



Fintech, Blockchain and digitalisation of SME: EC actions

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2019

- Digital investments taking place everywhere
- PSD2 changed the rules of the game
- FinTechs becoming global (Europe is strong in B2B)
- Large platforms entering the market
- Banking reaching higher level of digitalisation
- SupTech and RegTech has potential
- Dialogue between FinTechs - Regulators & Supervisors

FinTech Action plan

One year later



Commission implemented actions, helping the financial sector overcome challenges raised by new digital technologies

- *EU Regulation on crowdfunding service providers*
- *Joint work with ESAs on cybersecurity, licensing and authorisation requirements for innovative business models*
- *ESMA report on monitoring developments within crypto-assets and ICOs together with European and international partners - suggest action on ICOs beyond financial instruments*
- *ESAs reports on Innovation hubs and sandboxes in Europe*
- *EC expert group on regulatory obstacles to financial innovation (report Summer 2019)*
- *EU FinTech Labs with regulators (Cloud outsourcing, AI and robo-advice, suptech/regtech...)*
- *Standardisation: FinTech gaps standardisation mapping; Standardised payment services APIs - PSD2 (EC encourages consortia)*

Why Blockchain?

- *New paradigms and collaborative models in the digital economy (trust)*
- *Transformative capacities (e.g. disintermediation, tokenisation)*
- *Potential alternative model to dominant platforms (decentralisation)*
- *Higher quality and efficiency (e.g. data integrity, traceability)*
- *New opportunities that Europe must seize*
- *Role for public bodies and the private sector*



EU Blockchain Strategy

Holistic approach



ESTABLISHING GLOBAL LEADERSHIP IN BLOCKCHAIN AND DISTRIBUTED LEDGER TECHNOLOGIES



JOINED-UP POLITICAL VISION (EU-MS)

JOINT DECLARATION ON THE ESTABLISHMENT OF THE **EUROPEAN BLOCKCHAIN PARTNERSHIP** [EBP] AND THE DEVELOPMENT OF THE **EUROPEAN BLOCKCHAIN SERVICES INFRASTRUCTURE** [EBSI] FOR CROSS-BORDER DIGITAL SERVICES OF PUBLIC INTEREST



PUBLIC-PRIVATE PARTNERSHIP

SUPPORTING THE CREATION OF **THE INTERNATIONAL ASSOCIATION OF TRUSTED BLOCKCHAIN APPLICATIONS** [INATBA]; A MULTISTAKEHOLDER ORGANISATION TO PROMOTE TRUST AND INTEROPERABILITY AT GLOBAL LEVEL



CONNECTING GLOBAL and EUROPEAN EXPERTISE

THE **EU BLOCKCHAIN OBSERVATORY AND FORUM** BRINGS TOGETHER THE LEADING GLOBAL EXPERTS TO IDENTIFY OBSTACLES, INCENTIVES AND PRACTICAL SOLUTIONS TO PROMOTE BLOCKCHAIN UPTAKE.



INVESTING IN EU RESEARCH, INNOVATION AND START-UPS

THROUGH THE CONNECTING EUROPE FACILITY AND H2020 PROGRAMMES, THE EU IS CO-INVESTING IN THE MOST ADVANCED DIGITAL INFRASTRUCTURE AND **THE MOST INNOVATIVE EU START-UPS**
NEW EU INVESTMENT SCHEME FOR AI AND BLOCKCHAIN + SUPPORT PROGRAMME



PROMOTING AN ENABLING LEGAL FRAMEWORK, INTEROPERABLE STANDARDS and SKILLS DEVELOPMENT

EU Blockchain Observatory and Forum *Stakeholders engagement*



An Observatory and a Forum, an online and offline community, a map of 660+ projects, workshops, expert reports, trainings



#EUBlockchain

EU **BLOCKCHAIN** OBSERVATORY & FORUM





The European Blockchain Partnership



MANDATE OF THE EUROPEAN BLOCKCHAIN PARTNERSHIP JOINT DECLARATION 10th OF APRIL 2018

SIGNATORIES AGREE TO ENGAGE IN COOPERATION TO ESTABLISH A EUROPEAN BLOCKCHAIN SERVICES INFRASTRUCTURE [EBSI]

AIMING AT SPECIFIC DELIVERABLES

- Use-cases cross border digital public sector services
- Functionalities and architecture of the EBSI
- Governance Model

