

Summary of Conclusions

22nd Meeting of EFIG, 21 February 2025

1. Opening remarks by Raquel de Julian Artajo, Chair of the EFIG

The EFIG Chair, Raquel de Julian Artajo (Head of Unit for Digital Finance at ESMA) opened the quarterly meeting with a welcome to new participants and a brief overview of the agenda, including the typical tour-de-table on newsletter updates. The Chair also discussed how ESMA sees its role in steering EFIG over the coming year, as laid out in the 2025 Annual Work Programme.

2. Introduction to new EFIG observers & members

Supervisory Digital Finance Academy (SDFA): Pierre Schlosser, EUI (Florence School of Banking)

The observer member from EUI discussed the role of the SDFA as a Technical Support Instrument flagship program to support supervision, including in advanced tech in the financial sector. The SDFA objectives lie in knowledge sharing, peer-to-peer exchanges and capacity building (among the ESAs and the NCAs). Topics included in the curriculum include operational resilience, AI, DLT, suptech, and data-enabled business models. Since inception SDFA has trained over 2000 participants in Florence and online.

Digital Finance Platform: Andreja Lepen, DG-FISMA (B4)

The DG-FISMA representative to the EFIG provided offered updates on the Digital Finance Platform and Synthetic Data Hub, which has moved into its second phase. Now funded under DEP and coordinated with DG-CNECT, the Data Hub aims to support AI/ML model training by innovative financial firms. There have been 80 market access requests to date, 57 of which were approved. Future phases will focus on expanding datasets, aligning data with market needs, and supporting strategic legislative files like MiCA, FiDA, and the Digital Euro.

3. Innovation facilitators: update on developments & tour-de-table

Presentation by Will Marshall (ESMA) & tour-de-table - Background documents: Newsletter – *Innovation Facilitator Developments* (February 2025); *Update on developments (slides)*.

The forum saw a significant uptick in activity: 297 innovation facilitator cases—double the previous quarter. While crypto-asset issuance remains the top use case (22%), its dominance is trending downwards, which coincides with the entry into application of MiCA. AI and machine learning led enabling technologies, closely followed by APIs. Some ambiguity remains about overlapping categories (e.g., DLT vs. tokenisation). ESMA also presented the outcomes of a simple survey on Member State readiness for AI regulatory sandboxes under the AI Act. The conclusion is that many Member States remain unclear about next steps, though some, including Spain, are actively piloting AI sandbox cohorts. Data on competency designations suggests that several NCAs within the EFIG membership structure may be named as Market Surveillance Authorities (MSAs) under the AI Act.

Tour de table:

EFIF members shared recent developments via the innovation facilitator newsletter and discussed updates at the meeting.

- FMA attributed increased queries to the reassignment of innovation responsibilities to a dedicated FinTech unit. Interest is high among crypto actors.
- AMF presented 2025 supervisory priorities (MiCA, DLT Pilot, AI), including a public consultation on small contract certification and internal AI studies. The Chair encouraged AMF to share AI-related insights with EFIG.
- HCMC reported limited recent inquiries but active participation in the EU Blockchain Sandbox (EBS), despite resourcing constraints.
- Bank of Greece found the second EBS cohort more valuable than the first, with five use cases finalised. Activity in its innovation hub has picked up since late 2024. Legal review is ongoing for their sandbox launch. No major trend in queries has emerged.
- MNB is revamping its hub to streamline processes; FMA offered to coordinate bilaterally. MNB recently handled two queries (payments, licensing).
- Central Bank of Iceland is considering launching both AI and innovation sandboxes amid increasing startup activity.
- Banca d'Italia is involved in the EBS and reported legislative adjustments in response to the AI Act. It is stocktaking AI use and has launched a survey for non-regulated fintechs.
- Banda d'Italia reported on the kickoff of a digital payments initiative and committed to sharing use case insights.
- CONSOB is engaged in two EBS use cases focused on tokenisation, DORA, and smart contracts. It is developing SupTech tools, including greenwashing detection in prospectuses.
- Norway FSA is launched a new sandbox cohort focused on AML and fraud projects; five were selected and workshops are underway. A lessons learned report is planned.
- KNF received a small number of crypto-related applications in its hub.
- CNMV is monitoring 12 sandbox projects, primarily in AI and FinTech, and some with crypto elements. Its innovation hub is tracking cases possibly eligible for the DLT Pilot Regime. It continues co-hosting Portugal's InsurTech Forum.
- NBS reported one new entrant in its sandbox testing phase.
- ACPR has launched an internal AI Act task force and invited peers to exchange on legal and operational aspects.
- BG-FSC announced a new FinTech strategy and an AI survey.

