



September 2017 EU affairs newsletter

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FEBIS Regulatory Committee

Presentation on Fintech at FEBIS Annual Meeting in Varignana

Luis Carmona , Bernie Grady and Stephanie Verilhac did a presentation on Fintech during the FEBIS Annual meeting in Varignana. The presentation first gave an overview of what Fintech covers and its economic weight and then exposed the various EU and national initiatives currently tackling and questioning Fintech. One of the most pressing issues is the question of internal positioning of the business Information and credit reporting sector towards Fintech, question that will be tackled by FEBIS in discussion with other associations with whom we are enhancing cooperation.

The presentation will be available for FEBIS members after login on the FEBIS web site.

Presentation of the major EU issues at FEBIS Annual Meeting in Varignana

The FEBIS Regulatory Committee gave an extensive presentation of all the current important EU issues followed and worked on for FEBIS. The presentation featured an interactive session on GDPR (General Data Protection Regulation) implementation trends in five countries (Germany, France, UK, Italy and Spain), an update on all actions regarding data policies and access to finance and an expose of all the contacts and meetings past and planned by FEBIS Regulatory Committee members with key EU institutionals and partners.

The presentation will be available for FEBIS members after login on the FEBIS web site.

Preparation of upcoming meetings with key EU stakeholders

On October 11th 2017, FEBIS will have key meetings with EU stakeholders. The first being a meeting with DG FISMA and DG GROW on the questions of access to finance, Fintech and access to information, which will enable a more proactive positioning of FEBIS. FEBIS will also meet with UeAPME, representing the small businesses in Europe, to tackle the issues of SMEs access to finance, second chance and early warning. FEBIS will also take part in a 4-party meeting with ACCIS, FENCA and Eurofinas to prepare a bigger 4 party event which should take place mid December 2017. The FEBIS Regulatory Committee is working to prepare these meetings and cooperation in the best possible way.



Data policies

EU Consultation on the review of the PSI directive

The European Commission unveiled on 13th September a [consultation on the draft review of directive on the reuse of Public Sector Information](#). The consultation runs until 12th December 2017 and is targeted at public sector bodies and reusers of public sector information.

FEBIS will analyze the consultation and provide input to insist on the need to keep PSI re-use possibilities and to enlarge access to information for credit reference and business information purposes.

EU draft regulation on the free flow of non-personal data

The European Commission just published its draft proposal for a regulation on the free flow of non-personal data, aiming at unlocking data flows in the EU single market and at removing data localization requirements. It will have an assessed positive impact for all business data flows in Europe, so FEBIS is monitoring what will happen with the legislative initiative.

The draft regulation can be accessed here:

<http://ec.europa.eu/transparency/regdoc/rep/1/2017/EN/COM-2017-495-F1-EN-MAIN-PART-1.PDF>

FEBIS to take part in upcoming G29 FabLab

As a good follow-up of its first participation in a G29 FabLab on GDPR last April, FEBIS had been invited to take part in the second G29 FabLab taking place on October 2017 in Brussels. The FabLab will concentrate on guidelines on transparency and international data transfers, FEBIS will be in the transparency workshop.

The G29 should also issue in October the guidelines on consent and profiling coming from the discussions held in the first 2017 Fablab which took place in April.

It is a very good achievement for FEBIS to be active in this workshop.



Access to Finance

EBA consultation on Fintech

The EBA (European Banking Authority) issued a consultation on Fintech which is running until November 6th 2017.

The EBA sets out in the Discussion Paper the results of the first EU-wide FinTech mapping exercise and its proposals for future work on FinTech. FinTech has the potential to transform the provision of financial services. For this reason, public authorities in the EU and beyond have started to investigate the impact FinTech is having on the financial system and its regulation and supervision.

To gain a better understanding of current FinTech activity in the EU, in spring 2017, the EBA launched the first EU-wide FinTech mapping exercise to which it received responses from 22 Member States and 2 EEA States. Detailed information was provided for 282 FinTech firms.

