

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1. Background for this consultation

Digitalisation is transforming the European financial system and the provision of financial services to Europe's businesses and citizens. In the past years, the EU and the Commission embraced digitalisation and innovation in the financial sector through a combination of horizontal policies mainly implemented under the umbrella of the Digital Single Market Strategy, the Cyber Strategy and the Data economy and sectoral initiatives such as the revised Payment Services Directive, the recent political agreement on the crowdfunding regulation and the [FinTech Action Plan](https://ec.europa.eu/info/publications/180308-action-plan-fintech_en) (https://ec.europa.eu/info/publications/180308-action-plan-fintech_en). The initiatives set out in the FinTech Action Plan aimed in particular at supporting the scaling up of innovative services and businesses across the EU, for example through enhanced supervisory convergence to promote the uptake of new technologies by the financial industry (e.g. cloud computing) but also to enhance the security and resilience of the financial sector. All actions in the Plan have been completed.

The financial ecosystem is continuously evolving, with technologies moving from experimentation to pilot testing and deployment stage (e.g. blockchain; artificial intelligence; Internet of Things) and new market players entering the financial sector either directly or through partnering with the incumbent financial institutions. In this fast-moving environment, the Commission should ensure that European consumers and the financial industry can reap the potential of the digital transformation while mitigating the new risks digital finance may bring. The expert group on Regulatory Obstacles to Financial Innovation, established under the 2018 FinTech Action Plan, highlight these challenges in its report published in December 2019.

The Commission's immediate political focus is on the task of fighting the coronavirus health emergency, including its economic and social consequences. On the economic side, the European financial sector has to cope with this unprecedented crisis, providing liquidity to businesses, workers and consumers impacted by a sudden drop of activity and revenues. Banks must be able to reschedule credits rapidly, through rapid and effective processes carried out fully remotely. Other financial services providers will have to play their role in the same way in the coming weeks.

Digital finance can contribute in a number of ways to tackle the COVID-19 outbreak and its consequences for citizens,

businesses, and the economy at large. Indeed, digitalisation of the financial sector can be expected to accelerate as a consequence of the pandemic. The coronavirus emergency has underscored the importance of innovations in digital financial products services, including for those who are not digital native, as during the lockdown everybody is obliged to rely on remote services. At the same time, as people have access to their bank accounts and other financial services remotely, and as financial sector employees work remotely, the digital operational resilience of the financial sector has becoming even more important.

As set out in the Commission Work Programme, given the broad and fundamental nature of the challenges ahead for the financial sector, the Commission will propose in Q3 2020 a new Digital Finance Strategy/FinTech Action Plan that sets out a number of areas that public policy should focus on in the coming five years. It will also include policy measures organised under these priorities. The Commission may also add other measures in light of market developments and in coordination with other horizontal Commission initiatives already announced to further support the digital transformation of the European economy, including new policies and [strategies on data \(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0066\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0066), [artificial intelligence \(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0065\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0065), platforms and cybersecurity.

2. Responding to this consultation and follow up

Building on the work carried out in the context of the FinTech Action Plan (e.g. the EU Fintech Lab), the work of the European Supervisory Authorities and the [report issued in December 2019 by the Regulatory Obstacles to Financial Innovation Expert Group \(https://ec.europa.eu/info/publications/191113-report-expert-group-regulatory-obstacles-financial-innovation-expert-group_en\)](https://ec.europa.eu/info/publications/191113-report-expert-group-regulatory-obstacles-financial-innovation-expert-group_en), and taking into account the contribution digital finance can make to deal with the COVID-19 outbreak and its consequences, the Commission has identified the following four priority areas to spur the development of digital finance in the EU:

1. ensuring that the EU financial services regulatory framework is fit for the digital age;
2. enabling consumers and firms to reap the opportunities offered by the EU-wide Single Market for digital financial services;
3. promoting a data-driven financial sector for the benefit of EU consumers and firms; and
4. enhancing the digital operational resilience of the EU financial system.

In this context and in line with [Better Regulation principles \(https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how_en\)](https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how_en), the Commission is launching a consultation designed to gather stakeholders' views on policies to support digital finance. It follows two public consultations launched in December 2019, focusing specifically on [crypto-assets \(https://ec.europa.eu/info/publications/finance-consultations-2019-crypto-assets_en\)](https://ec.europa.eu/info/publications/finance-consultations-2019-crypto-assets_en) and [digital operational resilience \(https://ec.europa.eu/info/publications/finance-consultations-2019-financial-services-digital-resilience_en\)](https://ec.europa.eu/info/publications/finance-consultations-2019-financial-services-digital-resilience_en).

This consultation is structured in three sections corresponding to the priorities areas 1, 2 and 3 presented above. Given that the ongoing consultation on digital operational resilience fully addresses the issues identified as part of this priority area, questions on this priority area are not reproduced in this consultation. As for priority area 1, this consultation includes additional questions given that this priority area goes beyond the issues raised in the currently ongoing consultation on crypto-assets. In addition, the Commission will also be consulting specifically on payment services. Payment services and associated technologies and business models are highly relevant for the digital financial fabric, but also present specificities meriting separate consideration. These considerations are addressed in a [specific consultation on a Retail Payments Strategy \(https://ec.europa.eu/info/publications/finance-consultations-2020-retail-payments-strategy_en\)](https://ec.europa.eu/info/publications/finance-consultations-2020-retail-payments-strategy_en) launched on the same day as this one. Finally, and specific to financial services, the Commission is also supporting the work of a High Level Forum on Capital Markets Union, that is expected to also address key technology, business model and policy challenges emerging from digitalisation.

The first section of the consultation seeks views on how to ensure that the financial services regulatory framework is technology neutral and innovation-friendly, hence addressing risks in a proportionate way so as not to unduly hinder the emergence and scaling up of new technologies and innovative business models while maintaining a sufficiently cautious approach as regards consumer protection. While an in-depth assessment is already on-going on crypto-assets, assessment of whether the EU regulatory framework can accommodate other types of new digital technology driven services and business models is needed. Looking at a potentially more complex financial ecosystem - including a wider range of firms, such as incumbent financial institutions, start-ups or technology companies like BigTechs - the Commission is also seeking stakeholders' views on potential challenges or risks that would need to be addressed.

The second section invites stakeholder views on ways to remove fragmentation of the Single Market for digital financial services. Building on the preparatory work carried out in the context of the 2018 FinTech Action Plan, the Commission has already identified a number of obstacles to the Single Market for digital financial services and is therefore seeking stakeholders' views on how best to address these. In addition, the consultation includes a number of forward-looking questions aiming to get stakeholders' feedback as regards other potential issues that may limit the deepening of the Digital Single Market and should be tackled at EU level.

Finally, the third section seeks views on how best to promote a well-regulated data-driven financial sector, building on the current horizontal frameworks governing data (e.g. General Data Protection Regulation; Free Flow of Data Regulation) but also on the recent sectoral developments such as the implementation of the revised Payment Services Directive in the EU. Considering the significant benefits data-driven innovation can bring in the EU across all sectors, the Commission recently adopted a new European Data Strategy and a White Paper on Artificial Intelligence. Building on these horizontal measures, the Commission is now seeking stakeholders' views on the potential additional measures that would be needed in the financial sector to reap the full benefits of the data economy while respecting European values and standards. Responses to this consultation will inform forthcoming work on a Digital Finance Strategy/FinTech Action Plan to be adopted later in 2020.

Please note: In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact fisma-digital-finance@ec.europa.eu (<mailto:fisma-digital-finance@ec.europa.eu>).

More information:

- [on this consultation \(https://ec.europa.eu/info/publications/finance-consultations-2020-digital-finance-strategy_en\)](https://ec.europa.eu/info/publications/finance-consultations-2020-digital-finance-strategy_en)
- [on the consultation document \(https://ec.europa.eu/info/files/2020-digital-finance-strategy-consultation-document_en\)](https://ec.europa.eu/info/files/2020-digital-finance-strategy-consultation-document_en)
- [on digital finance \(https://ec.europa.eu/info/business-economy-euro/banking-and-finance/digital-finance_en\)](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/digital-finance_en)
- [on the protection of personal data regime for this consultation \(https://ec.europa.eu/info/files/2020-digital-finance-strategy-specific-privacy-statement_en\)](https://ec.europa.eu/info/files/2020-digital-finance-strategy-specific-privacy-statement_en)

About you

Language of my contribution

I am giving my contribution as

First name

Surname

Email (this won't be published)

Organisation name

255 character(s) maximum

Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

255 character(s) maximum

Check if your organisation is on the transparency register (<http://ec.europa.eu/transparencyregister/public/homePage.do?redir=false&locale=en>). It's a voluntary database for organisations seeking to influence EU decision-making.

