

EU Supervisory Digital Finance Academy (EU-SDFA)

Executive Seminar on Strategic Innovation on Supervision

10-11 April 2024

European Commission – Berlaymont Building

Room Jean Rey

Rue de la Loi 200, 1049, Bruxelles

Organisers:

Florence School of Banking & Finance

in cooperation with the European Supervisory Authorities (ESAs)

and the European Commission (DG REFORM and DG FISMA)

Programme

Day 1 – Wednesday, 10 April 2024

9.30 – 10.00 **Welcome remarks and ice-breaking exercise**

DG REFORM – *online*

Florence School of Banking and Finance, European University Institute

10.00 – 11.15 **Session 1. Taking stock: The Digital Finance Package four years on**

DG FISMA

ESMA

Chair: Florence School of Banking and Finance, European University Institute

The session aims to take stock of the initiatives launched within the 2020 EU Digital Finance Strategy framework and the challenges associated with their implementation. Against the backdrop of an ever-changing global financial regulatory landscape, speakers will guide participants along the journey of the EU actions undertaken to put in motion the 2020 Strategy, with a specific focus on the Markets in Crypto-Assets Regulations (MiCAR) and the Digital Operational Resilience Act (DORA), highlighting the initial expectations and rationale, as well as the achievement of the ongoing implementation process to date. The aim is to stimulate discussions among panellists and workshop participants on the implications of the new regulatory framework for the National Competent Authorities (NCAs), its strengths and potential shortcomings in light of the evolution of digital finance risks, and on the challenges that these might pose.

11.15 – 11.45 *Coffee break*

11.45 – 13.15 **Session 2. Technology and Supervision: Keeping pace with digital financial innovation**

Introduction to the session: DG REFORM – *online*

NCAs' experiences:

Autorité de contrôle prudentiel et de résolution - French Prudential Supervision and Resolution Authority

Latvijas Banka - Bank of Latvia

Österreichische Finanzmarktaufsicht - Financial Market Authority Austria

Urząd Komisji Nadzoru Finansowego – The Polish Financial Supervision Authority

Chair: EIOPA

The rapid transformations of financial services and markets pushed by digitalisation have had a significant impact on the mandate, role, and responsibilities of financial supervisory authorities: on the one hand, these should confront the challenges presented by digitalisation to prevent detrimental consequences for consumers and markets proactively; on the other hand, these should develop improved tools and enhance staff skills to ensure the oversight of technological developments within the financial sector and the uptake of SupTech solutions. During this session, selected NCAs will present how their organisations have coped with the demand for change arising from digitalisation, with a view to foster debate on the implications, opportunities, and potential strategies to be pursued in an evolving supervisory landscape. NCAs' interventions will revolve around three main thematic areas: (i) the experience of innovation hubs and regulatory sandboxes and their future relevance in light of the evolution of the regulatory framework for AI; (ii) the organisational changes, including concerning capacity building actions and cooperation with other public authorities, brought by the need to cope with new products, services, and providers; (iii) the opportunities provided by, and the experiences in the use of SupTech applications.

13.15 – 14.30 *Lunch*

14.30 – 16:00 **Session 3. Group activity**

This group activity aims to facilitate reflection on supervisory challenges that National Competent Authorities (NCAs) across the EU could face when dealing with technological and market developments and changes in the regulatory framework. Within predetermined, real-life scenarios, participants will engage in discussions to explore various aspects of the impacts of these elements on their organisations, considering different levels of action and dimensions: within own internal structures, in the cooperation with other NCAs, in the interactions with the ESAs – that might act as facilitators –, and in the collaboration with non-EU and non-financial authorities.

16.00 – 16.30 *Coffee break*

16.30 – 17:45 **Session 4. The Future of EU Regulation: Upcoming priorities**

DG FISMA
DG REFORM
EBA

Chair: Florence School of Banking and Finance, European University Institute

This seminar will address the emerging digital finance regulatory and supervisory priorities, reflecting on where EU initiatives stand, anticipating future supervisory gaps, and providing a view on the complementarity between policy actions and technical support. Expanding upon the initiative already set in motion by the proposals for a Financial Data Access Regulation (FIDA) and amending and modernising the existing Payment Services Directive (PSD2), the policy effort to establish an open finance framework requires additional attention. The session will also consider the impact of the Artificial Intelligence Act: by implementing a horizontal policy approach for AI applications, the Act has “stabilised” the regulatory framework, providing opportunities for the deployment of AI within the financial sector while recognising that some of its uses are due to fall into the category of “high-risk AI systems”, being hence subject to specific safeguards and requirements. The session will also take stock of how the Commission's technical support has accompanied national authorities to address digital finance opportunities and risks, providing a perspective on how it will continue to do so – possibly anticipating relevant future regulatory and supervisory trends.

Day 2 – Thursday, 11 April 2024

9.30 – 9.45 **EU-SDFA two years on**

DG REFORM

Florence School of Banking and Finance, European University Institute

9.45 – 11.15 **Session 5. The Future of Regulation and the role of the EU-SDFA**

DG Reform

EBA

ESMA

EIOPA

Chair: Florence School of Banking and Finance, European University Institute

Session 5 will provide a platform for NCAs to reflect upon the future of EU-SDFA with a forward-looking approach, aiming to align EU-SDFA's objectives to the rapidly evolving financial landscape to be at the frontier of policy discussion.

11.15 – 11.45 *Coffee break*

11.45 – 12.45 **Session 6. Group activities on EU-SDFA future priorities**

This group activity aims to foster a constructive discussion among participants on the priorities that a potential EU-SDFA 2.0 should address. Considering the internal needs of NCAs over the next five years, participants will address critical questions regarding possible issues, format and target audience while imagining the establishment of an EU-SDFA 2.0.

12.45 – 13.00 Final remarks

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DG REFORM

13.00 – 13.45 *Light lunch*