Based on the FinTech mapping exercise and existing EBA work, the EBA has identified proposals for future work in six areas:

- (i) authorisation and sandboxing regimes;
- (ii) the impact on prudential and operational risks for credit institutions, electronic money institutions and payment institutions;
- (iii) the impact of FinTech on the business models of these institutions
- (iv) consumer protection and retail conduct of business issues;
- (v) the impact of FinTech on the resolution of financial firms;
- (vi) the impact of FinTech on anti-money laundering and countering the financing of terrorism.

The EBA invites views from stakeholders on the scope of its proposed work.

The consultation is available at http://www.eba.europa.eu/news-press/calendar?p_p_id=8&_8_struts_action=%2Fcalendar%2Fview_event&_8_eventId=1919157



Basel Committee on Banking Supervision consultation paper on Fintech

The Basel Committee on Banking Supervision provides a forum for regular cooperation on banking supervisory matters. Its objective is to enhance understanding of key supervisory issues and improve the quality of banking supervision worldwide.

Various future potential scenarios are considered, with their specific risks and opportunities. In addition to the banking industry scenarios, three case studies focus on technology developments (big data, distributed ledger technology, and cloud computing) and three on fintech business models (innovative payment services, lending platforms and neo-banks).

Although fintech is only the latest wave of innovation to affect the banking industry, the rapid adoption of enabling technologies and emergence of new business models pose an increasing challenge to incumbent banks in almost all the scenarios considered.

Banking standards and supervisory expectations should be adaptive to new innovations, while maintaining appropriate prudential standards. Against this background, the Committee has identified 10 key observations and related recommendations on the following supervisory issues for consideration by banks and bank supervisors:

- (i) the overarching need to ensure safety and soundness and high compliance standards without inhibiting beneficial innovation in the banking sector;
- (ii) the key risks for banks related to fintech developments, including strategic/profitability risks, operational, cyber and compliance risks;
- (iii) the implications for banks of the use of innovative enabling technologies;
- (iv) the implications for banks of the growing use of third parties, via outsourcing and/or partnerships;
- (v) cross-sectoral cooperation between supervisors and other relevant authorities;
- (vi) international cooperation between banking supervisors;
- (vii) adaptation of the supervisory skillset;
- (viii) potential opportunities for supervisors to use innovative technologies ("suptech");
- (ix) relevance of existing regulatory frameworks for new innovative business models; and
- (x) key features of regulatory initiatives set up to facilitate fintech innovation.

The Committee welcomes comments on all aspects of this consultative document. Comments are welcomed **by Tuesday 31 October 2017** via the following [BCBS link](#).

The paper is available at <http://www.bis.org/bcbs/publ/d415.pdf>



Regulation proposal to review ESAs, which pursues financial stability, new technologies fintech.

This will impact regulated firms but it also states that ESAs can contribute to harnessing the potential of FinTech. New technologies are changing the financial sector. the new ESA will

- find convergence on licensing requirements
- clarify and update the supervisory outsourcing frameworks - outsourcing to cloud services;
- coordinate national technological innovation hubs
- possibly issue guidelines about technological innovation hubs/regulatory sandboxes set up by Member States
- on cybersecurity, pursue convergence of IT risk management.

The proposal for a regulation to review the scope of the ESAs can be accessed on the EU Commission web site at https://ec.europa.eu/info/law/better-regulation/initiatives/com-2017-536_en



About FEBIS– Federation of Business Information Services

Benefiting from the opening of markets within Europe and overseas, world-wide business has experienced substantial growth. As business grows so does the demand for business information, in particular, intelligence for cross-border business activities.

In 1973, leading European credit information agencies joined forces to form the Federation of Business Information Services FEBIS (initially known as FECRO), with its registered office in Frankfurt. Today, FEBIS has developed into a sizable organization comprising more than 100 members from all over the world involved in providing Business Information and credit information services of national and International importance.

Supported by a combined workforce of more than 20,000 staff, FEBIS Members generate over 180 million Business Information and Consumer reports annually for over 500,000 organizations, providing these clients with invaluable business support. Aggregate sales turnover of FEBIS Members is in excess of €2.5 Billion.

As the industry association, FEBIS strives to look after common interests of its members. While monitoring new legislation like data protection laws and insolvency laws, FEBIS also oversees and the application of public sources and information.