Country of origin

Please add your country of origin, or that of your organisation.

Field of activity or sector (if applicable):

at least 1 choice(s)

- Accounting
- Auditing
- Banking
- Credit rating agencies
- Insurance
- Pension provision
- Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)
- Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)
- Technology companies
- Organisation representing European consumers' interests
- Organisation representing European retail investors' interests
- National supervisory authority
- European supervisory authority
- Other
- Not applicable

Publication privacy settings

The Commission will publish the responses to this consultation. You can choose whether you would like your details to be made public or to remain anonymous.

Anonymous

Only your type of respondent, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.

Public

Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

I agree with the personal data protection provisions (https://ec.europa.eu/info/law/better-regulation/specific-privacy-statement_en)

General questions

Europe's strategic objective should be to ensure that European consumers and firms fully reap the benefits stemming from digital finance while being adequately protected from the potential new risks it may bring. To achieve that, the European financial sector needs to be at the forefront of innovation and its implementation in a market and production environment in order to better serve consumers and firms in an efficient, safe, sound and sustainable manner. Strong and innovative digital capacities in the financial sector will help improve the EU's ability to deal with emergencies such as the COVID-19 outbreak. It will help to further deepen the Banking Union and the Capital Markets Union and thereby strengthen Europe's economic and monetary union and to mobilise funding in support of key policy priorities such as the Green Deal and sustainable finance. It is also essential for Europe to safeguard its strategic sovereignty in financial services, and our capacity to manage, regulate and supervise the financial system in a way that promotes and protects Europe's values and financial stability. This will also help to strengthen the international role of the euro.

With a view to adopt a new Digital Finance Strategy/FinTech Action Plan for Europe later this year, the Commission is now seeking your views to identify the priority areas for action and the possible policy measures.

Question 1. What are the main obstacles to fully reap the opportunities of innovative technologies in the European financial sector (please mention no more than 4)?

Please also take into account the analysis of the expert group on Regulatory Obstacles to Financial Innovation (XXXX) in that respect.

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We consider the following challenges to be particularly relevant:

1. Maintaining a common level playing field between established financial institutions (eg. banks) and new market entrants (e.g. fintech-start-ups), by establishing regulatory solutions built on the principle that activities that create the same risks should be governed by the same rules.
2. Uncertainty about regulatory requirements for the use of new technologies. Low willingness of decision-makers to take risks in testing new technologies while at the same time being personally liable
3. Missing standard for data sharing, using and switching cloud services
4. Respectively deepened cooperation and better understanding in the cooperation between Banks & fintech Start-Ups

Question 2. What are the key advantages and challenges consumers are facing with the increasing digitalisation of the financial sector (please mention no more than 4)?

For each of them, what if any are the initiatives that should be taken at EU level?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Advantages:

1. Speed of conclusion of financial transactions: Banking becomes possible at any time,
regardless of location. Financial needs can be met within minutes (e.g. overdraft facility
increase, instalment credit with immediate payment)
2. New product offerings and services which are ease to use, delivers transparency and
reduce costs for clients; Overview of the personal financial situation at any time

Challenges:

1. Increased cybersecurity risks. This also requires trust in digital offers, because of data
security and data protection reasons as well as lack of digital competences
2. Increased market concentration in favor of large technology companies
3. Complex identification process

Initiatives:

1. Strengthening a European digital payment solution
2. Adaptation of European competition law to the reality of the digital economy,
characterized by powerful digital companies (especially from the USA and China)
3. Introduce rules to prevent large, vertically integrated platforms from discriminating
against product and service provision by third parties

Building on previous policy and legislative work, and taking into account the contribution digital finance can make to deal with the COVID-19 emergency and its consequences, the Commission services are considering four key priority areas for policy action to spur the development of digital finance:

1. ensuring that the EU financial services regulatory framework is technology-neutral and innovation friendly;
2. reaping the opportunities offered by the EU-wide Single Market for digital financial services for consumers and firms;
3. promoting a data-driven financial sector for the benefit of EU consumers and firms; and
4. enhancing the operational resilience of the financial sector.

Question 3. Do you agree with the choice of these priority areas?

- Yes
 No
 Don't know / no opinion / not relevant

Question 3.1 Please explain your answer to question 3 and specify if you see other areas that would merit further attention from the Commission:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Support through simplification: Regulation should be limited to focusing on framework conditions. Detailed regulations (e. g. during PSD2 or MIF) should be left to the credit institutions on their own responsibility so as not to hinder innovative and dynamic developments.

Regarding 1 and 3. It is important, that already existing European regulation is taken into account, so that a holistic approach can be reached that gives room for commercial banking products "Made in Europe", contributing to sustainable revenues.

Access to established technical platforms/ecosystems, especially of the so called big-techs with a dominant position is required

With regard to priority area 3 "promoting a data-driven financial sector" we would like to highlight that this should be pursued in light of a broader approach to a data economy, rather than limited to the financial sector. Additionally, finding a digital way to define and measure regulation will make it easier for compliance and risk processes. measure regulation will make it easier for compliance and risk processes.

I. Ensuring a technology-neutral and innovation friendly EU financial services regulatory framework

In order to be fit for the digital age, the EU financial services regulatory framework should neither prescribe nor prevent the use of particular technologies whilst ensuring that regulatory objectives continue to be satisfied. It should also not hinder the emergence and scaling up of innovative business models, including platform-based ones, provided that the new risks these new business models may bring are properly addressed. The Commission undertook an in-depth assessment of these issues in the context of the FinTech Action Plan and is already acting on certain issues. Even so, in this fast-moving and increasingly complex ecosystem, it is essential to monitor technological and market trends on a regular basis and to identify at an early stage whether new regulatory issues, including e.g. prudential ones, are emerging and, if so, how to address them in a proportionate manner.

Question 4. Do you consider the existing EU financial services regulatory framework to be technology neutral and innovation friendly?

- Yes
- No
- Don't know / no opinion / not relevant

Question 4.1 If not, please provide specific examples of provisions and requirements that are not technologically neutral or hinder innovation:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Although the majority of financial market regulation is in principle technologically neutral, additional clarification is often required regarding the applicability of existing rules. Moreover, some EU member states still refer to strict formal requirements (e.g. paper form requirements for consumer credit in Germany), which should be abolished if the desired level of consumer protection could be achieved by other means. We fully support the objectives of the PSD2 regulation.

However, the "Commission delegated Regulation (EU) 2018/389 of 27 November 2017 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council as regards regulatory technical standards for strong customer authentication and common and secure open communication standards" is in part technically too detailed.

This leads to complex implementations with questionable benefits for consumers and/or financial institutions and does not fit the differences between mobile banking and corporate retail payments. The high level of detail leads to a long series of clarifications through the EBA FAQ mechanism, which are actually new requirements that need to be implemented.

In addition, the use of too many guidelines serves as an example. Guidelines create too many possibilities for individual implementation by national authorities. See the Guide on Outsourcing and Cloud.

The Consumer Credit Directive (2008/48/EC) provides in Art. 10(1) that consumer credit agreements must be drawn up on paper or on another durable medium. It thus provides for a text form requirement, from which the member states may, however, make deviating provisions.

The German legislator has implemented Art. 10(1). 10(1) beyond the Directive by providing for a written form requirement for consumer credit agreements.

The written form requirement prevents the conclusion of online contracts without media discontinuity or considerably increases the effort when using tools for electronic signatures that replace the written form and reduces the conversion. In the course of the evaluation of the Consumer Credit Directive currently underway at European level, text form should be expanded to become the standard rule for digital consumer credit contracts. This will reduce the effort for the customer and increase the conversion.

Virtual assets are not subject to the same regulation as traditional securities everywhere in the EU. This creates a different competitive environment for rights that are identical in content but "embodied" differently. In the case of Robo advisors, it is sometimes unclear whether these systems are subject to MiFID II rules for investment advice.

Question 5. Do you consider that the current level of consumer protection for the retail financial products and services established by the EU regulatory framework is technology neutral and should be also applied to innovative ones using new technologies, although adapted to the features of these products and to the distribution models?

- Yes
- No
- Don't know / no opinion / not relevant

Question 5.1 Please explain your reasoning on your answer to question 5, and where relevant explain the necessary adaptations:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

This question cannot easily be answered with yes or no, since it is composed of several statements and is rather ambiguous".

The EU legal framework is technologically neutral. We believe that technology-neutral legislation is the key to solid consumer protection in an ever-evolving digital market. There is no urgent need to adapt the EU regulatory framework to the characteristics of these products and distribution models. Rather, there is a need to adapt products and distribution models to the EU regulatory framework in order to support technology neutrality.