EBP POLICY GROUP

EBSI FOCUS



SUPPORT EBSI DEVELOPMENT
IDENTIFICATION AND SELECTION OF NEW USE CASES
ALIGNMENT OF EBSI PRIORITIES WITH POLICY PRIORITIES

POLICY FOCUS



DEFINE POLICY AGENDA ON DLT
IDENTIFY POLICY AND REGULATORY AREAS THAT ARE CRITICAL FOR BLOCKCHAIN TECHNOLOGY DEPLOYMENT. E.G. SMART CONTRACTS

AGREE ON REPRESENTATION AND PARTICIPATION AT THE INATBA GLOBAL REGULATORY DIALOGUES INITIATIVE

EBSI TECHNICAL GROUP

NOTARISATION U-G

DIPLOMAS U-G

ESSIF U-G

TAXATION – IOSS U-G

...

INATBA

Industry engagement



INTERNATIONAL ASSOCIATION OF **TRUSTED BLOCKCHAIN** APPLICATIONS

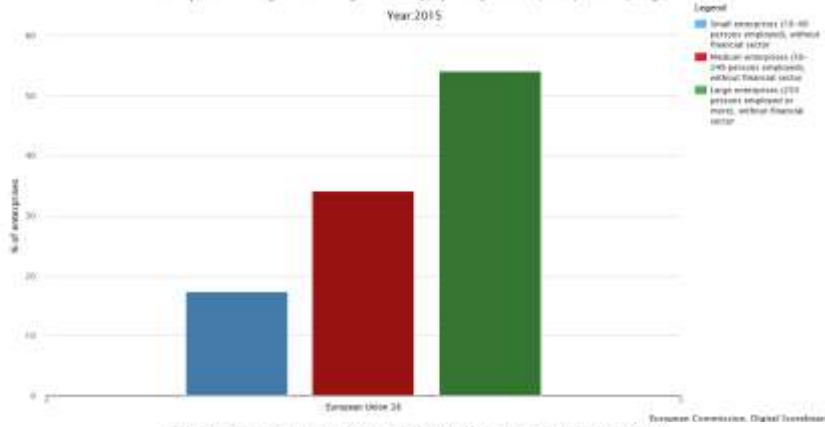


Official launch in Brussels, 3rd April 2019
105 founding members www.inatba.org

SMEs level of digitisation differs according to size of company, sector and region

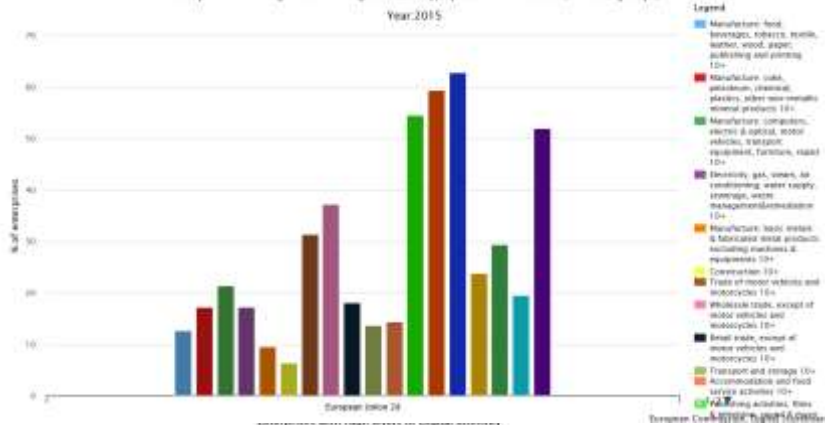
European

Enterprises with High levels of Digital Intensity, by Enterprise size (Small, Medium, Large)



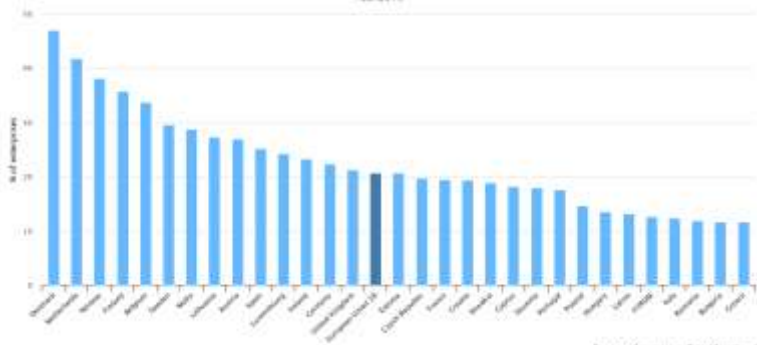
54% of large companies is highly digitised in the EU vs 17% of SMEs

Enterprises with High levels of Digital Intensity, by Economic sectors (57 Nace groups)



>50% of companies in ICT, telecommunications and media are highly digitised.

