
Press release

AFME outlines digital finance priorities for the new EU policy cycle

1st August 2024

The Association for Financial Markets in Europe (AFME) today published a report titled “*Digital Finance in the EU – Priorities for fostering resilient, innovative and competitive financial markets*”, presenting its recommendations for supporting the development of capital markets and increased access to finance for the real economy through new technologies.

The report focuses on the following main areas:

- **Unlocking the benefits of tokenisation and DLT technologies in capital markets:** AFME highlights how the development of Distributed Ledger Technology (“DLT”) holds promise for unlocking efficiencies and driving growth. Payments, settlement, and securities lifecycle events may be carried out with greater safety and more efficiency; access to capital markets, through tokenised securities/assets, may be expanded to a broader set of participants. At scale, these developments would benefit the real economy.
- **Supporting an effective data ecosystem:** The EU’s proposed Financial Data Access (FiDA) framework, if designed correctly, has the potential to enhance the way banks operate, encourage innovation (including across sectors, if some provisions are met) and support a more effective and efficient data ecosystem. However, a clearer definition of the scope, stronger safeguards to ensure a level playing field and a gradual implementation are key preconditions for a workable framework.
- **Promoting a secure and resilient EU digital finance sector:** Work to ensure a successful and proportionate implementation of DORA will remain central in the coming months.
- **Leveraging the opportunities from the use of artificial intelligence (AI):** AI has the potential to transform financial services and capital markets, to make them safer, more efficient, accessible, and better tailored to consumer needs. At the same time, these opportunities require careful consideration of new risks and challenges introduced by a growing use of AI.

Commenting on the report, Stefano Mazzocchi, Managing Director, Advocacy at AFME, said: “*Banks have been at the centre of a profound digital transformation, a process which will continue and accelerate in the coming years. As the EU begins a new policy cycle, digitalisation of finance has the potential to support the development of capital markets. By increasing efficiency, lowering costs, boosting transparency and availability of information and allowing greater access to data, digital technologies can support the CMU project and allow greater access to capital markets both for entrepreneurs and institutions looking for funding, and generate returns for investors. With its digital finance strategy, the EU has been an early mover in this area and we look forward to continuing engagement and dialogue with all stakeholders to facilitate digital innovation*”.

– Ends –

AFME Contacts

Rebecca O’Neill

Association for Financial Markets in Europe

London Office: Level 10, 20 Churchill Place, London E14 5HJ, United Kingdom T: +44 (0)20 3828 2700

Brussels Office: Rue de la Loi 82, 1040 Brussels, Belgium T: +32 (0)2 883 5540

Frankfurt Office: : c/o SPACES – Regus, First Floor Reception, Große Gallusstraße 16-18, 60312, Frankfurt am Main, Germany
T: +49 (0)69 710 456 660

www.afme.eu

Head of Communications and Marketing (Interim)

rebecca.oneill@afme.eu

+44 (0)20 3828 2753

Notes:

1. AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website: www.afme.eu
2. Follow us on X, formerly Twitter, [@AFME_EU](https://twitter.com/AFME_EU)