At the same time, the extent to which new technologies can actually meet current regulatory requirements must be determined in order to adopt a technology-neutral approach. Nevertheless, new technologies and providers must be subject to the existing regulatory framework for financial services.

At present, there are certain obstacles related to the use of certain technologies. Here are some examples:

1. Strict form requirements (e.g. paper form requirements for consumer credit in Germany;
 requirement for a harmonised KYC framework in addition to the eID standard)
2. need for harmonisation within the EU, but also for the identification of global units
3. pre-contractual information on paper is still the standard option, e.g. in PRIIPs - the
 paperless and electronic format is required to ensure technology neutrality.

Identify areas where the financial services regulatory framework may need to be adapted

The use of Distributed Ledger Technology (DLT), and in particular the use of one of its applications, the so-called crypto-assets, have been identified as an area where the European regulatory framework may need to be adapted. A public consultation on crypto-assets is on-going to gather stakeholders' views on these issues. Beyond the area of crypto assets, and looking at other technological and market developments, the Commission considers that it is important to identify potential regulatory obstacles to innovation at an early stage and see how to best address these obstacles not to slow down the uptake of new technologies in the financial sector.

Question 6. In your opinion, is the use for financial services of the new technologies listed below

limited due to obstacles stemming from the EU financial services regulatory framework or other EU level regulatory requirements that also apply to financial services providers?

Please rate each proposal from 1 to 5:

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N.A.
Distributed Ledger Technology (except crypto-assets)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cloud computing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Artificial Intelligence/Machine learning	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internet Of Things (IoT)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Biometrics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quantum computing	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 6.1 Please explain your answer to question 6, specify the specific provisions and legislation you are referring to and indicate your views on how it should be addressed:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Cloud:

Challenges and limitations in Cloud Computing exist above all in the information and auditing process of banks. Fragmented regulation leading to regulatory uncertainty.

Credit institutions have to meet extensive requirements for outsourcing (risk) management, especially when outsourcing to cloud service providers (CSP). An urgently needed relief of the institutions should be achieved by means of regulatory recognised declarations of conformity of the CSP, e.g. on the basis of optional certifications of the CSP.

DLT:

Within the DLT, it is not necessary to adapt the regulatory framework. In view of technical developments, we consider regulation to be less appropriate, as technical developments are not yet foreseeable. We consider therefore- if at all necessary, a regulation based on principles to be possible.

Question 7. Building on your experience, what are the best ways (regulatory and non-regulatory measures) for the EU to support the uptake of nascent technologies and business models relying on them while also mitigating the risks they may pose?

Please rate each proposal from 1 to 5:

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N.A.
Setting up dedicated observatories to monitor technological and market trends (e.g. EU Blockchain Observatory & Forum; Platform Observatory)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Funding experimentation on certain applications of new technologies in finance (e.g blockchain use cases)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promoting supervisory innovation hubs and sandboxes	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supporting industry codes of conduct on certain applications of new technologies in finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enhancing legal clarity through guidance at EU level for specific technologies and/or use cases	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Creating bespoke EU regimes adapted to nascent markets, possibly on a temporary basis	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify what are the other ways the EU could support the uptake of nascent technologies and business models relying on them while also mitigating the risks they may pose:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

- strengthening existing European standardisation and specification initiatives (e.g. European cooperation on card payments). Support for European financial solutions such as EPI Stable income e.g. from card payments to secure innovative investments for European financial solutions and programmes
- Support the creation of EU-wide standards for technological interfaces between Banks and Fintech companies. This requires the early involvement of banks and Fintech companies as well as industry.
- Initiation and organisation of EU-wide hackathons on various problems
- Research funding for higher TRLs.

Assess the need for adapting the existing prudential frameworks to the new financial ecosystem, also to ensure a level playing field

Financial services providers are increasingly relying on technology companies to support delivery mechanisms for financial services. Technology companies are also increasingly entering financial services directly. Such trends will have an impact on the customers, the supply chain, incumbent financial institutions and their regulators and supervisors. Big technology companies are able to quickly scale up services due to network effects and large user bases. Their entry may accordingly over time significantly change market structures. This may require a review of how the EU financial legislative framework regulates firms and activities, in particular if technology companies were to become direct providers of specific services (e.g. lending) or a broader range of financial services or activities. This may also require a review of how to supervise the overall risks stemming from financial services of such companies.

Financial regulation should harness the opportunities offered by digitalisation – e.g. in terms of innovative solutions that better serve customers - while protecting the public interest in terms of e.g. fair competition, financial stability, consumer protection and market integrity. The Commission accordingly invite stakeholders' views on the potential impact of technology companies entering financial services and possible required policy response in view of the above public policy objectives.

Question 8. In which financial services do you expect technology companies which have their main business outside the financial sector (individually or collectively) to gain significant market share in the EU in the five upcoming years?

Please rate each proposal from 1 to 5:

	1 (very low market share - below 1%)	2 (low market share)	3 (neutral)	4 (significant market share)	5 (very significant market share - above 25%)	N. A.
Intra-European retail payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Intra-European wholesale payments	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Consumer credit provision to households with risk taking	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Consumer credit distribution to households with partner institution(s)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mortgage credit provision to households with risk taking	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mortgage credit distribution to households with partner institution(s)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit provision to SMEs with risk taking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit distribution to SMEs with partner institution(s)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit provision to large corporates with risk taking	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Syndicated lending services with risk taking	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk-taking activities in Life insurance products	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk-taking activities in Non-life insurance products	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk-taking activities in pension products	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Intermediation / Distribution of life insurance products	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Intermediation / Distribution of non-life insurance products	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Intermediation / Distribution of pension products	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other insurance related activities, e.g. claims management	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Re-insurance services	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment products distribution	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Asset management	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Others	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 8.1 Please explain your answer to question 8 and, if necessary, describe how you expect technology companies to enter and advance in the various financial services markets in the EU Member States:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

With the entry of powerful technology companies into the financial sector, financial institutions are increasingly degenerating into infrastructure providers that are no longer visible to the customer, while at the same time having to bear the cost of the infrastructure used by BigTechs for their services.

Due to oligopolistic structures, high market dominance, large equity capitalization and a large number of customers, BigTechs will experience significant market penetration in the financial sector, particularly through the acquisition of full banking licenses.

In general, we assume that new relevant players will emerge in the areas of digital identity, KYC and authentication in the coming years. There will also be applications for consumer financial advisors with greater automation of financial management.

In addition, international payment system operators and large Internet companies act as intermediaries in the payment business. They can set fees at any time at the expense of card issuers and/or merchant acquirers. Due to the high and unregulated revenues, these "big techs" will be able to meet expensive, complex and high innovation requirements.

Please note that the German banking industry represents banks with different business models. For this reason we refrain from a valuation along all financial services in question 8.

Question 9. Do you see specific financial services areas where the principle of “same activity creating the same risks should be regulated in the same way” is not respected?

- Yes
- No
- Don't know / no opinion / not relevant

Question 9.1 Please explain your answer to question 9 and provide examples if needed:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Market players offering the same service or product should be regulated by rules that are genuinely activity-based and designed according to the risks posed by the specific activities, in particular for end-users. In other words, by way of derogation from the traditional institution-based framework, the same rules should apply regardless of whether the activities are managed by an established financial institution, a BigTech or a Fintech start-up (whether controlled by a financial institution or not). This principle should apply to all types of rules, including prudential rules, organisational requirements or codes of conduct.

Medium-sized and smaller retail banks are treated the same way as large commercial banks in many areas of regulation, although the systemic risks here are very different.

In summary, there is no differentiated regulatory framework for different business models and correspondingly different systemic risks.

Question 10. Which prudential and conduct risks do you expect to change with technology companies gaining significant market share in financial services in the EU in the five upcoming years?

Please rate each proposal from 1 to 5:

	1 (significant reduction in risks)	2 (reduction in risks)	3 (neutral)	4 (increase in risks)	5 (significant increase in risks)	N.A.
Liquidity risk in interbank market (e.g. increased volatility)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Liquidity risk for particular credit institutions	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Liquidity risk for asset management companies	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit risk: household lending	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit risk: SME lending	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit risk: corporate lending	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pro-cyclical credit provision	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Concentration risk for funds collected and invested (e.g. lack of diversification)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Concentration risk for holders of funds (e.g. large deposits or investments held in a bank or fund)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Undertaken insurance risk in life insurance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Undertaken insurance risk in non-life insurance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Operational risks for technology companies and platforms	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operational risk for incumbent financial service providers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Systemic risks (e.g. technology companies and platforms become too big, too interconnected to fail)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Money-laundering and terrorism financing risk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 10.1 Please explain your answer to question 10 and, if necessary, please describe how the risks would emerge, decrease or increase with the higher activity of technology companies in financial services and which market participants would face these increased risks:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In general, risks occur on several levels:

- If individual technology companies gain considerable market share, systemic risks arise

from concentrating on a few service providers. There is a lack of alternatives in the

selection of service providers. This also means a high concentration of relevant

technological platforms or operating systems (e.g. for mobile payment)

- Technology companies themselves are also exposed to similar risks, as they are

exposed to the same risks as a conventional financial services provider when providing

services.