4. Sandbox Experiences from Ireland

Presenter: Eoin Fitzgerald (Central Bank of Ireland) - background document: Innovation Strategy Update (slides)

In a follow up to its November 2024 presentation to EFIG, the CBI shared an update on the sandbox and hub developments in Ireland since reforming their processes. CBI notes that inquiries to its Innovation Hub rose by 50% year-on-year following the changes. About half were from established firms. The latest sandbox cohort, themed around combatting financial crime, allows participants to choose from structured problem statements. The 6-month programme includes onboarding, regular engagement, and tailored introductions to relevant subject matter experts from CBI. In the discussion, EFIG members questioned CBI about engagement differences by entity type (including the reasons for strong engagement from larger incumbents) and how CBI's data platform works.

5. BigTech Monitoring Framework: Update

Presenter: Vincenzo Rischitelli, EBA - *EFIG BigTech Survey (no supporting documentation)*

EBA discussed the NCA survey supporting the BigTech monitoring matrix, requesting that responses provide granular data beyond what is available in PSD2/CRR reporting. In particular, EBA requested information on white-labelling arrangements and partnerships as well as quantitative figures on transactions where available. EBA also noted that two new subsidiaries were added to the list of entities in the survey for the sake of completeness. Preliminary results are expected by the May EFIG meeting when EBA will present a draft analysis to NCAs. EFIG members discussed the limitations around access to BigTech data, with one authority requesting that host NCAs receive user and volume data held by home NCAs.

6. The growth of big techs in the financial sector: which risks, which regulatory responses?

Presenter: Samuel Collot, ACPR - background document: ACPR report on BigTechs

A representative from ACPR shared findings from its October 2024 report, which identified growing regulatory risks from BigTech activities. Key concerns include:

- Systemic accumulation via fragmented activities (e.g. payments, crypto, lending)
- Distribution risks where BigTechs don't control client onboarding (e.g. the failed Apple-Goldman Sachs partnership)
- Non-bank lending (NBL) models that present financial stability concerns without adequate regulatory safeguards

Recommendations include modular prudential frameworks, banking rules for distribution-heavy models, and consolidation of financial and ancillary services.

EFIG members discussed the lack of cross-border supervisory visibility, harmonised identifiers, and coordinated oversight mechanisms. Stakeholders acknowledged the data and policy limitations. A Commission representative announced that FISMA will host a workshop in March 2025 to support intelligence gathering for a possible legislative proposal.

7. Presentation from AI Office: Overview of Subgroup on AI Sandboxes & Discussion Paper

Presenter: Alex Moltzau, Commission (DG CNECT) background document: N/A

The AI Office provided an overview of its team structure and the recently launched AI Board Subgroup on AI Regulatory Sandboxes. The update touched on the sandbox pilots scheduled for launch by October 2025, the ongoing work on AI Act implementing acts (Art. 58) which the Commission will publish by August 2026 and the work of the EUSAiR consortium, which is supporting NCAs with IT and operational readiness.

The focus of the AI Office update was its (non-public) Discussion Paper (v.1) for feedback from Member States on the set up and operation of AI Regulatory Sandboxes. This Discussion Paper serves as the foundation for the implementing acts under the AI Act. Major themes that emerged in Member State feedback to the Discussion Paper included:

- Differentiating mandatory vs. voluntary sandbox features
- Flexibility for local adaptation (e.g., language, local substance)
- Sandbox formats (cohort-based or continuous entry)
- EU expert pooling and governance structure options

EFIF members discussed contributions to the discussion paper, testing provisions under the AI Act, the possibility of joint sandboxes (Art. 57), and whether EFIG could act as a coordination platform for financial innovation and AI sandboxes. The AI Office noted that national-level coordination efforts are underway and that the proposed Testing and Experimentation Facility (TEFs) should be connected to AI sandbox goals to avoid duplication of efforts.

8. EFIG Workplan for Supporting Implementation of the AI Regulatory Sandboxes

Presenter: Raquel de Julian Artago, ESMA - background document: EFIG Workplan for Supporting Implementation of the AI Regulatory Sandboxes (slides).

