

8th Meeting of the Fintech Working Group
27 October 2021, 14h-15h30 (Brussels time/WebEx)
Chair MEP Stasys Jakeliūnas

Fintech and its Regulation in Real Life

Minutes

The 8th meeting of the FinTech Working Group kicked off with introductory remarks by the Chair, **MEP Stasys Jakeliūnas**, on the theme for discussion, “Fintech and its regulation in real life”. The Chair presented the industry representatives and the institutional guest speakers.

Mr **John Collison**, cofounder and president of [Stripe](#), began his intervention presenting the core business of Stripe, i.e., helping companies to run Internet businesses, and offering them a wider portfolio of services, from payment solutions to tax compliance facilities. Mr Collison outlined the huge progress made in the payments sector, and pointed out some developments and challenges for the financial sector, which will push the industry to develop further and become more competitive. These developments include electronic payments, crypto assets, and central bank digital currencies (CBDCs).

Mr **Philip Hallenborg**, founder and CEO of [ZealID](#), a Swedish company that provides EU qualified signatures allowing users to register and authenticate via FaceID, outlined the appropriateness of the current EU legislation in the FinTech sector, such as the eIDAS Regulation and the PSD2 and AML Directives. He also highlighted the non-harmonised application and implementation of this legislation throughout Member States, and pointed out that this was sometimes problematic for businesses.

Following the industry interventions, **Mr Dirk Haubrich**, Head of Conduct, Payments and Consumers at the European Banking Authority (EBA), congratulated the industry representatives to their businesses’ success, and outlined the opportunities that the EU single market in payment services is offering to businesses, and which the PSD2 and the EBA’s legal instruments in support of that Directive have further enhanced. He mentioned that the EBA was currently working on guidelines on digital identities and remote onboarding. He invited the industry speakers to express their views in response to the public consultation that the EBA will soon launch on this matter. **Mr Jan Ceysens**, Head of Unit Digital Finance at the Commission’s DG FISMA, emphasized the fact that regulation and innovation need to go hand by hand, and clarity is key to allow regulatory compliance throughout the EU. SEPA, Open Banking and value chains in the financial sector were crucial aspects for the promotion of FinTech solutions.

In the Q&A session, the business representatives were asked about their experience regarding the compliance with know-your-customer (KYC) rules. Mr Collison explained that Stripe is requested to comply with the same requirements regarding KYC than banks. Regarding the question on what else could be done to create a level playing field in the payment sector, Mr Haubrich explained the role of the EBA, and of the national authorities. Linked to this topic,

participants were enquired about the functioning of the current EU supervisory architecture. Mr Ceyssens of the Commission reiterated the important role of the supervisory bodies for the harmonisation and consistent application of EU legislation in the financial sector.

Mr Haubrich queried participants about their experience on the interaction of the GDPR rules with other relevant financial legislation such as the PSD2 Directive. Both Stripe and ZealID representatives acknowledged some potential conflicts between GDPR and other pieces of legislation. In addition, the business representatives mentioned some recent examples of their cooperation with supervisors and the European Commission.