- If higher risks occur and the risks materialize, the banks could be forced to intervene to

avoid disruptions.

- Operational risk is increasing - or at least changes will have an impact on the entire

ecosystem. This affects banks, FinTechs and even the underlying infrastructure

providers and vendors.

Question 11. Which consumer risks do you expect to change when technology companies gain significant market share in financial services in the EU in the five upcoming years?

Please rate each proposal from 1 to 5:

	1 (significant reduction in risks)	2 (reduction in risks)	3 (neutral)	4 (increase in risks)	5 (significant increase in risks)	N.A.
Default risk for funds held in non-banks and not protected by Deposit Guarantee Scheme	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Liquidity risk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Misselling of insurance products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Misselling of investment products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Misselling of credit products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Misselling of pension products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Inadequate provision of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Inadequate complaint and redress process and management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Use/abuse of personal data for financial commercial purposes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Discrimination e.g. based on profiles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operational risk e.g. interrupted service, loss of data	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 11.1 If necessary, please describe how the risks would emerge, decrease or increase with the higher activity of technology companies in financial services and which market participants would face these increased risks:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

There is a risk of increased fraud risk because customers do not have sufficient or complete transparency about the requirements and regulations of non-bank providers. For this reason, too, uniform regulation of all providers must be based on the principle "same business, same risks, same rules".

Question 12. Do you consider that any of the developments referred to in the questions 8 to 11 require adjusting the regulatory approach in the EU (for example by moving to more activity-based regulation, extending the regulatory perimeter to certain entities, adjusting certain parts of the EU single rulebook)?

- Yes
- No
- Don't know / no opinion / not relevant

Question 12.1 Please explain your answer to question 12, elaborating on specific areas and providing specific examples:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Regulation is necessary to ensure access to established technical platforms/ecosystems, in particular the so-called "big-techs" with a dominant position.

Enhance multi-disciplinary cooperation between authorities

The regulation and supervision of Digital Finance requires more coordination between authorities in charge of regulating and supervising finance, personal data, consumer protection, anti-money-laundering and competition-related issues.

Question 13. Building on your experience, what are the main challenges authorities are facing while supervising innovative/digital players in finance and how should they be addressed?

Please explain your reasoning and provide examples for each sector you are referring to (e.g. banking, insurance, pension, capital markets):

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It is important to understand the digital services/products of the new financial actors and to classify them in terms of differences and similarities to traditional services.

However, when the new financial actors/digital actors offer financial services, they should be monitored according to the same rules as established financial service providers. If the actors offer digital services that integrate various other financial service providers, e.g. banks, into their services, then in addition to the supervision of the service provider by the bank, direct supervision of the service provider by the supervisory authority should be considered. Otherwise, these new financial actors would have a competitive advantage as there are no regulatory requirements.

In addition, the challenges concern work processes, IT and suitable personnel. Regulators are caught between the desire to reduce the regulatory pressure for new technologies so as not to hinder innovation while keeping the consumer protection mandate active.

It is about speed and it is about understanding innovative business models and developing an appropriate regulatory framework.

In addition, the following aspects should also be considered:

- Lack of knowledge about new technologies/processes, leading to rather reactive

decisions; lack of speed in implementation; sometimes contradictory/conflicting objectives in the authorities.

- For new innovative products and services emerging on the market, it is not always clear

whether and which legal framework is applicable. Problems in this respect are the

disintegration of national regulatory systems within the EU and discrepancies between

banking supervision law and other legislation and case law.

Question 14. According to you, which initiatives could be put in place at EU level to enhance this multi-disciplinary cooperation between authorities?

Please explain your reasoning and provide examples if needed:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It is important for digital innovation that a uniform legal framework is created throughout Europe, because the use of digital products does not end at national borders. A fast and uniform exchange would be beneficial here.

An example: some European countries offer sandbox procedures, other countries are sceptical about this approach.

Consideration should also be given to developing initiatives to facilitate innovation, to improve monitoring and engagement with the financial industry on innovation-related issues, and to setting up innovation fora to promote a deeper and shared understanding of new technologies.

II. Removing fragmentation in the single market for digital financial services

Removing Single Market fragmentation has always been on the radar of EU institutions. In the digital age, however, the ability of firms to scale up is a matter of economic productivity and competitiveness. The economics of data and digital networks determines that firms with substantial network effects enjoy a competitive advantage over rivals. Only a strong Single Market for financial services could bring about EU-wide businesses that would be able to compete with comparably sized peers from other jurisdictions, such as the US and China.

Removing fragmentation of the Single Market in digital financial services while maintaining an adequate level of security for the financial system is also essential for expanding access to financial services for consumers, investors and businesses across the EU. Innovative business models and services are flourishing in the EU, with the potential to bring greater choice and better services to consumers. Traditional players and start-ups are both competing, but also increasingly establishing partnerships to innovate. Notwithstanding the opportunities provided by the Digital Single Market, firms still face obstacles when scaling up across the Single Market.

Examples include a lack of consistency in the transposition, interpretation and application of EU financial legislation, divergent regulatory and supervisory attitudes towards digital innovation, national 'gold-plating' of EU rules, cumbersome licensing processes, insufficient funding, but also local preferences and dampen cross-border and international ambition and entrepreneurial spirit and risk taking on the part of business leaders and investors. Likewise, consumers face barriers in tapping innovative digital products and being offered and receiving services from other Member States other than of their residence and also in accessing affordable market data to inform their investment choices. These issues must be further addressed if the EU is to continue to be an incubator for innovative companies that can compete at a global scale.

Question 15. According to you, and in addition to the issues addressed in questions 16 to 25 below, do you see other obstacles to a Single Market for digital financial services and how should they be addressed?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please take the answers from the sections below

Facilitate the use of digital financial identities throughout the EU

Both start-ups and incumbent financial institutions increasingly operate online, without any need for physical establishment in a particular jurisdiction. Technologies are enabling the development of new ways to verify information related to the identity and financial situation of customers and to allow for portability of such information as customers change providers or use services by different firms. However, remote on-boarding relies on different technological means (e.g. use of biometric data, facial recognition, live video) to identify and verify a customer, with different national approaches regarding their acceptability. Moreover, supervisory authorities have different expectations concerning the rules in the 5th Anti-Money Laundering Directive permitting reliance on third parties for elements of on-boarding. The Commission will also consult shortly in the context of the review of the EU Anti-Money Laundering framework.

Question 16. What should be done at EU level to facilitate interoperable cross-border solutions for digital on-boarding?

Please rate each proposal from 1 to 5:

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N. A.
Harmonise rules governing customer due diligence requirements in the Anti-Money Laundering legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Harmonise rules governing the acceptable use of remote identification technologies and services in the Anti-Money Laundering legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Broaden access for obliged entities to publicly held information (public databases and registers) to enable verification of customer identities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide further guidance or standards in support of the customer due diligence process (e.g. detailed ID elements, eligible trusted sources; risk assessment of remote identification technologies)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Facilitate the development of digital on-boarding processes, which build on the e-IDAS Regulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Facilitate cooperation between public authorities and private sector digital identity solution providers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Integrate KYC attributes into e-IDAS in order to enable on-boarding through trusted digital identities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
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Please specify what else should be done at EU level to facilitate interoperable cross-border solutions for digital on-boarding:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Full harmonisation of KYC requirements within MS to avoid competitive advantages and disadvantages.

- Recognition of the KYC requirements as comparably secure as the eIDAS requirements for the trust level "substantial" and thus the possibility to use the eIDAS trust service directly from the banks' online banking.

We believe that the customer should follow a rule-based approach for onboarding CDD and collect a fixed and harmonized standard data set. The risk-based approach can only come into effect at a later stage, when the customer is onboarded through the risk-based monitoring of activities with regard to possible money laundering or terrorist financing and thus becomes known to the obligor.

Question 17. What should be done at EU level to facilitate reliance by financial institutions on digital identities gathered by third parties (including by other financial institutions) and data re-use/portability?

