

Banking Conduct Regulation: recent developments and future challenges

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The EBA's current priorities on Banking Conduct

- Protecting consumers
- Monitoring financial innovation
- Contributing to easy retail payments in the EU
- (Enhancing convergence in the supervision of consumer protection)



Topical issues relevant for consumers in the EU

- Over indebtedness
- Banking fees and costs
- Selling practices
- Foreign currency loans
- Innovation in payments
- Alternative financial services providers
- Innovative uses of consumer data



The EBA's Fintech Roadmap

- **monitoring the regulatory perimeter**, including assessing **current authorisation and licencing approaches** to FinTech firms, analysing **regulatory sandboxes and innovation hubs** with a view to developing a set of best practices to enhance consistency and facilitate supervisory coordination;
- **monitoring emerging trends** and **analysing the impact** on incumbent institutions' business models and the prudential risks and opportunities arising from the use of FinTech in order to enhance **knowledge sharing**;
- **promoting best supervisory practices** on assessing **cybersecurity** and promoting a common **cyber threat testing framework**;
- **addressing consumer issues arising from FinTech**, in particular in the areas of unclear regulatory status of FinTech firms and related disclosure to consumers, potential national barriers preventing FinTech firms from scaling up services to consumers across the single market, and assessing the appropriateness of the current regulatory framework for **VCs**;
- **identifying and assessing ML/TF risks** associated with regulated FinTech firms, technology providers and FinTech solutions



The EBA's Fintech Roadmap on Consumer Regulation

The EBA will conduct work in 2018 and 2019 on

- Unclear regulatory status
- Cross-border issues
- Disclosure
- Automation in advice
- Alternative dispute resolution
- Financial exclusion in the context of big data algorithms

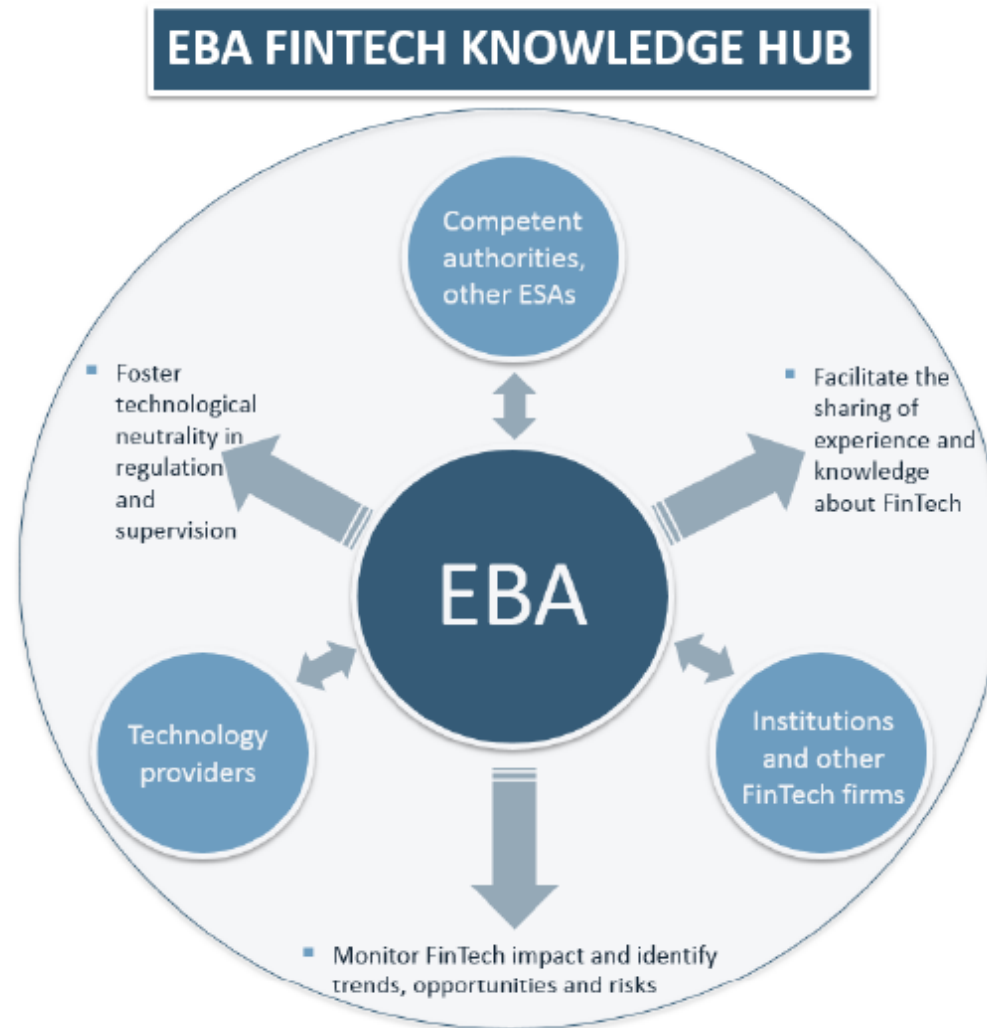
In addition, the EBA will continue to monitor

- Big Data
- National financial literacy initiatives
- Developments concerning the interaction between PSD2 and the GDPR
- The eIDAS regulation

- Source: EBA's Fintech Roadmap, 15 March 2018



The EBA's Fintech Roadmap



Key challenges

- Mitigate the risks of occurrence of mis-selling of financial products
- Deal with cross-border issues
- Enhancing convergence in the regulation/supervision of consumer protection
- Enhance information provided to consumers for comparability purposes
- Monitor consumer vulnerability and access under the digitalization trend



Key challenges on the regulation of Fintech

Find the appropriate balance between the benefits associated with innovation/competition and the risks on consumer protection/financial integrity

- Technological neutrality
- Protection of individual privacy
- Prevent breaches in the supervisory infrastructure
- Protect confidence in the provision of financial services



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