

ESMA responds to Commission consultation on Fintech

The European Securities and Markets Authority (ESMA) has sent today its response to the European Commission consultation paper on “Fintech: a more competitive and innovative financial sector”, welcoming the initiative to take a stock-take of the EU’s Fintech industry.

ESMA sees Fintech as a positive evolution overall as long as business models aim at improving financial consumer experiences and facilitate financial inclusion. In its consultation response, ESMA provides its intelligence on some of the issues raised, including for:

- **Artificial intelligence and big data analytics for automated advice and businesses** – while ESMA acknowledges potential benefits, it also believes that the use of such technologies may trigger a number of concerns. ESMA stresses that possible technology-driven cost savings should be passed on to consumers. Also, ESMA hopes the Commission will take into account work currently carried out within the Joint Committee and notes that any possible specific legislation in this field should be underpinned by a thorough impact assessment;
- **Crowdfunding** – ESMA reiterates its call for a specific crowdfunding EU-level regime, which would ensure investors across the EU are equally protected and which would enable crowdfunding platforms to operate cross-border based on a common regulatory framework;
- **Reg Tech** – ESMA notes that the use of technology by market participants and regulators to comply with regulatory and supervisory requirements is not new. ESMA recognises the possible additional benefits that Reg Tech could entail for regulators if they use more these technologies in particular for data reporting and analysis;
- **Outsourcing and cloud computing** – ESMA stresses that outsourcing arrangements, including to the cloud, should be implemented in a manner that complies with European legislation, including on data security and data protection rules;
- **Distributed ledger technology** – Following the publication of its report in February 2017, ESMA continues to monitor market developments around DLT and looks into whether a regulatory response may become necessary;
- **Role of regulation and supervisors** – ESMA believes that entities providing the same service should be regulated and supervised on an equal foot. However, Fintech start-ups might benefit from regulatory advice to navigate the applicable legal framework; and
- **Role of industry: standards and interoperability** – ESMA strongly supports the objective of data standardisation and harmonisations.

ESMA's response also includes a survey on regulated investment-based crowdfunding platforms in the European Economic Area (EEA), providing an overview of current activities and trends.

[EU and UNRWA sign new landmark agreement and reaffirm joint comm](#)

On 7 June 2017, Federica Mogherini, the High Representative of the European Union (EU) for Foreign Affairs and Security Policy and Vice-President of the European Commission; Johannes Hahn, Member of the European Commission in charge of European Neighbourhood Policy and Enlargement Negotiations; and Pierre Krähenbühl, the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), signed a Joint Declaration on EU support to UNRWA for the period 2017-2020. They also announced the signature of the financial agreement for the EU contribution to the UNRWA Programme Budget for 2017, which covers the Agency's essential services in terms of education, health care, and relief and social services.

In line with the Joint Declaration, Federica Mogherini recognised the essential role of the Agency in the Middle East. *"With its tireless work, UNRWA keeps supporting Palestine refugees, providing education, promoting socio-economic development and stability in the Middle East,"* she said. *"The international support is key to UNRWA: the European Union will keep investing in one of the pillars of its Middle East peace policy."*

The 2017-2020 Joint Declaration strengthens the political nature of the EU-UNRWA partnership and reaffirms the European Union's commitment to promoting the rights of Palestine refugees and supporting the long-term financial stability of the Agency in a context of intensified budgetary constraints and operational challenges.

"The European Union is committed to support UNRWA in further reform efforts, building on the important work underway, to ensure the provision of quality core services to vulnerable Palestine refugees. I am delighted that the EU/UNRWA partnership will from 2017 take an increasingly visible form in support to selected schools and health clinics," said Commissioner Hahn.

Pierre Krähenbühl thanked the European Union for its long-standing commitment: *"For the past four decades, the European Union has stood shoulder to shoulder with UNRWA, both providing the necessary humanitarian assistance in times of crisis and supporting the long-term human development of Palestine refugees,"* he said. *"Today, the European Union's strong and reliable support – both political and financial – continues to be instrumental in mitigating the impact of multiple regional crises. It also strengthens the dignity and preserves hope for millions of Palestine refugees."*

In the Joint Declaration, the European Union committed to continue assisting UNRWA in securing financial resources to enable the Agency to support Palestine refugees. The EU will essentially contribute to the funding of quality education for 500,000 children, primary health care for more than 3.5 million patients and assistance to over 250,000 acutely vulnerable Palestine refugees.

On the margins of the signing ceremony, the European Union and UNRWA announced the disbursement of a EUR 82 million commitment to the UNRWA Programme Budget for 2017. Among others, this will help pay the salaries of 32,000 local UNRWA staff, most of whom are Palestine refugees themselves, and contribute to the running costs of close to 700 UNRWA schools and 140 UNRWA health-care centres.

Background:

Since 1971, the European Union and UNRWA have maintained a strategic partnership governed by the shared objective to support the human development, humanitarian and protection needs of Palestine refugees and promote stability in the Middle East. Today, the European Union is the largest multilateral provider of international assistance to Palestine refugees. This reliable and predictable support from the European Union enables UNRWA to provide core services to more than 5 million Palestine refugees in Jordan, Syria, Lebanon, the West Bank and Gaza, including quality education for roughly half a million children and primary health care for more than 3.5 million patients.

Collectively, the EU and its Member States are also among the largest contributors to the Agency's humanitarian emergency appeals and projects in response to various crises and specific needs across the region.

In addition to the EUR 82 million EU contribution to the Programme Budget in 2017, the EU does fund *ad hoc* projects to respond to specific needs.

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