Please rate each proposal from 1 to 5:

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N.A.
Make the rules on third party reliance in the Anti-Money Laundering legislation more specific	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide further guidance relating to reliance on third parties for carrying out identification and verification through digital means, including on issues relating to liability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Promote re-use of digital identities collected for customer due diligence purposes in accordance with data protection rules	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promote a universally accepted public electronic identity	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Define the provision of digital identities as a new private sector trust service under the supervisory regime of the eIDAS Regulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify what else should be done at EU level to facilitate reliance by financial institutions on digital identities gathered by third parties (including by other financial institutions) and data re-use/portability:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

- All MS should align the KYC requirements and the eIDAS requirements for the level of trust "substantially" and mutually recognise the identification methods used.
- If the KYC requirements of financial institutions do not yet reach the "substantial" confidence level, a follow-up review should be carried out to facilitate harmonisation and transferability.

On the basis of a legal framework, regulated identity platforms could serve as reliable "third parties" in addition to regulated financial institutions and allow for better reuse and transferability of data. Consequently, such regulated identity platforms can serve as a key factor for the digital economy of the EU and its Member States. In this context, the harmonisation of the rules governing the EU financial sector is of utmost importance.

Question 18. Should one consider going beyond customer identification and develop Digital Financial Identities to facilitate switching and easier access for customers to specific financial services?

Should such Digital Financial Identities be usable and recognised throughout the EU?

Which data, where appropriate and in accordance with data protection rules, should be part of such a Digital Financial Identity, in addition to the data already required in the context of the anti-money laundering measures (e.g. data for suitability test for investment services; data for creditworthiness assessment; other data)?

Please explain your reasoning and also provide examples for each case you would find relevant.

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The requirements of eIDAS and the current EU Money Laundering Directive and their implementation in the Member States seem sufficient to ensure a high level of reliability of identifications on the one hand, and to enable switching and access to financial services on the other. Digital financial identities are not required for this.

Financial institutions should be enabled to verify the identification and all other data they store in accordance with the regulatory requirements, to make available to third parties, as eID or for other purposes on behalf of third parties, transparency to their customers within reasonable limits.

The distinction between a "financial ID" and an "eID" is problematic here. Instead, both areas of application should be applicable to each other.

A Digital Financial Identity could be very advantageous for quick and easy on-boarding, especially if it is EU-wide and can be used and recognised in both the public and private sectors. Only a harmonised, cross-sectoral approach will ensure the necessary market penetration of digital identities. We therefore propose a combined initiative of private and public stakeholders. In our view, a digital financial identity does not at this stage require any more data than is already required by the multitude of existing laws and regulations, such as AML provisions, tax law and others. However, where appropriate and based on a careful consideration of the privacy principles involved, additional identifying attributes and data could be obtained. In this context, regulated identity platforms could provide both users and regulated entities with both secure data storage and convenient (AML and GDPR) compliant re-use of (verified) identification attributes and additional data.

Question 19. Would a further increased mandatory use of identifiers such as Legal Entity Identifier (LEI), Unique Transaction Identifier (UTI) and Unique Product Identifier (UPI) facilitate digital and/or automated processes in financial services?

- Yes
- No
- Don't know / no opinion / not relevant

Make it easier for firms to carry out technology pilots and scale up across the Single Market

Currently, three national competent authorities have established regulatory sandboxes with five more under development. Regulatory sandboxes are most often schemes to enable firms to test, pursuant to a specific testing plan agreed and monitored by a dedicated function of the competent authority, innovative financial products, financial services or business models. Besides, almost all competent authorities have established innovation hubs. Innovation hubs provide a dedicated point of contact for firms to ask questions to competent authorities on FinTech related issues

and to seek non-binding guidance on regulatory and supervisory expectations, including licensing requirements. The European Forum of Innovation Facilitators (EFIF) is intended to promote greater coordination and cooperation between innovation facilitators established by financial sector supervisors to support the scaling up of digital finance across the Single Market, including by promoting knowledge-sharing between innovation hubs and facilitating cross-border testing in regulatory sandboxes.

Question 20. In your opinion (and where applicable, based on your experience), what is the main benefit of a supervisor implementing (a) an innovation hub or (b) a regulatory sandbox as defined above?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Advantages of innovation labs

The advantage of innovation hubs over regulatory sandboxes is the faster flow of information. Innovation hubs ensure better communication and mutual understanding between innovator and supervisor. This enables faster development of innovative products and provides security with regard to regulatory requirements.

Innovation hubs can promote the exchange between regulatory authorities and innovators. This can help innovators to better understand the attitude that regulators will take when interpreting existing regulations. On the other hand, regulators can gain a better overview of current market developments and insight into technological developments. It also helps innovators who are not yet regulated to better understand the applicable requirements, which can accelerate innovation.

Innovation hubs also provide a dedicated contact point for companies to ask questions about the expectations of regulators and supervisors, including licensing requirements.

Disadvantages of innovation hubs

In contrast to regulated sandboxes, innovation centres are less directly affected by legal and regulatory framework conditions.

Advantages of sandboxes

The benefits are close cooperation between innovators and regulators and a rapid exchange of information on feasibility and applicable rules. In addition, regulators could use the knowledge gained to signal to legislators whether changes to existing rules are necessary. A sandbox in the strict sense of the term offers the possibility of temporarily not applying regulation to the innovator and his product.

As most regulation is regulated at European level, either a European sandbox would be considered or experimental clauses would be needed in EU legislation allowing national sandboxes to temporarily not apply certain rules for a limited period of time to test innovations under strict supervision. In addition, a European sandbox or close cooperation between sandboxes can promote a digital single market that allows innovation to scale and deliver innovation to all citizens across the EU.

Disadvantages of sandboxes

Regulatory sandboxes are systems that allow firms to test innovative financial products, financial services or business models according to a specific test plan agreed and monitored by a specific function of the competent authority. If sandboxes involve regulatory facilitation, they may pose a threat to the level playing field and consumer protection. For market participants who do not participate in the sandbox, this results in competitive disadvantages. The competent authority must continue to require all of them to comply with the same relevant regulatory requirements.

The selection of participants in an innovation facilitator (innovation hub or sandbox) must not be based on the type of company. In principle, they must be open to all market participants, whether established companies or start-ups. Moreover, conventional products and services are more affected by regulation when using regulatory sandboxes than financial innovations that use such

sandboxes for their business model. Such an approach clearly contradicts the level playing field. For this reason, sandboxes should be associated less with companies and more with new ideas, concepts and solutions, regardless of any company profile.

Question 21. In your opinion, how could the relevant EU authorities enhance coordination among different schemes in the EU?

Please rate each proposal from 1 to 5:

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N. A.
Promote convergence among national authorities in setting up innovation hubs and sandboxes, through additional best practices or guidelines	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Facilitate the possibility for firms to test new products and activities for marketing in several Member States ("cross border testing")	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Raise awareness among industry stakeholders	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ensure closer coordination with authorities beyond the financial sector (e.g. data and consumer protection authorities)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promote the establishment of innovation hubs or sandboxes with a specific focus (e.g. a specific technology like Blockchain or a specific purpose like sustainable finance)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 21.1 If necessary, please explain your reasoning and also provide examples for each case you would find relevant:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 22. In the EU, regulated financial services providers can scale up across the Single Market thanks to adequate licenses and passporting rights.

Do you see the need to extend the existing EU licenses passporting rights to further areas (e.g. lending) in order to support the uptake of digital finance in the EU?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In general, we support passport rights and licences as they help to spread innovation, promote the creation of a (digital) European single financial market and lead to products being offered to a wider audience in the EU. Nevertheless, we do not see any need to extend the current legislation.

A relevant prerequisite for adequate implementation is, of course, that passport law is only created for areas where there are equivalent regulations in all member states in order to ensure a level playing field.

Therefore, relevant areas should be identified, it should be checked whether the existing rules are equivalent, and then a passport law should be introduced which allows the institutions to expand.

Ensure fair and open access to relevant technical infrastructures for all financial service providers that wish to offer their services across the Single Market

(It should be noted that this topic is also included, from the payment perspective, in the [Retail Payments consultation \(https://ec.europa.eu/info/publications/finance-consultations-2020-retail-payments-strategy_en\)](https://ec.europa.eu/info/publications/finance-consultations-2020-retail-payments-strategy_en))

The emergence of providers of technical services supporting the provision of financial services bring both opportunities and challenges. On the one hand, such providers can facilitate the provision of cross-border services. On the other hand, they may in certain cases limit access to the platform or relevant devices' interface, or provide it under unfair and non-transparent terms and conditions. Certain Member States are starting to take measures in this respect.

