
Press release

AFME welcomes publication of final report of Expert Group on Regulatory Obstacles to Financial Innovation

13 December 2019

Following the publication of the final report by the European Commission's Expert Group on Regulatory Obstacles to Financial Innovation (ROFIEG), **James Kemp, Managing Director, Head of Technology and Operations at AFME**, said:

"This latest report is key to furthering the digital agenda in Europe over the course of the next Commission mandate. A strong technology agenda is essential for the EU to remain competitive and at the forefront of global innovation. Future success will depend on the ability to achieve long-term benefits from new technologies."

"AFME looks forward to supporting the work of the European Commission to ensure that there is a regulatory environment that nurtures innovation and helps EU financial institutions to take advantage of the vast range of opportunities FinTech presents."

AFME in particular welcomes the following parts of the report:

- The case made for **harmonisation**. The need to reduce fragmentation and ensure greater coordination and consistency in regulatory approaches is a pre-requisite for the development of a strong Financial Technology (FinTech) ecosystem in Europe. In this respect, the role allocated to the European Supervisory Authorities (ESAs) to ensure more effective coordination of innovation hubs and regulatory sandboxes is very welcome.
- The focus on **ensuring a level playing field**, notably through enhancement to the frameworks governing access to data, which is vital for supporting future competition. AFME recommends that EU authorities monitor and carefully analyse the impact of increased competition from new market entrants with a view to assessing the potential effect in areas such as financial stability, cyber security and resilience, data sharing and protection, consumer protection and lending standards.
- The endorsement of the principle of **technology neutrality**. A technology-neutral, principles-based approach is needed to encourage the adoption of new technologies, as well as for addressing any ethical and transparency concerns that may raise.
- The focus on ensuring **strong consumer and investor protection**. New technologies will only be adopted if users and customers can trust them. In this respect, it is important that the Commission takes steps to ensure that the potential financial stability and consumer protection risks linked to the development of FinTech are appropriately monitored.

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About AFME:

AFME (Association for Financial Markets in Europe) advocates for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society. AFME is the voice of all Europe's wholesale financial markets, providing expertise across a broad range of regulatory and capital markets issues. AFME aims to act as a bridge between market participants and policy makers across Europe, drawing on its strong and long-standing relationships, its technical knowledge and fact-based work. 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. Follow us on Twitter @AFME_EU