

Deliverable information

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Actions and achieved results

The aim of the FIN-TECH H2020 project is to build a **fintech risk management platform** which measures risks to make fintech innovations sustainable. The platform will provide shared risk management models that automatize compliance of Fintech companies (*RegTech*) and, at the same time, increase the efficiency of supervisory activities (*SupTech*).

This aim will be achieved creating a **knowledge exchange hub** which will eventually lead to a *European sandbox research laboratory* aimed at developing and testing fintech risk management models.

The knowledge exchange hub is based on a network that includes:

- i) 8 experts from *international regulators* (FSB, BIS, IMF, OECD, EBA, ESMA, EIOPA, ECB), who will prioritise fintech risk model research;
- ii) 24 research partners, who will develop fintech risk models, and discuss them with regulators and validators in *research workshops*;
- iii) the national supervisors of all 28 EU countries, who will provide feedback on the models in *suptech workshops*;
- iv) 6 European fintech hubs, whose fintechs will provide feedback on the models in *regtech workshops*;
- v) 10 *validators*: 5 European banks risk managers and 5 advisory board members, who will validate the developed models.

The activity of the knowledge exchange hub will take place according to the following structural flow:

1. **Research framework:** based on the regulators' priorities, all partners of the project will develop research papers on fintech risk management models and submit them to the research workpackage leaders (WP2, WP3, WP4), who decide, jointly with the project coordinator (leader of WP1 and WP5):
 - to publish them in the FIN-TECH portal repository (in coordination with the WP6 leader) and/or to include them in the research workshops;
 - to select them as **use-cases** to be inserted in the RegTech and Suptech workshops, to receive feedback and continuously improve, until the final validation.

The research framework includes **six Research workshops** which all partners must attend. Three of them are horizontal on the three topics (Big data analytics, Artificial Intelligence and Blockchain

applications in finance), and are focused on the interaction with the international regulators; three of them are vertical and are focused on the interaction with the validators.

2. **Supervisory training framework:** each partner organises 3 *Suptech Workshops*, each of which consists of 16 hours of training for the corresponding national supervisor, for a total of 48 hours. The contents of each suptech workshop must consist of slides drawn from the project's use-cases, plus personalised material. Collaborations between partners is encouraged, through cross-teaching and joint regional workshops.
3. **Regulatory compliance framework:** the partners associated to a fintech hub organise 6 *RegTech Workshops*, each of which consists of 6 hours of training, for a total of 36 hours. In the regtech workshops, European fintechs can practically reproduce the proposed models, using the same slides presented in Suptech workshops, but in a hands-on-code-and data modality.
4. **Validation framework:** the risk managers of the Banks that validate the project will be invited to participate in all RegTech workshops, and will prepare an intermediate and a final report. The Advisory board will also provide an overall evaluation report, based on all project's participation and feedback (collected in a repository organised by the WP7 leader).

Concerning the *responsibility* of the knowledge hub activities, each partner has precise tasks relative to the project workpackages which involve, in particular, the organisation of at least one suptech or regtech activity. Please refer to the attached document for a complete list of partners and responsibilities (slide 8-10, representing the *network map*) and for the workshop calendar (slide 11, containing the *event map*).

The **governance** of the FIN-TECH H2020 project is summarised in the figure below, in which nodes indicate stakeholders or workpackages, while edges indicate information flows between them.



From the Figure it is evident that the main governing body is the Management Board, which includes the representatives of all partners.

The Management Board interacts with the Coordinator, who is supported by a technical manager (for the project technical contents), by a financial manager (for the tasks related to financial reporting) and by a communication manager (for managing the relationships with the project's stakeholders). The interaction between the Management Board and the Coordinator is continuous. In addition, physical Management Board meetings are organized during the six research workshops, where all partners have to be present.

The Coordinator directly communicates with the Project Officer at the EC. He also interacts with the other stakeholders of the project: the international Regulators, the Advisory board members, the national Supervisors, the Fintech hubs and the Validating banks.

The Executive Committee includes the coordinator, the workpackage leaders and all responsible of Research workshops and Regtech activities, which are organized at a centralized European level. Its role is to

supervise the implementation of the project and the production of deliverables. The members of the Executive Committee are:

- Paolo Giudici, University of Pavia - Coordinator, WP1 and WP5
- Tomaso Aste, University College of London - WP2 and AI validation workshop
- Wolfgang Karl Härdle, Humboldt Berlin - WP3
- Christophe Henot, University of Paris 1 - WP4, RegTech 6 and Blockchain workshop
- Jochen Papenbrock, Firamis - WP6 and Reg-Tech 2
- Dave Remue, B-Hive - WP7 and Final Workshop
- Valentino Pediroda, MODEFINANCE – RegTech 1
- Joerg Osterrieder, ZHAW – RegTech 3 and Big data validation workshop
- Javier Arroyo, Complutense University of Madrid – RegTech 5
- Ronald Hochreiter, Vienna University of Economics and Business – RegTech 4
- Vasile Strat, Bucharest University – Mid-term workshop

Finally, a list of non-European expert advisors has been appointed for the external evaluation of the project, among those identified in the initial project proposal. The Advisory Board will receive all the deliverables of the project and all the received feedbacks, and will be invited to provide an independent overall evaluation. The members of the Advisory Board, who have confirmed their formal engagement with a written statement, are:

- Bihong Huang, Asian Development Bank (Japan)
- Shatha Qamhie, Nablus University (Palestine)
- Gabriel Aparici, Central bank of Chile (Chile)
- Chen Ying, National University of Singapore (Singapore)
- Daniel Heller, Blockchain advisor (USA)

In addition to the above “formal” advisory board, one representative from all eight previously cited international regulators have accepted to “informally” act as advisor, by participating to the kick-off, midterm and final workshop, so as to give guidelines on which risk models to prioritise. The informal advisors are:

Jon Frost (FSB)
Leonardo Gambacorta (BIS)
Ashraf Khan (IMF)
Carlone Malcom (OECD)
Slavka Eley (EBA)
Patrick Armstrong (ESMA)
Andrea Lehtmetts (EIOPA)
Giacomo Caviglia (ECB)

Attached documents

The attached document presents the project structure and workflow in more detail. The document has been shared by the Coordinator with all the partners, after the kick-off workshop of Pavia on February 1st 2019, during which an informal meeting of the WP leaders with the Project Officer took place. After discussion and feedback exchange, all partners have finally approved the proposal.



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