



POLISH SECURITY PRINTING WORKS





Technology vs. Financial Integration

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WHAT IS TECH?

Meme stocks

Majority of retail investors lose money Near expiry option trading is basically gambling Democratisation of finance... just like subprime

Source: r/wallstreetbets \leftarrow

DeFi /Stablecoins / NFTs

Zero or negative sum games online AML/tax evasion schemes Wildcat Banking 2.0 Source: Cryptowriter.io ←





Gig Economy 2.0 Digital MLM schemes

Blockchains are slow, expensive and pseudonymous

 \rightarrow Source: Apecoin.com

CBDCs

"Parachute pants of central banking"

Solution in search of a problem

The Metaverse / Web3

Programmable money – an oxymoron?

 \rightarrow Source: Cointelegraph

IS IT REALLY MEANINGFUL?





FINANCIAL INTEGRATION

KEY AREAS

- Service passporting and accessibility
- Information sharing, best practices, exchange of knowledge
- Customer protection
- Markets' governance
- Risk sharing





MEANINGFUL THEMES IN TECH



DIGITAL IDENTITY

 \checkmark Identity is the new money

 \checkmark UX is king and biometrics can help



CLOUD

 \checkmark So much more than just the other people's computer

 \checkmark Time To Market is king and cloud can help



MACHINE INTELLIGENCE

 \checkmark Tech won't save us, may we not let it destroy us more

 \checkmark FIs are data banks and ML can help



CYBERSECURITY

 \checkmark PPP: information exchange, incident response, threat management

 \checkmark Cybersec by design, as data security is king.

INFRASTRUCTURE IS THE THING THAT DOESN'T DO ANYTHING, BUT ENABLES EVERYTHING ELSE TO BE DONE



REGULATORY IMPLICATIONS

△ RISK-BASED APPROACH

 \checkmark We don't need deregulation, we need better regulations

✓ Complexity of technology makes rule-based approach inapplicable

✓ Outdated regulations give markets a false sense of security

✓ Cyber risk is not enough. Let's talk about technology risk

♦ REGTECH / SUPTECH

- ✓ Cloud, data analytics, eIDAS,
 cognitive algorithms and APIs all in one
- ✓ New ways to engage with regulatory authorities
- \checkmark Compliance cost optimisation
- \checkmark Proactive, cost-effective supervision
- ✓ Toolbox for regulators needs updating

WEB1

- \checkmark Customer protection is key for building trust
- \checkmark The source of trust is humans, but technology can help
- ✓ Tech needs an integrated,
 responsible development via cross border, demand-side innovation
 ecosystems around CDD

LINKING INNOVATION TO NATIONAL SECURITY

THE ROLE OF THE EU

- Digital Sovereignty: semiconductors, connectivity, financial systems, digital identity
- Regulatory intervention frameworks: commercial interests and national security need more alignment
- Education: ecosystem-based approach to systemic innovation management needs more attention
- Investment: financial innovation is the mother of all innovations, as it enables funding of activities that turn research into products









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