

Remarks by Vice-President Dombrovskis at the first informal ECOFIN press conference in Tallinn

Good evening. Thanks to the Estonian Presidency for the warm welcome in Tallinn and for organising this timely discussion on the Economic and Monetary Union. We also discussed FinTech in a broader context of digital innovation.

On the Economic and Monetary Union, we discussed the rules and institutions of our Union.

It's clear that a strong Economic and Monetary Union needs both well-functioning institutions and credible rules.

Both rules and institutions were strengthened during our response to the crisis. But there is room for making the EMU governance more efficient, complete and transparent.

However, reforms should not be done for the sake of reforms. Form must follow the substance. Institutions should evolve to meet the objectives we set.

The Commission believes that future EMU development should happen within the EU or community legal framework.

This applies to a possible future transformation of the European Stability Mechanism into a European Monetary Fund, which then should be firmly anchored in the community framework. And it also concerns possible creation of a European Minister for Economy and Finance. This new Minister should also work to promote structural reform efforts building on the work which we do already since 2015 with the Structural Reform Support Service. The Minister of Economy and Finance is one of the initiatives which we intend to launch with a 2025 perspective.

We discussed the link between the EMU and the EU budget, and in particular the link with structural reforms and Euro area fiscal stabilisation function. So this part of our idea to have a euro area budget line within the EU budget.

All these topics that I mentioned will feature in the Commission's EMU package, which we intend to put forward on 6 December. Today's discussions provide us with valuable input for our preparatory work.

Today we also discussed one of the key Capital Market Union files – FinTech and FinTech revolution, which we are facing.

We already see FinTech services such as mobile payments, peer-to-peer lending, and online investments benefiting millions of Europeans. Looking ahead to the future, technologies like artificial intelligence, distributed

ledgers and cloud computing hold even greater potential.

Ministers agreed that Europe should support the development of FinTech sector, emphasising the importance of technology neutrality.

This will only work if our companies will be able to take advantage of our single market, meaning to scale up, so that they can compete with their rivals in China and the US, where FinTech is booming.

For example, we are looking into EU-wide enabling legislation for crowdfunding and peer-to-peer lending. This would increase the scale and facilitate cross-border activity in this rapidly growing sector.

As to regulation, many spoke in favour of adopting existing rules to the challenges that FinTech brings, such as cyber threats and data privacy. But it is also important that FinTech is not 'regulated to death', even before this sector has evolved.

The Commission is currently working on a FinTech Action Plan, which we intend to present early next year.

Thank you.