Question 23. In your opinion, are EU level initiatives needed to avoid fragmentation in the Single Market caused by diverging national measures on ensuring non-discriminatory access to relevant technical infrastructures supporting financial services?

Please elaborate on the types of financial services and technical infrastructures where this would be relevant and on the type of potential EU initiatives you would consider relevant and helpful:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The emergence of technical infrastructure service providers that support the provision of financial services presents both opportunities and challenges. On the one hand, such providers can facilitate the provision of cross-border services. On the other hand, they may in certain cases restrict access to the platform or the interface of the relevant devices or offer them under unfair and non-transparent conditions.

We support action at EU level to avoid fragmentation of the internal market caused by divergent national measures to ensure non-discriminatory access to relevant technical infrastructures supporting financial services. Non-discriminatory access by payment service providers to key components (e.g. NFC, voice banking or biometric identity readers) of mobile devices or smart speakers/virtual assistants will contribute to a more competitive market, ensure a level playing field and enable consumers to choose between different options. We see the need to improve European competition law so that Europe's position and competitiveness in the digital markets can be secured with regard to digital platform companies and other global digital companies, in order to ensure economic and social prosperity in Europe. In view of the repeatedly expressed political desire to create a European counterweight to the dominant international ecosystems, various European regulations in recent years (e.g.: PSD II Directive, MIF Regulation) have had rather counterproductive effects. Overall, the equipment and technologies purchased by the customer should grant non-discriminatory access to all market participants at the customer's request. In order to build the necessary ecosystems in Europe, it is essential for any infrastructure investment that the EU provides regulatory clarity for the long-term establishment and maintenance of data and service based economic business models using common European technical standards.

Empower and protect EU consumers and investors using digital finance across the Single Market

An increasing number of new digital financial products and services expose consumers and retail investors to both opportunities and risks: more choice, more tailored products, more convenience, but also bad advice, mis-selling, poor information and even discrimination. Accordingly, it is important to carefully consider how to tap the potential of innovative products, services and business models while empowering and protecting end-users, to ensure that they benefit from a broader access to, and range of innovative products and services across the Single Market in a safe and sound manner. This may also require reviewing existing legislation to ensure that the consumer perspective is sufficiently taken into account. In addition, promoting financial education and digital financial skills may be important to ensure that consumers and retail investors are able to make the most of what digital finance has to offer and to select and use various digital tools, whilst at the same time increasing the potential size of the market for firms.

Question 24. In your opinion, what should be done at EU level to achieve improved financial education and literacy in the digital context?

Please rate each proposal from 1 to 5:

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N. A.
Ensure more affordable access at EU level to financial data for consumers and retail investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Encourage supervisors to set up hubs focussed on guiding consumers in the digital world	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Organise pan-European campaigns and advisory hubs focusing on digitalisation to raise awareness among consumers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Collect best practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promote digital financial services to address financial inclusion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Introduce rules related to financial education comparable to Article 6 of the Mortgage Credit Directive, with a stronger focus on digitalisation, in other EU financial regulation proposals	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 25: If you consider that initiatives aiming to enhance financial education and literacy are insufficient to protect consumers in the digital context, which additional measures would you recommend?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It is important to promote financial literacy at colleges and universities, regardless of professorships. Furthermore, basic education should be provided as part of financial education in secondary schools. In addition, financial education should be included in the curricula of primary and secondary schools.

III. Promote a well-regulated data-driven financial sector

Data-driven innovation can enable better and more competitive financial services for consumers and businesses, as well as more integrated capital markets (e.g. as discussed in the on-going work of the High-Level Forum). Whilst finance has always been a data-intensive sector, data-processing capabilities have substantially improved over the recent years, enabling fast parallel computing at low cost. Large amounts of data have also become available as computers and their users are increasingly linked, supported by better storage data capabilities. These developments have enabled the use of artificial intelligence (AI) applications to make predictions about future outcomes at a lower cost. Following on to the European data strategy adopted on 19 February 2020, the Commission services are considering a number of steps in this area (see also the parallel consultation on the Mifid review).

Question 26: In the recent communication "A European strategy for data", the Commission is proposing measures aiming to make more data available for use in the economy and society, while keeping those who generate the data in control.

According to you, and in addition to the issues addressed in questions 27 to 46 below, do you see other measures needed to promote a well-regulated data driven financial sector in the EU and to further develop a common European data space for finance?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

- Clear cloud policies that allow banks to use cloud technologies
- Comprehensible and EU-wide uniform definitions of data points
- Easily comprehensible and EU-wide uniform and clear documentation of data point dependencies

Facilitate the access to publicly available data in finance

Financial institutions are currently required to make public a wealth of financial information. This information e.g. allows investors to make more informed choices. For example, such data include financial reporting and non-financial reporting, prudential disclosures under the Capital Requirements Directive or Solvency II, securities market disclosures, key information documents for retail investment products, etc. However, this data is not always easy to access and process. The Commission services are reflecting on how to further facilitate access to public disclosures of financial and supervisory data currently mandated by law, for example by promoting the use of common technical standards. This could for instance contribute to achieving other policies of public interest, such as enhancing access to finance for European businesses through more integrated capital markets, improving market transparency and supporting sustainable finance in the EU.

Question 27. Considering the potential that the use of publicly available data brings in finance, in which areas would you see the need to facilitate integrated access to these data in the EU?

Please rate each proposal from 1 to 5:

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N. A.
Financial reporting data from listed companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-financial reporting data from listed companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
SME data	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prudential disclosure stemming from financial services legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Securities market disclosure	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Disclosure regarding retail investment products	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

As part of the [European Financial Transparency Gateway \(EFTG\) project \(https://europa.eu/!kX66Hf\)](https://europa.eu/!kX66Hf), the Commission has been assessing since 2017 the prospects of using Distributed Ledger Technology to federate and provide a single point of access to information relevant to investors in European listed companies.

Question 28. In your opinion, what would be needed to make these data easily usable across the EU?

Please rate each proposal from 1 to 5:

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N. A.
Standardised (e.g. XML) and machine-readable format	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Further development of the European Financial Transparency Gateway, federating existing public databases with a Single EU access point	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Application Programming Interfaces to access databases	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Public EU databases	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Consent-based access to personal data and data sharing in the financial sector

The Commission is reflecting how to further enable consumers, investors and businesses to maximise the benefits their data can bring in the financial sector, in full respect of our European standards and values, in particular the European data protection rules, fundamental rights and security.

The revised Payment Services Directive marked an important step towards the sharing and use of customer-permissioned data by banks and third party providers to create new services. However, this new framework is limited to payment data held by payment services providers, and does not cover other types of data relevant to financial services and held by other firms within and outside the financial sector. The Commission is reflecting upon additional steps in the area of financial services inspired by the principle of open finance. Any new initiative in this area would be based on the principle that data subjects must have full control over their data.

Better availability and use of data, leveraging for instance on new technologies such as AI, could contribute to supporting innovative services that could benefit European consumers and firms. At the same time, the use of cutting-edge technologies may give rise to new risks that would need to be kept in check, as equally referred to in section I.

Question 29. In your opinion, under what conditions would consumers favour sharing their data relevant to financial services with other financial services providers in order to get better offers for financial products and services?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In our opinion, there are relevant requirements and reasons for customers to disclose their data to financial service providers:
 Customers can be offered considerable added value by using their data, e.g. to benefit from simpler procedures such as simplified application channels or to gain access to certain functions (app analogy);
 Customers have transparency about the use of their data, so that the information provided to them is understandable and serves the needs of the customer.
 Customers should be able to control and track the use of their data by providers more easily and conveniently.
 They should thus be enabled to exercise conscious and independent control over their data.

If there is added value for the consumer (better offers, easier handling), the consumer will agree to the exchange of relevant data. However, due to the lack of awareness of data protection, a high level of transparency of data exchange for the consumer must be ensured.
 In addition, the purpose and place of data storage should be made comprehensible and transparent for the consumer.

Consumers must be aware of and convinced of clear benefits when exchanging their data for services. Permission to use data must be transparent and, if based on consent, it must be possible to withdraw it at any time in an easily accessible and user-friendly manner. Consumers must have sovereignty over their data.

If consumers have the positive experience that their customer needs are satisfied in return for/exchange of their data and solutions are provided, while at the same time their data are processed in compliance with consumer rights (transparency, high security and data protection standards), they are more likely to deliberately give their data to financial service providers.

Question 30. In your opinion, what could be the main benefits of implementing an open finance policy in the EU?

