

**Speech by John Berrigan,  
Director General for Financial Stability, Financial Services  
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at the Digital Finance Outreach 2020 Dublin conference**

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Ladies and gentlemen,

It is a pleasure for me to be at the Digital Finance Outreach 2020 Dublin conference. And, I would like to thank the organizers for inviting me to this “New era Digital stage” to speak on behalf of the Commission about the new opportunities - and some challenges - ahead of us.

Today, the process of digitalisation is transforming the European financial system and the provision of financial services to Europe’s businesses and citizens. As Minister Donohoe has just said, the financial ecosystem is continuously evolving and thriving. Technologies are

moving from experimentation to pilot testing to the deployment stage (e.g. blockchain; artificial intelligence; Internet of Things).

In the financial sector, an increasing number of innovative and vibrant FinTechs have sprung up across the EU in recent years. New companies are being set up, and established firms are growing and scaling up to meet the digital challenge.

Digital currencies and the emergence of 'BigTech' are only the most visible examples of a fundamental transformation. It is a change that is bringing innovation and making many European cities prominent hubs of a new FinTech culture. And, Dublin represents one of the forerunners, hosting not only EU firms but also firms from outside of the EU, which have chosen Ireland as their base.

This positive direction of travel in digitalisation was already clear before the onset of the Covid-19 crisis. But, it is clear that digitalization of the financial sector will accelerate because of the crisis.

The social distancing measures required to address the pandemic have underscored the importance of innovations in digital financial products services for all. This includes those users who are not so-called “digital native” (like me!), as during the lockdown everybody is obliged to rely much more on remote services. A lot of inertia with respect to the use of digital technology has simply been removed – and we will not be returning to old ways of doing business.

At the same time, as people access their bank accounts and other financial services remotely, and as financial sector employees work remotely, the operational resilience and the integrity of a digitalized financial sector has becoming even more important. So, the challenges of remote access must be addressed also.

We want to ensure that the EU remains among the leading jurisdictions in the development of the digitalized financial sector. This is an objective in itself!

But, digital finance should also support other key EU financial-sector policies - aimed at promoting market financing, helping the financial system green the economy, and strengthening monetary sovereignty and the international role of the euro.

At the same time, the digital transformation is increasingly blurring the distinction between the financial sector and other parts of the economy. So, our starting point cuts across sectors. For example, in February, the Commission published a European data strategy and a white paper on artificial intelligence which encompasses the financial sector but has a much wider focus.

But, to complement this horizontal agenda, the Commission is preparing a more specific strategy on digital finance. This will notably set out our thinking on how to pool and share data in the financial sector, complementing the horizontal data strategy we set out earlier this year. Going forward the European Commission will be working on this new strategy, to ensure that the EU can make the most of FinTech and compete globally.

To feed into this digital finance strategy, the Commission wants to have the advice and opinions of consumers, companies and national authorities - all of you - via the public consultations that we have launched in early April and that will be open until the end of June this year.

In addition, a number of online outreach events, as the one we are taking part in now, are being planned in most of the different Member States. We are seeking your views on questions such as: How can consumers and businesses benefit from digital finance while still

being protected? How can we regulate innovative technologies without killing them off? How can we ensure a level playing field between banks, FinTechs and BigTechs?

You can be assured that the results and feedback from these outreach sessions will feed into the key priorities for a future EU digital finance strategy. So, I strongly urge you to participate!

Today, we are also taking action to ensure that our rules support innovation. The Commission services are preparing legislation to create an enabling framework for crypto assets. This will include rules governing global stable coins, which bring obvious potential but also distinct financial stability and monetary policy risks.

Given financial firms' increased reliance on digital technologies we also need to ensure that firms can withstand problems and maintain services even if they were exposed to e.g. cyber attacks. To that end, we are

also preparing legislation to increase financial firms' operational resilience.

As I already mentioned, one of the few upsides of the current pandemic is that it has illustrated the benefits of digital finance. Consumers and firms will increasingly turn to digital technologies when using and providing financial services.

We need to guide and shape that process to ensure that it works for all and that risks are addressed in a proportionate manner.

Today, Europe's strategic objective should be to ensure that European consumers and firms fully reap the benefits stemming from digital finance while being protected from the potential new risks. To achieve that, the European financial sector needs to be at the forefront of innovation and its implementation. Strong and innovative digital capacities in the financial sector

will help improve the EU's ability to deal with emergencies such as the COVID-19.

A couple of weeks ago, the Commission set out our ambition. We want to shape Europe's digital future, and lead the digital transformation. That ambition extends to digital finance also.

To this end, we will rely on the innovative spirit of many of Europe's financial firms. We are listening to many successful Fintech companies - Irish companies being among the best examples - to understand how we can further leverage on their potential

Needless to say, the timetable for the Commission's workprogramme has been impacted by the current crisis. We have been forced to refocus our efforts.

But, let me assure you that digital finance remains a priority and we look forward to work with Ireland and all



of the Member States to move forward this ambitious agenda.

Thank you.