ESMA presented the EFIG 2025 workplan on supporting AI sandbox implementation. The proposal focused on offering 'generalised' insights on the functioning and operation of regulatory sandboxes to assist the AI Office as it prepares the implementing acts in consultation with the AI Board Subgroup on AI Regulatory Sandbox. EFIG members discussed the limited added value of operational details (e.g., staff numbers) and instead recommended mapping between AI Act obligations and sectoral rules. Some members highlighted the need for cross-sectoral authority involvement, pooled technical tools, and expert networks. A question for legal interpretation from SE-FSA raised about whether Articles 58–59 impose IT infrastructure obligations on authorities or participants. ESMA clarified that the AI Office's Coordination and Support Action (CSA) will assist NCAs in fulfilling infrastructure requirements, and that no undue burden should fall on small entrants like startups.

9. Eurosystem's Innov8 Forum (ECB)

Presenters: Corina Wenzel & Valérie Saintot, ECB - background document: Eurosystem Innov8 Forum (slides)

The ECB presented an overview of the Innov8 Forum, a coordination platform established in collaboration with the BIS Innovation Hub (BISIH). The initiative is jointly hosted by the Banque de France (BdF) and Deutsche Bundesbank, and was created to serve as a hub for innovation across the Eurosystem central banks and to connect directly with BIS-led innovation efforts. It officially launched in 2023.

Innov8's core mission is to promote collaboration on next-generation financial market infrastructures (FMIs) and to develop "public goods" that enhance the safety and effectiveness of the European financial system. Areas of focus include: CBDCs, Cybersecurity, Green Finance, Open Finance (Eurosystem-specific), SupTech and RegTech

Innov8 activities span information sharing via digital innovation dashboards, discussion forums, and in-person workshops. It also promoted collaboration among members through shared data tools, safe LLM (large language models) usage guidance, and the Crypto-Asset Monitoring Expert Group (CAMEG)

The structure of the Eurosystem's BISIH centre is multidisciplinary and designed to support projects from prototype to scale. Notable projects currently in progress or development include: 1) Agora, a DLT-based wholesale settlement using tokenised commercial and central bank money; 2) Atlas, a cross-border data platform, expected to become a permanent service at DNB; and 3) Mariana, Gaia, Leap, and Meridian FX, which promote innovations focused on FX settlement, cross-border payments, and tokenisation

EFIF members discussed concerns about potential overlap with other EU-level innovation committees and the informal or voluntary nature of the Innov8 structure. Some members asked whether Innov8 offers support to central banks launching regulatory sandboxes—ECB clarified that while Innov8 facilitates knowledge sharing, it currently does not provide direct sandbox infrastructure. Innov8 representatives confirmed that membership is restricted to central banks.

10. UK Digital Securities Sandbox (BoE)

Presenters: Francesco Fici & Noreen Rana, Bank of England - [background document: BoE presentation to EFIG on UK FMI Digital Securities Sandbox \(slides\)](#)

The Bank of England (BoE) presented on the UK Digital Securities Sandbox (DSS), a framework that enables market participants to experiment with innovations in securities settlement and issuance under modified regulatory conditions.

The DSS allows eligible entities—referred to as Digital Securities Depositories (DSDs)—to perform activities traditionally reserved for Central Securities Depositories (CSDs), albeit within strict limits. These limits are designed to mitigate systemic risks during the experimental phase. The sandbox operates under the premise that regulatory flexibility should be risk-based and tailored to the entity and activity, rather than uniformly applied.

The BoE clarified several design features:

- DSS participants will face activity limits, which may vary based on a risk assessment
- DSS is restricted to UK-established entities, with the implication that GBP is the only fiat currency eligible for settlement

- The sandbox is time-bound, with entry closing in early 2027. There is concern that CSDs expressing interest too late might miss the opportunity for a permanent DSD licence

The DSS is part of a broader policy experiment that could lead to legislative reform. The BoE noted that it will assess outcomes from the sandbox to determine whether rule changes beyond the settlement domain might be warranted in the future.

EIFIF members discussed the flexibility of thresholds and whether DSS could set differentiated regulatory limits across participants based on their risk profiles. There was interest in whether the sandbox's findings could serve as precedent for broader regulatory innovation mandates—especially the idea of using sandbox outcomes to drive formal amendments to primary legislation.

11. Closing Remarks & AOB

Presenter: [Raquel de Julian Artago, ESMA](#)

The Chair closed by noting interest from Austria, France, and Slovakia in presenting at future meetings. All action items and remaining slides (e.g., Innov8) will be shared by email. The next EIFIF meeting is proposed for Friday 16 May 2025 (online).

