

FINTECH AND REGULATION

6TH ANNUAL CONFERENCE

8 - 9 / 02 / 22

DRAFT - AS OF 8 FEBRUARY 2022

6th Annual FinTech and Regulation Conference

8-9 February 2022, Brussels

Tuesday, 8 February 2022

Morning session

09.00 – 09.05: Conference opening

Nickolas Reinhardt, Director, Afore Consulting

Anne Keane, Director, Afore Consulting

09.05 – 09.30: Keynote speech: “Fintech in Belgium and Europe: towards consumer based opportunities and solutions”

Vincent Van Peteghem, Deputy Prime Minister & Minister of Finance, Belgium

09.30 – 10.30: Panel on the EU's approach to payments regulation: what we can learn from Fintech regulation

The Payment Services Directive of 2007 is generally considered one of the first examples at European level of addressing new technological and market developments through a tailored regulatory and supervisory regime. The PSD created the legal framework for the emergence of multiple non-bank cross-border payment solutions, including more recently electronic wallets, payment gateways, payment initiation and account information services. It sought to follow the principle of ‘same risk, same regulation’. While the PSD regulated payment institutions at the entity-level the licencing regime essentially follows an activities-based approach.

Does the PSD provide a model as a regulatory approach to the emergence of new FinTech players in the financial services sector? In what respect is creating legal certainty a precursor to market innovation or should policy-makers let innovation evolve before regulating? Is the PSD technology neutral? How do we ensure that the PSD does not lock-in established technologies and business models? In the early days many jurisdictions adopted regimes for non-

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bank payment providers that was similar to the PSD. What is the response by non-EU jurisdictions to payment innovation today?

Moderator:

Nickolas Reinhardt, Director, Afore Consulting

Panellists:

- **Ceu Pereira**, Payment Team Leader - Retail Payments strategy, Retail Payments Unit, DG FISMA, European Commission
- **Marius Jurgilas**, Member of the Board of the Bank of Lithuania
- **Elie Beyrouthy**, Chair of European Payment Institutions Federation (EPIF) and Vice President, European Government Affairs, American Express
- **Hartwig Gerhartinger**, Vice President Group Regulatory & Governmental Affairs, Paysafe

10.30 – 11.00: Industry fireside chat: “Reaping benefits from technology while mitigating potential risks”

Moderator:

- **Daniel Trinder**, Senior Policy Advisor, Afore Consulting
- **Gary Kazantsev**, Head of Quant Technology Strategy, Bloomberg

11.00 – 11.15: Coffee break

11.15 – 12.30: Panel on Central Bank Digital Currencies and Digital Euro

The ECB is in an exploratory stage with regards to the possible launch of a digital euro. Views still differ as to the design and market impact that a digital euro could have. Studies suggest a number of use cases from making cross-border retail payments more efficient to wholesale market applications in clearing and settlement. The EU is not alone in exploring a digital euro. Similar initiatives are underway across the world with China announcing it would launch a digital RMB shortly. Central bank digital currencies have also gained the attention of numerous international standard setting bodies, notably the Basel Committee, FSB, CPMI and FATF.

What is the ECB's latest thinking with regards to the digital euro? Which design elements would bring the most significant economic value? How will the digital euro interact with existing market solutions, for example in retail payments or securities clearing and settlement? Will we see a crowding-out effect? What changes are required to the legal framework to make the digital euro a success? How do we ensure international consistency in the respective jurisdictions' approaches to CBDC? Is there a possible first mover advantage associated with launching a CBDC?

Moderator:

- **Daniel Trinder**, Senior Advisor, Afore Consulting

Panellists:

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- **Ulrich Bindseil**, Director General, Market Infrastructure and Payments, European Central Bank (ECB)
- **Christina Papaconstantinou**, Deputy Governor, Bank of Greece
- **José Fernandez da Ponte**, Senior Vice President Blockchain, Crypto and Digital Currencies, PayPal
- **Tobias Tenner**, Head of Digitalisation, Bundesverband Deutscher Banken
- **Raphael Auer**, Head, BIS Innovation Hub Eurosystem Centre, Bank for International Settlement (BIS)

12.30 – 13.00: Keynote speech: "Payment services at a crossroads"

Burkhard Balz, Member of the Executive Board of the Deutsche Bundesbank

13.00: Closing

Daniel Trinder, Senior Policy Advisor, Afore Consulting

Afternoon session

14.25 – 14.30 Opening

Nickolas Reinhardt, Director, Afore Consulting

14.30 – 15.00 Keynote speech: "Digital finance: Time for a paradigm shift in our approach to regulation and supervision?"

