

Strengthening Supervisory Capacity in Innovative Digital Finance

The flagship technical support project

This flagship technical support project is targeted at Member States wishing to strengthen supervisory capacity in the area of innovative digital finance, taking into account the objectives of the EU Digital Finance Strategy and the need to foster supervisory convergence across financial sector activities. Understanding the risks and opportunities posed by the latest application of technology to finance is key to enhance the supervisory framework on an EU-wide scale, and to ultimately maintain financial stability in a forward-looking manner while promoting business initiatives. To this end, the flagship has created the first EU-wide Academy for digital finance, offering a systematic training programme to participating supervisory authorities, aimed at enabling them to deepen their understanding of the complex FinTech world, and to establish advanced supervisory technologies and best practices.

A forward-looking approach to digital finance

Knowledge

- Acquisition of new expertise and know-how
- Building-up synergies with ESAs and peer supervisory authorities.

Supervision

- Developing advanced tools and practices to tackle digital finance risks
- Sharing experiences with a cross-border/cross-sectoral perspective.

Regulation

- Informing the development of regulatory approaches to digital finance
- Understanding the potential of technology for enhancing regulation.

The SDFA represents a unique opportunity for integrating knowledge and perspectives, through the involvement of:

The European Supervisory Authorities identify priorities and provide guidance and support to the programme. **Experts from Competent Authorities, international regulatory bodies and industry practitioners** provide knowledge and practical experience. **European University Institute - Florence School of Banking and Finance** supports the development and organization of the training program, produces materials and contributes to the implementation of the program.

Impact objectives

Strengthening supervisory capacity in the area of innovative digital finance, supporting also the EU Digital Finance Strategy.

Disseminating knowledge on innovative applications of technology to financial activities, as well as on supervisory tools and practices in use in the area.

Shaping successful, future-oriented EU and national policies, implemented through efficient tools and advanced practices.

Upscaling supervisory and regulatory approaches

The Academy is open for participation to supervisors and financial intelligence units from all EU Member States and ESAs' staff. The EU SDFA will help not only to disseminate knowledge, but also to build practical skills helping to assess innovative projects and understand related risks and opportunities, and to feed the policy making process of the European Commission and the work of the ESAs.

Technical Analysis

Building technical understanding of advanced technologies currently emerging on the market.

Capacity Building

Developing supervisory capacity, leveraging on experience from peers and EU/international authorities.

Supporting Supervisory Convergence

Strengthening tools and practices for the analysis of digital finance opportunities and risks.

Tailor-made approach

The Academy will provide to the participants the opportunity to combine core, foundational knowledge, with more advanced, sector-specific subjects, following a learning approach that will combine in-presence and online events.

The list of topics will be updated on a yearly basis so as to reflect the evolving landscape of digital finance. The activities of the Academy will also include the preparation of yearly reports based on inputs from Academy activities, covering supervisory needs, emerging challenges, risks and best practices in the area of innovative digital finance. The full programme inputs will be made available at anytime to all users through a single platform.

Comprehensive training curricula

Digital Finance Regulation

Technologies applied to finance

Virtual assets and currencies

Cyber risks and resilience

Financial Literacy and Consumer Protection

- European Digital Finance strategy and European regulatory framework on digital finance
- Big Data/AI/Machine Learning
- Blockchain: technology and use cases
- ICT cyber resilience and cyber risk
- Behavioural finance and consumer protection issues in a digital environment

Key Workshops

- Organized by ESAs
- Opportunity to enable peer-to-peer exchanges and sharing of experiences in the area of digital finance
- Sectoral approach with focus on common, horizontal challenges

More info at
www.eusdfa.eu.eu