



Council of the European Union
General Secretariat

Brussels, 20 January 2020

WK 570/2020 INIT

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WORKING PAPER

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From:	General Secretariat of the Council
To:	Financial Services Committee
Subject:	FSC meeting on 22 January 2020 Item 2: FinTech/Digital Finance Strategy and cyber risks, including crypto assets and digital operational resilience - Presentation by the Commission's DG FISMA



Digital Finance

**Presentation at
the FSC**

22 January

Jan Ceyssens, DG FISMA

Background

- *Key priority for von der Leyen Commission: "Making Europe fit for the Digital Age"*
- *EVP Dombrovskis was tasked to "put forward a FinTech Strategy to support new digital technologies in our financial system"*

State of play

- *Almost two years after the Commission adopted the Fintech Action Plan in 2018, the actions set out in it have largely been implemented.*
 - ROFIEG report published in December
- *Since adoption of the Action Plan, new challenges have arisen*

Work towards Digital Finance Strategy (1)

- *Making sure the EU remains among the leading jurisdictions in the digital development of the financial sector, while addressing related risks.*
- *Supporting key EU financial services policies (eg CMU, sustainable finance, international role of the Euro).*
- *Work across different files, units and departments within the Commission.*
- *Broad and upfront stakeholder consultations and outreach.*

Work towards Digital Finance Strategy (2)

- *Key areas of reflection*
 - Deepening the Single Market for digital financial services,
 - Promoting a data-driven financial sector in the EU while addressing its risks and ensuring a true level playing field,
 - Making the EU financial services regulatory framework more innovation-friendly, and
 - Enhancing the digital operational resilience of the financial system.

Legislative work: crypto assets

- *Consultation launched, open until 19 March.*
- *Basis: ESAs advice on crypto assets; Council/COM statement on stablecoins; int work.*
- *Broad scope & proportionate approach commensurate to risk.*
- *Crypto assets covered by existing legislation:*
 - Need for adjustment to ensure legal clarity and make legislation work?
- *Crypto assets not covered by existing legislation:*
 - New framework?

Legislative work: digital operational resilience

- *Consultation launched, open until 19 March*
- *Basis: ESAs advice; int. work.*
- *Four areas of consultation, based on ESAs:*
 - ICT requirements
 - Incident reporting
 - Testing
 - Third party providers
- *Close work with DG CNECT (interaction with NIS Directive, cloud service providers).*

Thank you!