Please rate each proposal from 1 to 5:

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N. A.
More innovative and convenient services for consumers/investors, e.g. aggregators, comparison, switching tools	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cheaper traditional services for consumers/investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Efficiencies for the industry by making processes more automated (e.g. suitability test for investment services)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business opportunities for new entrants in the financial industry	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New opportunities for incumbent financial services firms, including through partnerships with innovative start-ups	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easier access to bigger sets of data, hence facilitating development of data dependent services	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enhanced access to European capital markets for retail investors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enhanced access to credit for small businesses	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you see other benefits of implementing an open finance policy in the EU, please specify and explain:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The benefits will strongly depend on "how" an open fiscal policy is implemented in the EU. In general, open financing should be considered in the broader context of an open data economy and be part of a cross-sectoral initiative.

Question 31. In your opinion, what could be the main risks of implementing an open finance policy in the EU?

Please rate each proposal from 1 to 5:

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N.A.
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Privacy issues / security of personal data	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial exclusion	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Poor consumer outcomes (e.g. unfair pricing strategies)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Misuse of consumers' financial data	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business confidentiality issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increased cyber risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of level playing field in terms of access to data across financial sector activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you see other risks of implementing an open finance policy in the EU, please specify and explain:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We also see considerable risks in terms of market structure and competition. An open financial policy limited to the financial sector would further undermine the competitiveness of banks, which would have to maintain the technological infrastructures required by third-party providers. Costs and benefits must be distributed equally among all market participants.

An open financial strategy should therefore be an integral part of a European data economy. An exclusive focus on the financial sector would entail the risk that some market participants or even sectors would be disadvantaged because they would have to exchange data unilaterally. Some form of (financial) compensation should be possible in order to cover the costs of building the necessary infrastructure.

There is a growing dependence of financial service providers on digital platforms and ecosystems. The latter use data to generate leads and enable them to offer financial services as intermediaries, resulting in disintermediation and distortion of competition. The discrepancy between data exchange standards in the EU and other regions of the world (e.g. USA, Asia) may also affect the global competitiveness of European companies, which should be duly taken into account. In view of these developments, it is also highly relevant that new and established providers are subject to the same regulatory requirements.

Question 32. In your opinion, what safeguards would be necessary to mitigate these risks?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As regards the use of data, third party providers should be required to register with the regulatory authorities before using customer data.

There should be regulation of the providers of such services (same regulatory requirements as banks / established financial service providers, licensing requirements / licenses)

Uniform and dedicated rules for access to data and security of services and interfaces for third-party services

- remuneration for the provision of data, thereby providing an incentive for the further development of systems and services, including high-security features

- Requirements for the design of the customer relationship (e.g. information duties towards end customers, rights of the customer, education about security risks) " ".

- material compensation for the provision of data

Question 33. In your opinion, for which specific financial products would an open finance policy offer more benefits and opportunities?

Please rate each proposal from 1 to 5:

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N. A.
Savings accounts	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Consumer credit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
SME credit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mortgages	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Retail investment products (e.g. securities accounts)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-life insurance products (e.g. motor, home...)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Life insurance products	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Pension products	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you see other financial products that would benefit of an open finance policy, please specify and explain:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Open Finance also enables the integration of financial services (account aggregation, payment information) into non-financial products or services (e.g. to analyse buying habits, make consumption suggestions based on the location of the customer)

Question 33.1 Please explain your answer to question 33 and give examples for each category:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

credit assessment could be based on payment transaction data (e.g. current account usage) to enable a quick decision to be taken.
In principle, the potential advantage should correlate with the degree of standardisation.
Here, particularly in view of the differences in mortgages in Europe, there should be a certain balance between advantages and disadvantages for mortgage services.
Insurance products and investment products are given a neutral rating, since in this area less standardisation seems possible than for pure deposits or consumer loans.

Question 34. What specific data (personal and non-personal) would you find most relevant when developing open finance services based on customer consent?

To what extent would you also consider relevant data generated by other services or products (energy, retail, transport, social media, e-commerce, etc.) to the extent they are relevant to financial services and customers consent to their use?

Please explain your reasoning and provide the example per sector:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The specific data that is relevant varies depending on the specific product or service and usually includes both personal and non-personal data.

Due to the different nature and business focus of our members, it is not possible to highlight specific types of data. Also, the usefulness of a particular type of data in terms of added value for the customer cannot be evaluated in general terms, but must be demonstrated in practice through customer acceptance. This requires a framework in which the usefulness of specific data can be tested more easily than today. In particular, data from the mobility, energy and retail e-commerce sectors can be very useful.

To provide the necessary incentives in an economic and competitive environment, an open financial services framework must therefore strike the right balance and allow a fair sharing of economic opportunities and costs between data providers and data recipients. This is a key requirement for a widely accepted and flourishing data economy.

The combination of financial data with data generated by other services or products has the potential to further improve existing financial services or create new value propositions for customers around their financial needs and beyond.

The success of platforms and ecosystems has demonstrated very well the potential of combining and aggregating different data from different areas of life.

Question 35. Which elements should be considered to implement an open finance policy?

Please rate each proposal from 1 to 5:

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N.A.
Standardisation of data, data formats	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clarity on the entities covered, including potential thresholds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clarity on the way data can be technically accessed including whether data is shared in real-time (e.g. standardised APIs)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Clarity on how to ensure full compliance with GDPR and e-Privacy Directive requirements and need to ensure that data subjects remain in full control of their personal data	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Clarity on the terms and conditions under which data can be shared between financial services providers (e.g. fees)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interoperability across sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clarity on the way data shared will be used	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Introduction of mandatory data sharing beyond PSD2 in the framework of EU regulatory regime	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If mandatory data sharing is considered, making data available free of cost for the recipient	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify what other element(s) should be considered to implement an open finance policy:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Market participants should be able to agree on appropriate compensation for access to data in order to ensure sustainable financing and fair distribution of the costs of maintaining the relevant technical infrastructure.

Support the uptake of Artificial intelligence in finance

Artificial intelligence (AI) can bring considerable benefits for EU citizens and businesses alike and the Commission is committed to support its uptake with appropriate frameworks and investment. The White Paper on Artificial intelligence details the Commission's vision on a European approach for AI in Europe.

In the financial sector, AI and machine learning solutions are increasingly applied throughout the entire value chain. This may benefit both firms and consumers. As regards firms, AI applications that enable better predictions can result in immediate cost savings due to improved risk analysis or better client segmentation and product price differentiation. Provided it can be achieved, this could in the medium term lead to better risk management and improved profitability. As an immediate effect, AI allows firms to save on costs, but as prediction technology becomes more accurate and reliable over time, it may also lead to more productive business models and entirely new ways to compete.

On the consumer side, the use of AI applications can result in an improved price-quality relationship of financial services, better personalisation and in some cases even in financial inclusion of previously excluded consumers. At the same time, AI may entail new risks such as opaque decision-making, biases, discrimination or loss of privacy.

The Commission is seeking stakeholders' views regarding the use of AI and machine learning solutions in finance, including the assessment of the overall opportunities and risks it could bring as well as the specificities of each sector, e.g. banking, insurance or investment services.

Question 36: Do you/does your firm already deploy AI based services in a production environment

in the EU?

- Yes
- No
- Don't know / no opinion / not relevant

Question 36.1 If you/your firm do/does already deploy AI based services in a production environment in the EU, please specify for which applications?:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Fraud detection, classification and categorization of account turnover, voice and chatbots (speech of text), text recognition, intent recognition, regulatory analysis, credit decisions

Question 37: Do you encounter any policy or regulatory issues with your use of AI?**Have you refrained from putting AI based services in production as a result of regulatory requirements or due to legal uncertainty?**

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Improved conditions for the use and exchange of data would facilitate experimentation with AI and collaboration across company/sector boundaries. Enabled by knowledge generated from a broader database and supported by AI methodologies, suppliers could benefit more quickly from market developments and respond better to customer needs, thereby improving their ability to innovate and compete on a global scale.

Question 38. In your opinion, what are the most promising areas for AI-applications in the financial sector in the medium term and what are the main benefits that these AI-applications can bring in the financial sector to consumers and firms?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Diagnostic analyses for fraud detection and risk warning and for monitoring compliance; risk identification and risk assessment

Process Automation

Predictive analytics is basically useful and promising, but is subject to many risks (non-discrimination, etc.) at present and in the medium term.

User experience: Improvement of customer loyalty, better convenience and cost effects through the use of e.g. NLP, text mining, OCR, speech recognition, text-to-speech e.g. in context (chat) bots

Question 39. In your opinion, what are the main challenges or risks that the increased use of AI-based models is likely to raise for the financial industry, for customers/investors, for businesses and for the supervisory authorities?