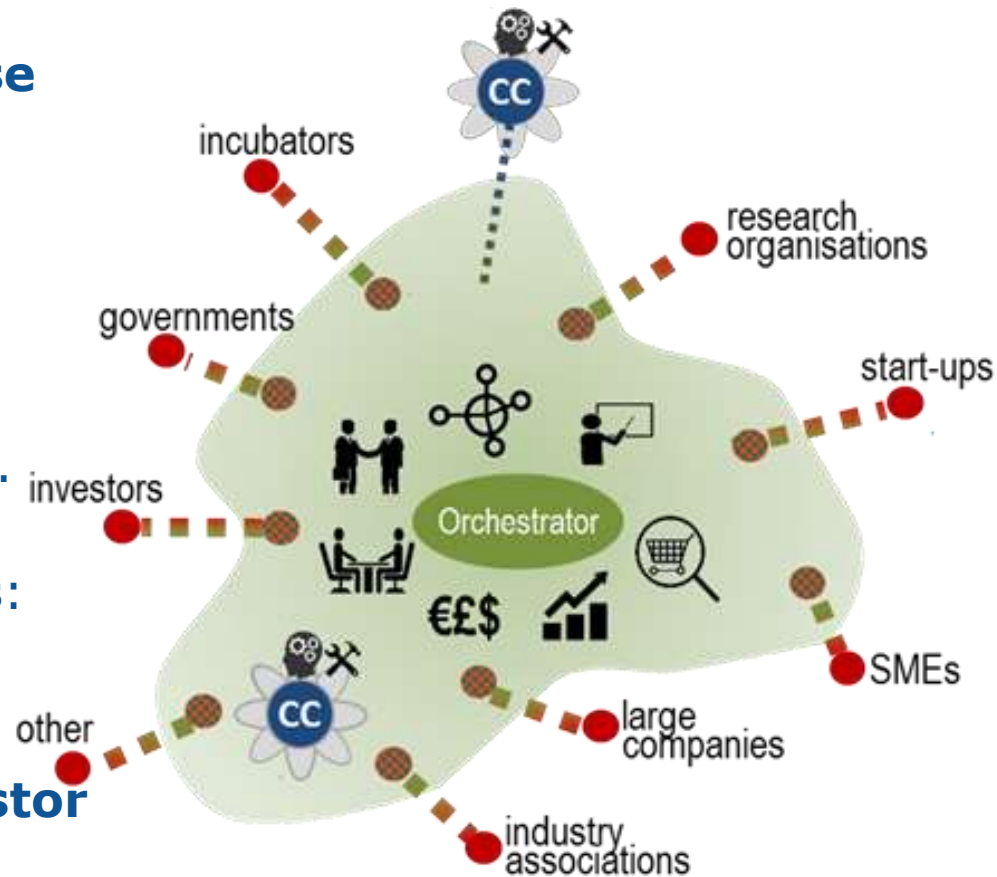
Only around 10% of companies in construction, metal manufacturing and food processing are highly digitised



47% of Danish companies are highly digitised vs 12% in Greece

A one-stop-shop providing services to companies in the region through a multi- partner cooperation:

- Access to Specialist Expertise and Infrastructure
- Brokering/matchmaking
- Awareness Creation around Digital Technologies
- Innovation Scouting
- Digital Maturity Assessment.
- Visioning and Strategy Development for Businesses:
- Mentoring
- Training
- Access to Funding and Investor Readiness Services





- Europe could add €2.5 trillion to GDP in 2025 if laggard sectors were to double their digital intensity
- Certain level of baseline preparation assumed in order to embrace technological innovations
- Private investors focus primarily on financing high-tech start-ups with high growth potentials and not on SMEs in traditional sectors



EU Investment Program to support the digitalisation of traditional SMEs

- Financing non-tangible assets, software, training and capacity-building programs of management and staff of SMEs*
- Implemented by the European Investment Fund through intermediate financial institutions*
- Specifically to support the digitalisation of traditional SMEs through microloans of up to Euro 150,000*
- Targeting both first time and advanced digitalisation of SMEs*