

## Digital Finance

### Main messages

- The Commission is planning to adopt a **new strategy for digital finance** in the coming months. We want to ensure the European financial sector embraces and drives the digital revolution in finance and that consumers benefit from it.
- We are currently reflecting about the priorities for the next 5 years and key areas of reflection include:
  - further deepening the Single Market for digital financial services;
  - promoting a data-driven financial sector 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.
- The retail banking sector wants to use more 'real world' data about their clients. We are aware that such data would be mainly, but not exclusively, held by 'BigTech' online platforms.
- Furthermore, the financial sector depends increasingly on third party tech providers – such as cloud service providers – to run core banking systems.
- Data portability is crucial for the sector to avoid dependence on third party providers, stimulate innovation and ultimately mitigate concentration risks.
- To address these issues, the Commission is engaging in a number of consultations on **developing standard contractual clauses for cloud outsourcing by financial institutions**.
- We intend to harmonise further ICT risk management requirements for all financial entities, while ensuring proportionality for the various sectors. We will improve the rules to report cyber incidents to authorities, the testing framework and the supervisory oversight of critical third parties that regulated entities rely on for key services.

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**Defensives**

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