Question for written answer E-004160/2020
to the Commission
Rule 138
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Subject: FinTech regulation in light of the Wirecard scandal

The pandemic has accelerated our use of electronic payments and digital wallets. As a result, a greater number of payments are likely to be made outside of the tightly regulated perimeter of financial services.

FinTech is evolving fast and, as the scandal in Germany revolving around one of Europe's tech champions, Wirecard, shows, regulation must evolve at the same speed.

Despite the fact that the firm's business was largely financial and also owned a bank, Wirecard was classified as a technology company rather than a financial services provider and was long considered to be a grey area when it came to traditional banking supervision.

The Wirecard scandal is emblematic of a sector with widespread financial stability implications, but one that has been given a free pass to sidestep regulatory rigour in order to foster innovation and growth.

According to the European Banking Authority, around 31 % of FinTech firms in Europe are not subject to any regulation. Consistent regulation, however, is key to removing ambiguity and preserving trust in finance, for both traditional and new players.

1. In light of the above, could the Commission indicate whether it is considering, within the new digital finance strategy that it will propose this year, a new European supervisory regime for non-bank participants and payment service providers?

2. If not, can it explain why?