PARTICIPANT LIST

**This list include regular EFIG members (even if they did not join the meeting of 21 February 2025) as well as new participants. Please note that some information on Member State and Organisation affiliation was not immediately available to ESMA and therefore may be inaccurate.*

#	Member State	Name	Organization
1	AT	Nikolaos Skiadopoulos	FMA
2	AT	Ralph Rirsch	FMA
3	BE	Gehem Anton	NBB
4	BE	Pauline Begasse De Dhaem	NBB
5	BE	Renée Spierings	FSMA
6	BE	Sarah Cheliout	NBB
7	BG	Maria Emanuilova	FSC
8	CZ	Thomas Olexa	CNB
9	CY	Christos C Meletiou	Central Bank of Cyprus
10	CY	Michail Mersinis	Central Bank of Cyprus
11	DE	Marlene Knörr	Bundesbank
12	DE	Oliver Fusswinkel	BaFin
13	DE	Sandra Dinter	Bundesbank
14	EE	Mari-Liis Kukk	EFSA
15	EL	Alexandros Kaliontzoglou	Bank of Greece
16	EL	Eleni Roussou	CMC
17	EL	Valia Babis	Bank of Greece
18	ES	Carolina Toloba	BdE
19	ES	Raquel Ramirez	CNMV
20	EU	Alain Otaegui	EBA
21	EU	Alessia Benevelli	EBA
22	EU	Andra Remeur	EIOPA
23	EU	Czák-Ludwig, Stephanie	ECB
24	EU	Elisabeth Noble	EBA
25	EU	Iota Nassr	OECD
26	EU	Julien Nivot	ESMA
27	EU	Kroon, Mauritia	ECB

28	EU	Laura Jugel	EC
29	EU	Miguel Caballero	EIOPA
30	EU	Sander van Leijenhorst	ESMA
31	EU	Santiago Escudero	EIOPA
32	EU	Sebastian Flick	EIOPA
33	EU	Soemer Nicolas	ECB
34	EU	Tim Shakesby	EIOPA
35	EU	Valentina Mejdhahl	ESMA
36	EU	Vaidotas Tamulenas	EBA
37	EU	Vincenzo Rischitelli	EBA
38	EU	William Marshall	ESMA
39	FR	Juliette Le Drogou	AMF
40	FR	Laurent Camus	ACPR
41	FR	Samuel Collot	ACPR
42	FR	Timothée Dufour	ACPR
43	HR	Linardo Martincevic	HNB
44	HU	Bódi Roland	MNB
45	IE	Carole Donaghy	CBI
46	IE	David Tighe	CBI
47	IE	Eoin Fitzgerald	CBI
48	IS	Grímur Sigurðarson	Central Bank of Iceland
49	IS	Ólafur Hlynsson	Central Bank of Iceland
50	IT	Claudia Pavoni	Banca d'Italia
51	IT	Costanza Iacomini	Banca d'Italia
52	IT	Giancarlo Goretti	Banca d'Italia
53	IT	Irene Tagliamonte	CONSOB
54	IT	Luca Caramanica	OAM
55	IT	Martina Tambucci	CONSOB
56	IT	Pietro Franchini	IVASS
57	LT	Andrius Adamonis	Lietuvos Bankas
58	LT	Eleonora Bušmane-Zvaigzne	Lietuvos Bankas
59	LT	Gintare Žilinskiene	BoL
60	LU	Anna Curridori	CSSF

61	MT	Herman Ciappara	MFSA
62	NL	André Groot	DNB
63	NL	Istvan Bruggeman	AFM
64	NO	Johan Aasen	Finanstilsynet - FSA
65	PL	Krzysztof Gorczyca	KNF
66	PT	Diogo Lencastre	Banco de Portugal
67	PT	Joao Vieira dos Santos	CMVM
68	PT	Nuno Tiago Falcão Alpalhão	Insurance supervisory authority
69	PT	Paula Alves	Insurance supervisory authority
70	SE	Klas Malmén	Finansinspektionen
71	SI	Domen Bozeglav	Banka Slovenije
72	SK	Anna Sedliaková	National Bank of Slovakia
73	SK	Marek Feder	NBS

External Speakers

74	EU	Corina Wenzel	ECB
75	EU	Valérie Saintot	ECB
76	EU	Pierre Schlosser	EUI (SDFA)
77	EU	Nicola Bilotta	EUI (SDFA)
78	UK	Francesco Fici	Bank of England
79	UK	Noreen Rana	Bank of England