Being the only Italian member of the ROFI Expert Group, I organized on February 13, 2020, just before the lockdown, an event in Milan at Università Cattolica to present the result of our work. A large number of people took part, both university students and sector operators.

The meeting opened with the greetings of Elena Beccalli, Dean of the Faculty of Banking, Finance and Insurance Sciences, Chiara Frigerio, Secretary General of Cetif (Centre for Research in Technologies, Innovation and Financial Services), and Massimo Gaudina, Head of the Regional Representation of the European Commission in Milan.

The event was organized in two parts.

During the first part, Mario Nava, Director DG Fisma, described the main actions that the Commission has planned to implement in 2020 in the Fintech sector and Philipp Paech, Chairman of the Expert Group, and I described the overall approach of the Report and explained the most important of the 30 recommendations.

During the second part, we chose to organise a round table discussion during which the main contents of the Report were discussed by representatives of incumbent financial institutions (in particular Paola Fico, Borsa Italiana, e Victor Massiah, Ubi Banca) and of new entrants into the financial market (in particular start-ups: Pietro Cesati, Soisy; Christian Miccoli, Conio). Ministry of Economy and Finance executive (Stefano Cappiello) and representatives of the Italian supervisory authorities (Bank of Italy, Consob and IVASS) were also present. We also invited exponents of the BigTechs, but unfortunately they were unable to attend the meeting. More in general, I must point out that it is always quite difficult to get big-tech companies to talk to small start-ups and incumbent financial institutions. And it is not positive for a constructive dialogue among stakeholders involved in the fintech ecosystem.

In general, the approach used in the ROFIEG Report found consensus, especially on two specific points: technological neutrality and the need to create a welcoming regulatory environment both at the European and national level.

With regard to tech neutrality, what emerged from our event is that it is important to well understand this principle: on one hand, it is essential to build rules without reference to a specific technology by which financial services are to be provided (and also without reference to pen and paper). On the other hand, however, it is fundamental to issue rules that take into consideration new technological paradigms (for example, DLT/blockchain or machine learning), especially when new specific risks arise from them (third dependencies, impossibility to access the correctness and appropriateness of totally automated decision, unfairly discrimination in the access to vertically integrated platform business models). So, it was very much welcomed the so-called risk-based approach, that is an approach built according to the activities carried out and the specifically related risks.

Moving on to the issue of innovation friendly regulatory environment, in Italy the need to simplify the rules and make them as cross-border and cross-sectoral as possible is stressed. With regard to the first point (cross-border), a regulatory response at European level is considered really essential to avoid distortive effects and obstacles to the creation of a true internal market. With regard to the second point (cross-sectoral), it is necessary not only to overcome the boundaries towards sector-specific regulation (banking, securities markets, insurance), but also to narrow the currently too large difference between regulated and unregulated sectors. In conclusion, there is a need for a few appropriate and general rules and not many specific and highly detailed rules with the high risk of gaps and overlaps.
In Italy in the months following the event there have been many initiatives in the digital finance sector that follow inputs coming from Europe. During the pandemic, initiatives have multiplied because what was previously a convenience has now become a necessity.

I would like to focus in particular on two of these initiatives that in my opinion are very significant for Italy, especially if a connection will be established with similar European projects.

The first is a regulatory sandbox to be set up at the Ministry of Economy and Finance, that will offer the possibility of experimentation with the assistance of all the supervisory authorities in the financial sector.

In the months following the event there has been a public consultation which received great interest from stakeholders. There were 34 contributions from FinTech operators, trade associations, academics, law firms. A decidedly significant number, a sign of the strong expectation from the sector for the introduction of the sandbox in the Italian system. All contributions expressed appreciation for the regulatory initiative, giving some useful indications aimed at clarifying the subjective and objective perimeter of the experimentation and at providing some proposals for simplification and graduation of the access requirements and the content of the experimentation request.

One of the most interesting aspects of this initiative is that it also provides for the establishment of a FinTech Committee in which not only financial supervisors but also other authorities (such as the Italian Data Protection Authority and the Italian Antitrust Authority) will participate.

This Committee can help to overcome the boundaries between regulated and non-regulated activities and operators by creating a truly innovation-friendly and welcoming environment.

Another important initiative specifically aimed at making our supervisory environment more innovation-friendly comes from the Bank of Italy, which, in collaboration with other Supervisory Authorities and some universities, has decided to strengthen its presence on the Fintech frontier at the service of the country, continuing the previous experience begun with the payments sector, which has always been an incubator for innovation. And also during the pandemic, payments were at the heart of economic and social relations and the extreme importance of technological development became evident, also from the perspective of more efficient capital raising and fundraising.

The Bank of Italy will provide an integrated offer of innovation facilitators at the service of the country, with a wide and diversified offer of listening and support. One of these is Milan Hub, which will not only strengthen the activity of listening to the needs of the operators but will see the Bank of Italy, and all the Authorities with which it collaborates, also in a dimension of proposal and impulse.

Milano Hub intends to be a resource also for national and European institutions, which will be able to exploit the strength of the project analysis; it will also be an element of enhancement of public and private innovation accelerators, with which it will collaborate in a logic of "network" and exploitation of synergies also in different areas.

The Bank of Italy, following the positive experience of the European Group of Fintech experts, will also launch several Groups/Committees of independent experts, who will work autonomously to develop a cross-sectoral vision of the issues.