

## Feedback: Research and Validation Research Conference

<b>Location</b>	ZHAW, Winterthur
<b>Participants and their roles:</b>	<p>The conference was attended by 80-90 academics, Fintechs, national and international regulators from all over Europe. Among the speakers:</p> <ul style="list-style-type: none"> <li>○ Regulatory change and RegTech, Dr. Philipp Hartmann, Credit Suisse</li> <li>○ Building a big data and advanced analytics platform at the BIS, Dr. Rafael Schmidt, Bank for International Settlements</li> <li>○ Fintech and BigTech credit: A global overview, Dr. Jon Frost, Bank for International Settlements</li> <li>○ Predicting financial distress: Towards building an early-warning system, Dr. Bijan Sahamie, Deutsche Bundesbank</li> <li>○ Does Fintech crowd out banks: Evidence from China, Dr. Bihong Huang, Asian Development Bank</li> </ul>
<b>Topics covered:</b>	<ul style="list-style-type: none"> <li>- Overview of the FIN-TECH project; Introduction of the Project's goal, activities and network;</li> <li>- AI application to strong customer authentication: Some practical examples from the payment processing industry</li> <li>- Does Fintech crowd out banks: Evidence from China</li> <li>- Network-based scoring for P2P lending platforms</li> <li>- Presentation of use cases under the BDA research</li> </ul>
<b>How participants remain involved?</b>	<ul style="list-style-type: none"> <li>- ZHAW is in regulator contact with the participants and speakers, sharing updates, new use cases, project materials, etc.</li> <li>- ZHAW has informed and invited participants from the event to all open events organized under the Fintech-ho2020 Network</li> </ul>
<b>What is their feedback on the use cases presented?</b>	<p>The participants suggested that there is a great knowledge and technology gap between regulators and fintechs particularly in terms of the innovative technologies that are applied in the context of financial intermediation. They expressed great interest in novel methodologies that can address some of the main risks that emerge from the application of innovative technologies in finance - particularly in the context of network models which can be very useful in improving the predictive power of credit risk estimations.</p>
<b>Are the selected use cases the ones that meet the expectations and requirements at most?</b>	<p>All three BDA use cases were presented during the event. An important feedback from some of the participants was that the network approach can be very useful for addressing some of the main risk that emerge from the P2P business model.</p>

	Further extensions should focus on including real financial flows between participants on the platforms.
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### Feedback: RegTech Event

<b>Location</b>	ZHAW, Winterthur
<b>Participants and their roles:</b>	<p>The event was attended by 60-70 academic and fintech participants from all over Europe. A total of four use cases from the AI in finance research work package were presented together with the open source scripts. The use cases presented are listed below:</p> <ul style="list-style-type: none"> <li>- Use Case I: Market structure discovery with clique forests. Prof. Dr. Tomaso Aste – UCL</li> <li>- Use Case II: Convergence and Divergence in European Bond Correlations. Prof. Dr. Peter Schwendner, ZHAW School of Management and Law</li> <li>- Use Case III: Solvency Risk Zones in Europe During and After the Debt Crisis. Dr. Veni Arakelian, Panteion University</li> <li>- Use Case IV: Network models to improve robot advisory portfolio management. Paolo Pagnottoni, Universita di Pavia, Italy</li> </ul>
<b>Topics covered:</b>	<ul style="list-style-type: none"> <li>- Artificial Intelligence in Finance – A Journey of some Real Business Applications and why it is beneficiary</li> <li>- On the Effectiveness of Portfolio Composition Techniques to Build Stable and Sound Robo Advisory Portfolios</li> <li>- Phenotypic convergence of cryptocurrencies</li> <li>- Presentation of use cases under the AI research WP</li> </ul>
<b>How participants remain involved?</b>	<ul style="list-style-type: none"> <li>- ZHAW is in regulator contact with the participants and speakers, sharing updates, new use cases, project materials, etc.</li> <li>- ZHAW has informed and invited participants from the event to all open events organized under the Fintech-ho2020 Network</li> </ul>
<b>What is their feedback on the use cases presented?</b>	Overall the participants provided a positive feedback for the event. They suggested that there was a good mix between high level and technical content concerning the application of AI solutions in finance. Few participants suggested that some of the use cases were too technical.
<b>Are the selected use cases the ones that meet the expectations and requirements at most?</b>	Four AI use cases were presented during the event and they received a positive feedback. Participants suggested that a variety of ML-based approaches can be applied to improve predictions however a key advantage of conventional approaches lies in their simplicity which in turn makes them understandable and easy to explain. In line with this, a main

	conclusion of the discussion was that future research should focus on developing interpretable and inclusive ML models that can be deployed with confidence. Few participants also suggested that some of the presented use cases were too technical and lacked an example of a practical application.
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