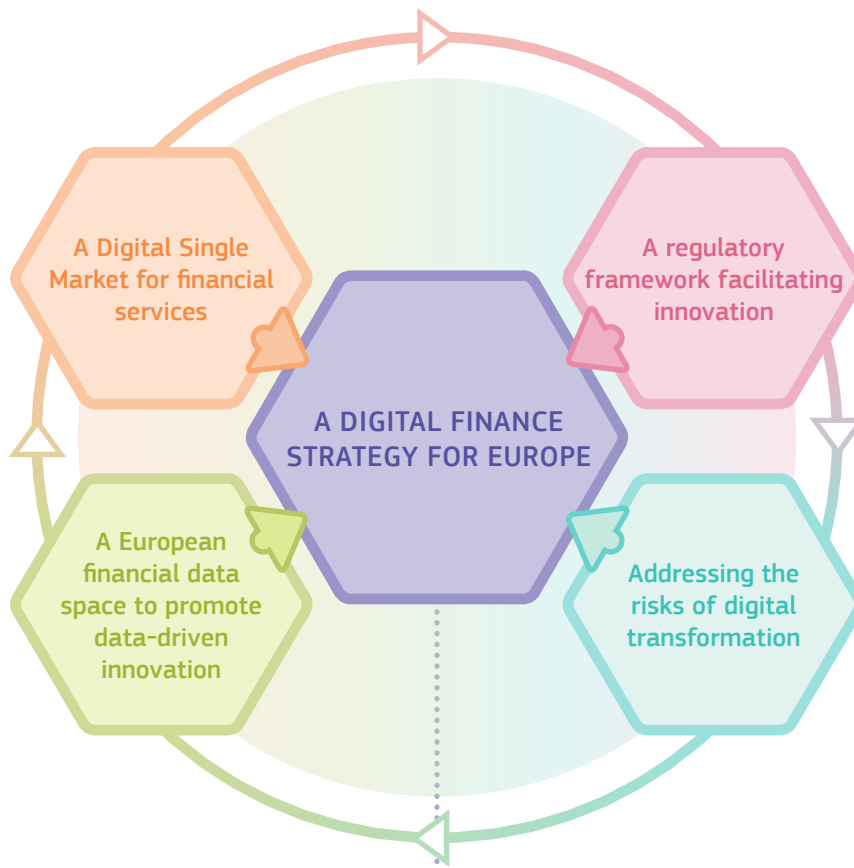


European Commission

#DigitalFinanceEU

A DIGITAL FINANCE STRATEGY FOR EUROPE

September 2020



THE BENEFITS OF DIGITAL FINANCE



Better financial products for consumers and new ways of channelling funding to EU businesses, in particular SMEs.



Supports Europe's economic recovery strategy and opens up new channels to mobilise funding to support the Green Deal and the New Industrial Strategy for Europe.



Cross-border digital finance will enhance financial market integration in the Banking Union and the Capital Markets Union.



Strengthen Europe's ability to retain and reinforce our open strategic autonomy in financial services.

THE DIGITAL FINANCE STRATEGY AT A GLANCE:

Enabling EU-wide interoperable digital identities in finance



At the beginning of the coronavirus pandemic, the use of financial applications in Europe increased by 72% in a week.

- Strict rules to identify customers and prevent money laundering.
- Pave the way for harmonised customer identification rules in EU Member States.
- Single digital identification across Europe to allow for fast and easy customer identification. Businesses would have a single solution. Customers would only need to identify themselves once.

Open finance: Promoting business-to-business data sharing in the EU financial sector and beyond

- Ensure that consumers have better access and control over their personal data.
- Allow access to more customer and business data which would enable financial services providers to offer more personalised services, address customer needs in a tailor-made manner.
- Enable people and businesses to compare products and find more cost-effective options.

Clear and comprehensive EU rules for crypto-assets



Crypto has potential to reduce payments and securities costs up to 50%.

- A European passport for crypto-assets with strong safeguards to ensure consumer protection and financial stability.
- Unleash the full potential of crypto-assets in order to lead to innovative payment solutions for consumers and new financing opportunities for businesses.
- Reap the benefits of crypto-assets while regulating their risks, such as thefts from digital wallets, fraud, use for money laundering.

Mitigating risks of digital transformation by strict and common rules on digital operational resilience



During the pandemic, cyberattacks on financial institutions have risen by 38%.

- All financial entities will be subject to operational resilience requirements to ensure a safe financial system across sectors and avoid a domino reaction.
- Critical ICT third-party providers (e.g. cloud computing services) will be subject to oversight to ensure they do not pose undue operational risks for finance.

Ensuring “same activity, same risks, same rules”

- From traditional market actors (banks, insurance and investment companies) to Fintechs and Bigtechs that provide payments, savings, insurance, everyone is subject to supervision.
- Supervisors will be better equipped to avoid risks in the financial system and therefore to better protect financial stability.