

# Summary of Conclusions

## 20<sup>th</sup> EFIF conference call, 19 September 2024

---

<b>Date</b>	19 September 2024
<b>Time</b>	09.30-16.00 (CEST)
<b>Location</b>	Online meeting (Microsoft Teams)
<b>Contact</b>	<a href="mailto:EFIF@eiopa.europa.eu">EFIF@eiopa.europa.eu</a> , <a href="mailto:sebastian.flick@eiopa.europa.eu">sebastian.flick@eiopa.europa.eu</a> , <a href="mailto:santiago.escudero-ossorio@eiopa.europa.eu">santiago.escudero-ossorio@eiopa.europa.eu</a>

---

### 1. Opening remarks by EIOPA, Chair of the EFIF

EIOPA opened the meeting by welcoming the participants and explained that the meeting structure follows a similar format to the previous meeting. The morning sessions will include the regular tour de table and other standing items, while the afternoon will be dedicated to a thematic focus area, which today is the EU Framework for Financial Data Access (FiDA), Open Finance and customer centricity.

### 2. Innovation facilitators: Update on developments

#### Presentation by EIOPA & tour de table.

EIOPA thanked everyone for their contributions to the survey. EIOPA then proceeded by briefly summarising the input received from EFIF members with the aggregated figures.

EIOPA reported that the total number of enquiries since May had reached 225 through innovation facilitators. While it was too early to identify clear trends, it was noted that the previously decreasing trend had stopped and reversed, though the numbers were still not at 2023 levels.

EIOPA explained that crypto-assets remained the most prominent topic reported representing one-third of all enquiries. Enquiries related to investment services and activities, as well as payment services, remained unchanged since the May meeting.

#### Tour de table

Some EFIF members shared recent developments related to their national innovation facilitators, including updates on sandbox projects and other related activities. Some members referred to steps taken in the implementation of MiCA. Some others reported initiatives relating to their engagement with the industry, including workshops, consultations and conferences on innovation related topics (e.g. AI). Finally, some members reported internal discussions to improve the functioning of innovation facilitators by simplifying processes, expanding their scope and making them more flexible.

### 3. Issues/Barriers in the Context of Innovation Facilitation

Presenter: Banco de Portugal

Banco de Portugal referred to the functioning of its current innovation facilitator, Finlab, which is jointly operated by the Portuguese authorities from the three financial sectors. In the Finlab, applications are assessed against specific criteria. For those that are accepted, supervisors meet with applicants and provide a report with advice on next steps. The applications are often cross-sectoral, making the involvement of the three authorities crucial. While the Finlab has been highly valued by market participants, Banco de Portugal is now contemplating the creation of a sandbox in light of steps taken in other jurisdictions and input from the market. A decision on whether to move forward with the sandbox will be made in 2025.

#### Discussion

EIOPA indicated that the discussion in Portugal goes back to the question around how to improve innovation facilitators. EIOPA emphasised the importance of thinking about what is useful in different jurisdictions, as approaches may vary. Some members referred to the importance of innovation facilitators to promote innovation through a dialogue with all stakeholders.

### 4. BigTech Monitoring Framework: Discussion

Presenter: EBA.

The EBA began by providing background on this work and the aim of the matrix, which is to offer an overview of the type and scale of Bigtechs' involvement in the EU financial sector. The EBA then presented the revised version of the matrix, detailing the entities included. The EBA indicated that data would be collected annually, and the matrix would be revised based on the results.

The final version of the matrix will be presented to EFIF members for endorsement at the November meeting, and the first data collection will be launched in early 2025.

#### Discussion

EIOPA emphasised that that this tool would enhance understanding of the intersection between BigTechs and finance. The process will be iterative, and adjustments might be necessary over time.

### 5. Update: EU Digital Finance Platform

Presenter: DG FISMA

DG FISMA indicated that the core activity of the EU Digital Finance Platform had focused on the data hub. DG FISMA noted a growing interest on the data hub from National Competent Authorities (NCAs) and the market, including both incumbents and FinTechs. During the summer, DG FISMA concentrated on the administrative aspects of the data hub, securing an extension for another year on the contract for the data synthesis process.

#### Discussion:

EIOPA indicated that it may be worth to come back to the data hub at a later stage more in depth.

### 6. Update: Workshop series on AI

Presenter: DG FISMA

DG FISMA provided an overview of the work of the European Commission on AI, which included a public Consultation and the workshop series. Regarding the workshops, DG FISMA presented a

preliminary list of companies selected, which was still to be confirmed. Two workshops would focus on a single theme, while the third would have mixed themes. Finally, DG FISMA provided further details on the workshops, including the format and dates.

#### Discussion:

EIOPA highlighted that the aim of the workshops was to gather input and reflect on its implications. DG FISMA stressed that the workshop would be a safe space for discussion with the industry.

## **7. How Earth Observation Technologies Support Digitalisation in Finance**

**Presenter:** EUSPA (European Union Agency for the Space Programme)

EUSPA provided an overview of the space market, which, according to McKinsey, is projected to grow significantly in the coming years. This growth is anticipated to impact other market segments, particularly in the insurance and finance sectors.

Then EUSPA explained how automation, connectivity, and data have transformed markets such as postal services and taxis, leading to disruptions in the value chain and the emergence of new players. Similarly, the insurance and finance sectors are beginning to experience similar changes with the use of IoT and space data.