Jose Manuel Campa, Chair of the European Banking Authority (EBA)

15.00 – 16.10 Panel on Challenging the traditional financial services distributional models?

In March 2021 the European Commission issued a Call for Advice to the three European Supervisory Authorities to look at the impact of new distribution models such as digital platforms and the role of social media on the financial services industry and its customers. This potential platformisation of financial services reflects the general trend that can be observed across other economic sectors from retailing to online services and the distribution of digital content. The emergence of this new group of intermediaries within the financial services sector opens up new opportunities,

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increases competition and empowers the end customer. At the same time it raises potential questions about the appropriate regulatory approach and how regulated financial institutions respond to these new distribution models.

Does the emergence of new digital intermediaries raise particular or unique challenges to regulators and supervisors in the financial services industry? Are the existing rules covering the marketing and distribution of financial services products still appropriate? Do the new distribution models cut across the concept of home vs host state supervision in EU financial services regulation? How can we ensure competition and choice while ensuring an appropriate level of customer protection and redress? Have some of the emerging FinTech companies adapted better to these new distribution models? What can we learn from incidents such as GameStop? What is the future for financial advisors?

Moderator:

- **Ondřej Kovařík**, Member of the European Parliament

Panellists:

- **Jan Ceyssens**, Head of Digital Finance Unit, DG FISMA, European Commission
- **Stasys Jakeliūnas**, Member of the European Parliament
- **Ravi Bhalla**, Head of Innovation Department, UK Financial Conduct Authority (FCA)
- **Jeff Brown**, Senior Vice President, and Head of Schwab Office of Legislative and Regulatory Affairs, Charles Schwab
- **Yorick Naeff**, CEO, BUX

16.10 – 16.20 Coffee break

16.20 – 17.20 Panel on Future of Digital Identity and Digital Finance

The European Commission is about to launch its draft EU Data Act which will also create the framework for the transfer of customer data based on their consent. This also paves the way for EU policy initiatives on Digital Finance, the concept whereby customers granting access to their data to third parties and competing financial services institutions. This could facilitate switching between different financial services providers, create competition and bring down costs for consumers, including for cross-border business. Nonetheless, this also brings new risks related to data protection and fraud. This is where proposals by the European Commission to enable eID solutions for business transactions become critical.

How will digital finance solutions and data sharing evolve in the future? What can we learn from the experiences of the Payment Services Directive? Will we be seeing a SEPA API scheme anytime soon? What are the main benefits and risks of creating a Digital Finance Data Space? What role does a recognised eID scheme play in facilitating digital finance, including for cross-border transactions? How ambitious should the eID scheme be? Will it lead the way for online know-your-customer solutions? How should it be designed and who should own it? Is there room for more than one eID solution?

Moderator:

- **Nickolas Reinhardt**, Director, Afore Consulting

Panellists:

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- **Peter Kerstens**, Advisor, Technological Innovation & Cyber Security, DG FISMA, European Commission
- **Tsvetelina Penkova**, Member of the European Parliament
- **Mark Nelsen**, Senior Vice President Product and Solutions, Europe, Visa
- **Elena Antognazza**, General Manager, Vice President Digital, Europe & Russia CIS, Western Union

17.20 – 17.45 Industry fireside chat

Moderator:

- **Nickolas Reinhardt**, Director, Afore Consulting
- **Duncan Olby**, Leading Wallet and Payments for International Markets, Apple Pay

17.45 – 18.00 Policy fireside chat

Moderator:

- **Nickolas Reinhardt**, Director, Afore Consulting
- **Sean Fleming TD**, Minister of State Department of Finance with responsibility for Financial Services, Credit Unions and Insurance, Ireland

18.00 – 18.30 Break

18.30 – 20.00 Panel on the Value of crypto assets & stablecoins: CBDC vs private solutions

Over the last years there has been much debate around the possible emergence of global stablecoins that could compete with existing central bank money. Despite ever increasing demands for crypto assets, the use of and demand for stablecoins remains for now nascent. Those that are being developed are tagged to existing currencies questioning the unique value that stablecoins could bring. Adding to this, central banks are working on their own central bank digital currencies which could potentially be cheaper, safer and have the benefit of being recognised legal tender.