Please rate each proposal from 1 to 5:

1. Financial industry

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N. A.
1.1. Lack of legal clarity on certain horizontal EU rules	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1.2. Lack of legal clarity on certain sector-specific EU rules	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1.3. Lack of skills to develop such models	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1.4. Lack of understanding from and oversight by the supervisory authorities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1.5. Concentration risks	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1.6. Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify what other main challenge(s) or risk(s) the increased use of AI-based models is likely to raise for the financial industry:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

misleading and incorrectly interpreted training data training from new providers that do not meet the standards of the regulated units

2. Consumers/investors

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N. A.
2.1. Lack of awareness on the use of an algorithm	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.2. Lack of transparency on how the outcome has been produced	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.3. Lack of understanding on how the outcome has been produced	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.4. Difficult to challenge a specific outcome	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.5. Biases and/or exploitative profiling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.6. Financial exclusion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.7. Algorithm-based behavioural manipulation (e.g. collusion and other coordinated firm behaviour)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.8. Loss of privacy	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.9. Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. Supervisory authorities

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N. A.

3.1. Lack of expertise in understanding more complex AI-based models used by the supervised entities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.2. Lack of clarity in explainability requirements, which may lead to reject these models	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.3. Lack of adequate coordination with other authorities (e.g. data protection)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.4. Biases	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.5. Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 40. In your opinion, what are the best ways to address these new issues?

Please rate each proposal from 1 to 5

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N. A.
New EU rules on AI at horizontal level	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
New EU rules on AI for the financial sector	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Guidance at EU level for the financial sector	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Experimentation on specific AI applications under the control of competent authorities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Certification of AI systems	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Auditing of AI systems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Registration with and access to AI systems for relevant supervisory authorities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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Harness the benefits data-driven innovation can bring in compliance and supervision

RegTech tools that are emerging across Europe can bring significant efficiencies for the financial industry. Besides, national and European supervisory authorities also acknowledge the benefits new technologies can bring in the data-intensive supervision area. Following on the findings of the Fitness Check of EU supervisory reporting, the Commission is already acting to develop a supervisory reporting that is fit for the future. Leveraging on machine learning technology, the Commission is mapping the concepts definitions and reporting obligations across the EU financial services legislation to identify the areas where further standardisation is needed. Standardised concept definitions and reporting obligations are a prerequisite for the use of more automated processes. Moreover, the Commission is assessing through a Proof of Concept the benefits and challenges recent innovation could bring in the reporting area such as machine-readable and machine executable legislation. Looking at these market trends and building on that work, the Commission is reflecting upon the need for additional initiatives at EU level to facilitate the uptake of RegTech and/or SupTech solutions.

Question 41. In your opinion, what are the main barriers for new RegTech solutions to scale up in the Single Market?

Please rate each proposal from 1 to 5:

Providers of RegTech solutions:

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N.A.
Lack of harmonisation of EU rules	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Lack of clarity regarding the interpretation of regulatory requirements (e.g. reporting)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Lack of standards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Lack of real time access to data from regulated institutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Lack of interactions between RegTech firms, regulated financial institutions and authorities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Lack of supervisory one stop shop for RegTech within the EU	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Frequent changes in the applicable rules	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Financial service providers:

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N. A.
Lack of harmonisation of EU rules	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of trust in newly developed solutions	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of harmonised approach to RegTech within the EU	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 42. In your opinion, are initiatives needed at EU level to support the deployment of these solutions, ensure convergence among different authorities and enable RegTech to scale up in the Single Market?

- Yes
 No
 Don't know / no opinion / not relevant

Question 42.1 Please explain your answer to question 42 and, if necessary, please explain your reasoning and provide examples:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 43. In your opinion, which parts of financial services legislation would benefit the most from being translated into machine-executable form?

Please specify what are the potential benefits and risks associated with machine-executable

financial services legislation:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 44. The Commission is working on standardising concept definitions and reporting obligations across the whole EU financial services legislation.

Do you see additional initiatives that it should take to support a move towards a fully digitalised supervisory approach in the area of financial services?

Please explain your reasoning and provide examples if needed:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

There are some regulatory areas in which automation / digitalisation / standardisation is useful and feasible (e.g. reporting). However, various regulatory requirements are formulated in a principle-oriented or qualitative manner, and there are usually good reasons for discretionary powers in implementation by the individual institution and in the supervisory assessment."

Question 45. What are the potential benefits and drawbacks of a stronger use of supervisory data combined with other publicly available data (e.g. social media data) for effective supervision?

Should the Please explain your reasoning and provide examples if needed:

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The sense and purpose of combination and the evaluability of such data sets is questioned and has to be answered.
The key question here is who is responsible for data which comes from social networks. If one uses such kind of data, there might be a risk of incorrect data / miss-interpretation / wrong causuality.

IV. Broader issues

Question 46. How could the financial sector in the EU contribute to funding the digital transition in the EU? Are there any specific barriers preventing the sector from providing such funding?

Are there specific measures that should then be taken at EU level in this respect?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The banking sector in the EU supports companies in the implementation of the digital transformation. For this, the banking sector needs an appropriate regulatory environment that does not place an additional burden on it.

In corona crisis, it is important to facilitate lending to companies (e.g. the SME factor) so that European companies - compared to other economic areas - continue to promote digital transformation

Question 47. Are there specific measures needed at EU level to ensure that the digital transformation of the European financial sector is environmentally sustainable?

5,000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We do not consider specific measures necessary. However, an energy-saving and environmentally friendly use of digital services should be considered.

Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) here:

Additional_comments_on_the_answer_to_question_19.pdf

Useful links

More on this consultation (https://ec.europa.eu/info/publications/finance-consultations-2020-digital-finance-strategy_en) (https://ec.europa.eu/info/publications/finance-consultations-2020-digital-finance-strategy_en)

Consultation document (https://ec.europa.eu/info/files/2020-digital-finance-strategy-consultation-document_en) (https://ec.europa.eu/info/files/2020-digital-finance-strategy-consultation-document_en)

More on digital finance (https://ec.europa.eu/info/business-economy-euro/banking-and-finance/digital-finance_en) (https://ec.europa.eu/info/business-economy-euro/banking-and-finance/digital-finance_en)

Specific privacy statement (https://ec.europa.eu/info/files/2020-digital-finance-strategy-specific-privacy-statement_en) (https://ec.europa.eu/info/files/2020-digital-finance-strategy-specific-privacy-statement_en)

More on the Transparency register (<http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en>) (<http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en>)

Contact

fisma-digital-finance@ec.europa.eu

Attachment: Consultation on a new digital finance strategy for Europe / FinTech action plan: Additional comments on the answer to question 19**Would a further increased mandatory use of identifiers such as Legal Entity Identifier (LEI), Unique Transaction Identifier (UTI) and Unique Product Identifier (UPI) facilitate digital and/or automated processes in financial services?****NO**

There are indeed areas of application (e.g. in the securities sector) where it might be useful to provide legal clarity. This would help to facilitate digital and/or automated processes for certain financial services.

In particular, identifiers could be used in capital market regulation, so that this could lead to regulatory certainty. EU-wide LEIs have a particular advantage in the provision of trust-in services for legal entities.

However, the mandatory use should be an obligation for the addressee of such a provision and not a direct or indirect obligation for intermediaries providing services to such addressees. This means that the end-user, i.e. the entity to be identified, should have a LEI and be responsible for its use, maintenance and updating. Engaging the intermediary instead of the end-user creates many operational problems that can lead to burdensome processes and serious financial damage. The provisions of EMIR or MiFID II can serve as an example. Any framework requiring the use of identifiers should therefore clarify the legal consequences for the end-user who does not or cannot provide the required identifier.

At the same time, an application in the payment sector is less appropriate. In this context, there are sufficient "identifiers" in the payment sector which would otherwise impose further bureaucratic burdens on the banking environment itself and on the relationship with and from the customer and which do not bring or offer any identifiable added value. Identifiers already exist with the "account number/IBAN" as the leading feature. For example, there are also unique transaction IDs. A "Creditor Identifier" has also been created in the direct debit area to identify debt collection customers. In this context there are also mandate references, another uniqueness.

Furthermore, such implementation issues are associated with considerable cost factors. The cost of their establishment, maintenance and enforcement in all sectors and companies would be very high and do not seem feasible. In this context, a globally harmonised approach and a globally harmonised interpretation of its composition is essential. The same applies to the question of which party should establish the UTI. The adaptation effort and thus the costs in the systems would be enormous, but would also not offer any discernible added value.