



EU Supervisory Digital Finance Academy:

Strengthening Supervisory Capacity in innovative Digital Finance

The flagship technical support request

This flagship technical support request is targeted at Member States wishing to strengthen supervisory capacity in the area of **innovative digital finance**, taking into account the objectives of the **EU Digital Finance Strategy** and the need to foster **supervisory convergence** across financial sector activities. Understanding the **risks and opportunities** posed by the latest application of technology to finance is key to enhance the supervisory framework on an EU-wide scale, and to ultimately maintain financial stability in a forward-looking manner while promoting business initiatives. To this end, the flagship will create a **dedicated on-line platform** which will facilitate the provision of a **systematic training programme**, aimed at enabling supervisory authorities and financial intelligence units to deepen their understanding of the complex FinTech world, and to establish advanced supervisory technologies and best practices.

A forward-looking approach to digital finance

Knowledge



- Acquisition of new expertise and know-how
- Building-up synergies with ESAs and peer supervisory authorities

Supervision



- Developing advanced tools and practices to tackle digital finance risks
- Sharing experiences with a cross-border/cross-sectoral perspective

Regulation



- Informing the development of regulatory approaches to digital finance
- Understanding the potential of technology for enhancing regulation

The SDFA represents a **unique opportunity** for integrating knowledge and perspectives, through the involvement of:

The European Supervisory Authorities: identify priorities and provide guidance and support to the programme

Experts from Competent Authorities, international regulatory bodies and industry practitioners: provide knowledge and practical experience

External provider: supports the development and organization of the training program, produces materials and contributes to the setting-up of the hosting platform



IMPACT OBJECTIVES:

- ✓ **Strengthening** supervisory capacity in the area of innovative digital finance, supporting also the EU Digital Finance Strategy

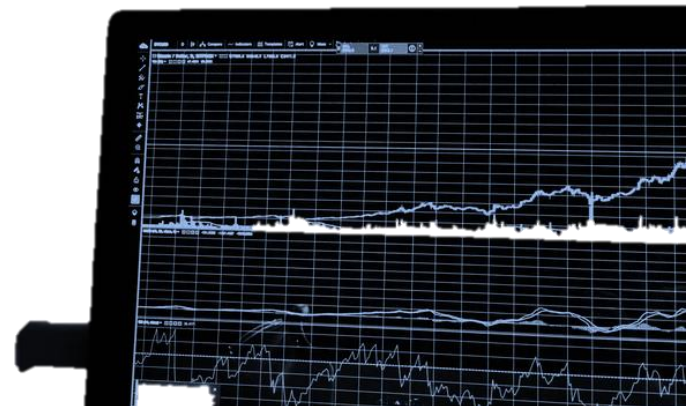
- ✓ **Disseminating** knowledge on innovative applications of technology to financial activities, as well as on supervisory tools and practices in use in the area

- ✓ **Shaping successful, future-oriented EU and national policies**, implemented through efficient tools and advanced practices



UPSCALING SUPERVISORY AND REGULATORY APPROACHES

The Academy is **open for participation** to supervisors and financial intelligence units from all EU Member States and ESAs' staff. The EU SDFA will help not only to disseminate knowledge, but also to build practical skills helping to assess innovative projects and understand related risks and opportunities, and to feed the policy making process of the European Commission and the work of the ESAs.



TAILOR-MADE APPROACH

The Academy will provide to the participants the opportunity to combine **core**, foundational knowledge, with more **advanced**, sector-specific subjects, following a **blended learning** approach. The list of topics will be updated on a yearly basis so as to reflect the evolving landscape of digital finance. The activities of the Academy will also include the preparation of a **yearly report** by the external provider based on inputs from Academy activities, covering **supervisory needs**, emerging **challenges**, **risks** and **best practices** in the area of innovative digital finance. The full programme inputs will be made available at anytime to all users through a single platform.

Digital Finance Regulation

Technologies applied to finance

Virtual assets and currencies

Cyber risks and resilience

Financial Literacy and Consumer Protection



Example of Training topics

- European Digital Finance strategy and European regulatory framework on digital finance
- Big Data/AI/Machine Learning
- Blockchain: technology and use cases
- ICT cyber resilience and cyber risk
- Behavioural finance and consumer protection issues in a digital environment

Key Workshops

- Workshop on best practices on setting up national supervisory sandboxes (to actively guide business towards opportunities and potentially enabling cross-border testing)
- Workshop on best practices on data driven supervision
- Workshop on best practices on cybersecurity supervision