Has the heyday of stablecoins passed before they even saw the light of day and will CBDC's crowd out the need for stablecoins? We are seeing increasing demand for crypto assets with underlying price volatility. What are the expected future use cases for stablecoins? Are there market segments where stablecoins are expected to replace existing crypto assets? What should be the appropriate policy and regulatory response to stablecoins and how is this thinking impacted by their expected future use cases? How do we ensure a consistent international approach to the regulation and supervision of stablecoins?

Moderator:

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- **Nickolas Reinhardt**, Director, Afore Consulting

Panellists:

- **Christopher Woolard**, EY Global Regulatory Network (GRN) Leader
- **Faryar Shirzad**, Chief Policy Officer, Coinbase
- **Marco Santori**, Chief Legal Officer, Kraken
- **Christina Segal-Knowles**, Bank of England
- **Marcel Haag**, Director Horizontal Policies, DG FISMA, European Commission
- **Valerie Szczepanik**, Director of the Strategic Hub for Innovation and Financial Technology (FinHub) Office, U.S. Securities and Exchange Commission (SEC)

20.00 Closing conference first day

Nickolas Reinhardt, Director, Afore Consulting

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Wednesday, 9 February 2022

Morning session

09.00 – 09.05: Conference opening

Nickolas Reinhardt, Director, Afore Consulting

09.05 – 09.30: Fireside chat on the EU's Approach to FinTech regulation

Moderator:

Nickolas Reinhardt, Director, Afore Consulting

Mairead McGuinness, European Commissioner for financial services, financial stability and Capital Markets Union

09.30 – 10.00: Keynote: 'Taxation in the Digital Age'

Gerassimos Thomas, Directorate-General for Taxation and Customs Union, European Commission

10.00 – 11.15: Panel on Effective risk management: leveraging the cloud, AI & data

The introduction of new technologies and processes brings huge opportunities for the financial services industry. The access to instant and more comprehensive data, as well as the application of new analytical capabilities allows the industry to better measure and assess risks. It contributes to a risk-based approach to decision making and a better optimisation of resources. At a time where regulation and compliance are becoming increasingly important cost drivers, technology can help manage some of these burdens financial institutions face. At the same time, it raises important new questions for the supervisory community. Technology offers the opportunity for new and innovative financial centres to differentiate themselves globally. It allows for financial markets to become even more integrated. At the same time it requires a new skillset from supervisors and challenges the way supervision is being conducted, including in relation to outsourcing and the delegation of services.

What are some of the main trends in the adoption of AI, cloud and data sharing in the area of risk management? Are these trends consistent across the financial sector or are we seeing patterns of early adopters? How is the adoption of new technologies for risk management purposes expected to evolve over the next years? Are there limits of quantitative analysis? What does the use of new technologies in risk management mean for the supervisory process? Are Europe's supervisors equipped to adapt to the new market realities? What type of a regulatory approach should Europe adopt? The EU's current preference is for cross-sectoral solutions, such as in the AI Act, GDPR or Data

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Governance Act. Is this sufficient or do we need sector-specific regulation? How do we balance the need for exploratory innovation with the need for a level-playing field and EU-wide supervisory convergence?