EUSPA identified three applications of earth observation data in insurance (e.g., risk modelling) and three in finance (e.g. commodity trading).

EUSPA noted the expected growth in the commercialization of earth observation data and services, particularly in the insurance and finance sectors. It referred to a report that presents this information, highlighting that commodity trading and index production are anticipated to grow the most.

To support market uptake, EUSPA is fostering innovation through various initiatives (i.e. the Cassini entrepreneurship support initiative, Horizon Europe, and Copernicus). Furthermore, EUSPA showcased several specific commercial pilot projects in insurance and finance they have conducted (e.g., risk scoring platform for an insurance entity aimed at predicting the likelihood and impact of extreme weather events in Spain).

Finally, EUSPA invited EFIF members to reach out if they had any initiatives that could benefit from their support.

#### Discussion

EIOPA indicated that it would be interesting to understand how these initiatives support new business models and services. In this regard, EIOPA noted that the work of EUSPA could be valuable for supervisors in understanding what might emerge over the next five years.

## **8. Overview of the FiDA Legislative Proposal and Timeline**

**Presenter:** DG FISMA

DG FISMA highlighted that while everyone recognises the innovative potential of increased data sharing, there are also concerns relating to associated costs for incumbents and the potential negative societal consequences of such sharing. DG FISMA indicated that data sharing is essential but has been challenging in finance. FiDA aims to address these issues, supporting innovation and efficiency while ensuring customer control over data.

DG FISMA provided an overview of the FiDA framework, covering objectives, scope, obligations for data holders and users, customer control, data use perimeter, customer permission dashboards, and data sharing schemes. Finally, DG FISMA explained the state of play in the negotiations.

## 9. Enhancing Consumer Outcomes: A focus on FiDA's Contribution and Applicable Use Cases

Presenters: Zurich & Minalea

Zurich selected Minalea in their innovation championship, identifying the advantages that FiDA could offer. Zurich noted that standardizing data would benefit both consumers and distribution professionals, expressing optimism about the positive impact of FiDA.

Minalea presented a use case to demonstrate the potential benefits that FiDA could bring to the insurance industry. Minalea explained that price is often the only variable considered when evaluating insurance contracts. Insurance is a complex product that typically requires human interaction for sales. Customers are often hesitant to make online purchases due to concerns about potential mistakes. Minalea has developed a technology aimed to address these challenges.

The smart solution they developed analyses customer profiles — not personal data, but insurable data — along with insurance contracts, terms, and conditions across several countries, generating proposals. Then Minalea presented two use cases illustrating how this works in practice:

1. The solution studies the customer profile using insurable data and presents recommendations for products that fit the customer's needs, highlighting key guarantees based on their profiles.
2. The solution analyses previous insurance offers for the client and compares them with new options, focusing on the key guarantees relevant to the customer.

These solutions allow advisors to focus on coverage rather than just price.

With data collected through FiDA, further personalization could be achieved, including standardizing product names, insured amounts, and insurable assets. Standardization is crucial for improving data control and reducing inaccuracies which happen very often (e.g., number of rooms in an apartment). Minalea indicated that tech solutions combined with personalized data can enhance the advisor's role.

Finally, Minalea raised several questions regarding the FiDA proposal, such as those related to standardization, data schemes, dashboards, and the definition of FISPs. As a potential FISP, Minalea requested that FISPs should be actively involved in the ongoing discussions around these questions.

### Discussion:

EIOPA welcomed the presentation, as it added substance to the FiDA discussion. EIOPA highlighted that that FiDA is not about creating entirely new business models but rather about supporting those that already exist. FiDA will provide a framework, though it will pose challenging questions around consumer protection and the scope of data.

## 10. Embracing Customer-Centricity: Enhancing the Financial Services Experience for Today's Consumers

Presenter: Wise

Wise was created to address the issues typically observed in cross-border payments, which are often slow and expensive. Wise claims to have made these payments faster and cheaper by using a different infrastructure compared to traditional systems.

Wise then presented two use cases to demonstrate how Wise builds products to address these challenges, ensuring both compliance and customer satisfaction.

Use case 1 - Transparency:

- Fees for international transactions are often hidden in poor exchange rates. This makes it difficult for consumers to know the real cost of a transaction upfront, preventing informed decisions.
- Wise's solution informs customers upfront about the total cost and the exact amount the recipient will receive. They use the mid-market exchange rate and disclose the fee. When fees change, Wise communicates these changes to the client in a clear and specific way, showing how much the customer paid and how much they will pay after the change.

Use case 2: Assets product:

- Another issue in international banking is holding money in various countries. Wise shared statistics on how much money is held globally (around \$15.8 billion), and while this money generates returns, Wise cannot pass them on to customers due to regulations. To address this, Wise created a product that transfers the e-money account to a money market fund, allowing customers to earn returns while still having full access to their money.
- After deploying the solution Wise observed a high drop-off rate. Wise found that customers were overwhelmed by the technical information. Further customer research revealed that some users needed more information, while others wanted less. To address this, Wise provided two information journeys within a single flow, which significantly increased the conversion rate.

## 11. Closing remarks

### EIOPA

EIOPA concluded the meeting thanking all members and speakers for their active engagement. The EFIF chairperson also reminded members that the next EFIF meeting will be held in person on 20 November at the EIOPA premises in Frankfurt/Main, Germany.