Moderator: Daniel Trinder, Senior Policy Advisor, Afore Consulting

Introductory remarks:

- **Emmanuel Givanakis**, CEO, Abu Dhabi Financial Services Regulatory Authority

Panellists:

- **Li XuChun**, Head and Deputy Director of Artificial Intelligence Division, FinTech & Innovation Group, Monetary Authority of Singapore
- **Luciano Brincat**, Senior Manager, FinTech Supervision, Malta Financial Services Authority
- **Audrey Plonk**, Head of Digital Economy Policy Division, Directorate for Science, Technology and Innovation, OECD
- **Uwe Klapproth**, Risk Management Division, Technology Risk and Business Continuity, Euroclear
- **Tony Sio**, Head of Marketplace Regulatory Technology, Nasdaq

11.15 – 11.30: Coffee Break

11.30 – 12.00: Keynote speech: “Supervision in a fast-paced digital world”

Petra Hielkema, Chairperson of the European Insurance and Occupational Pensions Authority (EIOPA) and FinTech Champion, IAIS

12.00 – 12.30: Fireside on EU AI Policy

Axel Voss, Member of the European Parliament, Rapporteur on AI in the Special Committee on Artificial Intelligence in the Digital Age

12.30 – 13.00: Keynote speech: “Changing landscape, changing supervision: preserving financial stability in times of tech revolution”

Steven Maijor, Executive Director, De Nederlandsche Bank (DNB)

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13.00: Closing

Nickolas Reinhardt, Director, Afore Consulting

Afternoon session

14.30 – 15.00: Keynote speech: “Keeping on track in an evolving digital world”

Verena Ross, Chair of European Securities and Markets Authority (ESMA)

15.00 – 16.00: Panel on tokenisation and digital solutions for an effective CMU

The EU remains committed to creating a Capital Markets Union. The acceleration of technologies can assist in overcoming fragmentation and potentially leapfrogging some of the established financial infrastructures that lie at the heart of modern capital markets, such as trading and post-trade infrastructures, transaction reporting and the transfer of ownership. Converting securities into tokenised representations of themselves, the use of distributed ledger technology or the emergence of a common consolidated reporting tape are examples of new, potentially cost-efficient approaches explored by the financial services industry.

Beyond pilot projects and exploratory work has the use of technologies begun to transform wholesale securities markets in Europe? What is the potential of new technologies, especially as a means of integrating the EU's capital markets? How does this align with the EU's and customers' aspiration of the wider digital transformation of the economy, such as the Industrial Revolution 4.0? What regulatory or supervisory impediments exist against the roll-out of new technologies in the wholesale markets? In advancing these objectives, how do we ensure a level playing field and market integrity? How do we ensure legal certainty, especially in a cross-border context? Is this an area where industry would benefit from international regulatory consistency?

Moderator: Kirston Winters, Managing Director, Chief Risk Officer, OSTTRA

Panellists:

- **Lukas Repa**, Senior Policy Officer, Digital Innovation and Blockchain Unit, DG CONNECT, European Commission
- **Morten Linnemann Bech**, Head, BIS Innovation Hub Centre Switzerland, Bank for International Settlement (BIS)
- **Paul Maley**, Global Head of Securities Services and Regional Head of Corporate Bank UK & Ireland, Deutsche Bank
- **Björn Storim**, European CEO, BNY Mellon
- **Ondřej Kovařík**, Member of the European Parliament

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16.00 – 16.15: Coffee Break

16.15 – 17.15: Fireside chat on global and domestic perspectives

Moderator: Nickolas Reinhardt, Director, Afore Consulting

Panellists:

- **Robert Ophèle**, Chairman of the Autorité des Marchés Financiers (AMF)
- **Jean-Paul Servais**, Chairman of the Financial Services and Markets Authority (FSMA) and Vice Chair of IOSCO

17.15 – 17.35: Keynote: "The digital transformation in Asset Management"

Eric Pan, President and CEO, Investment Company Institute

17.35 – 18.00: Break

18.00 – 18.30: Fireside chat

Moderator: Daniel Trinder, Senior Policy Advisor, Afore Consulting

Panellists:

- **Thomas Kurian**, CEO, Google Cloud
- **Sylvie Goulard**, Deputy Governor, Banque de France

18.30 – 18.45: Keynote on Cybersecurity – The EU and US perspective

Rahul Prabhakar, Deputy Assistant Secretary for Treasury's Office of Cybersecurity and Critical Infrastructure Protection (OCCIP)

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18.45 – 19.00: Closing Keynote – The International Dimension of FinTech regulation

Alexandra Jour-Schroeder, Deputy Director General, DG FISMA, European Commission

19.00: Conference closing

Nickolas Reinhardt, Director, Afore Consulting

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