

Work And Budget Plan

CA19130 Grant Agreement Period 1

01/11/2020 to 31/10/2021

Action Profile

Action General Information

Action Code	CA19130	MC Chair	Prof Jörg Osterrieder
Action Title	CA19130 - Fintech and Artificial Intelligence in Finance - Towards a transparent financial industry		
MOU	033/20	Draft MOU	OC-2019-1-24059
CSO Approval Date	2020-03-31		
Action Start Date	2020-09-14	Action End Date	2024-09-13
Science Officer	Dr Ralph Stuebner	Administrative Officer	Ms Rose Cruz Santos

Participating COST Members:

	ITC		Non-ITC		Total
COST Members (countries) having accepted the MoU	Number	18	Number	15	33
	% of ITC in Action	54.55%	% of non-ITC in Action	45.45%	
	% of all ITC	81.82%	% of all non-ITC	88.24%	
Number of Action MC members	32		31		63

COST Member and Acceptance Date		
AL 13/05/2020	IS 05/05/2020	PL 30/04/2020
AT 30/04/2020	IE 29/04/2020	PT 28/05/2020
BA 30/04/2020	IL 11/05/2020	RO 10/06/2020
BG 04/09/2020	IT 12/06/2020	RS 27/06/2020
HR 02/06/2020	LT 17/05/2020	SK 29/04/2020
DK 28/05/2020	LU 30/04/2020	SI 27/05/2020
EE 04/05/2020	MD 17/10/2020	ES 18/06/2020
FR 05/05/2020	ME 19/05/2020	SE 26/05/2020
DE 08/05/2020	NL 25/06/2020	CH 20/05/2020
EL 22/05/2020	MK 07/05/2020	TR 04/05/2020
HU 13/05/2020	NO 06/05/2020	UK 30/04/2020

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International cooperation

	NNC	IPC	Specific Organisation	Total
Number of entities formally approved to join Action	0	0	0	0
Number of countries	0	0	0	0

Working Groups

	WG Title	WG Leader	Number of WG members
WG1	Transparency in FinTech	Prof Wolfgang Härdle	30
WG2	Transparent versus Black Box Decision-Support Models in the Financial Industry	Dr Petre Lameski	30
WG3	Transparency into Investment Product Performance for Clients	Prof Peter Schwendner	30

MoU objectives, Action deliverables and Grant Agreement Period Goals

Action Objectives from MoU

Aim/primary Objective
establish a large and interconnected community across academia, public institutions and industry focusing on Financial Technology and Artificial Intelligence, improving transparency in financial services, especially in and through FinTech, in financial modelling and investment performance evaluation
Secondary objectives
<ol style="list-style-type: none"> 1. To develop blended approaches to evaluate innovative financial services and their providers, especially in the FinTech domain, building on Machine Learning methods, focussing on prediction (early warning) of operational fragility, fraudulent and illegal behaviour ranging from appropriation of loaned funds to money-laundering activities. 2. The development of conceptual and methodological tools for establishing when black-box models are admissible and, to the extent possible, making them more transparent and/or replacing them with interpretable and explainable models. 3. To receive input from regulators and practitioners' communities and to validate results with regard to increasing transparency of artificial intelligence applications. 4. Pruning and improvement of the vast array of performance attribution models by contributing to the development of methodologies for reducing the false discovery rate in financial research and applied financial investment management. 5. Disseminate to the public and share with regulators the results on investment product performance evaluation. 6. Creation of the first European platform comparing the out-of-sample performance of banks' investment products, insurance-linked investment products and asset management products available to the general public. 7. Create an excellent network of researchers in Europe with lasting collaboration beyond the lifetime of the Action. 8. Bringing technological, quantitative and economic researchers together, to tackle future research that can only be done in an interdisciplinary setting, and getting actively involved in the blockchain and FinTech communities across Europe, to constantly monitor developments, get input and disseminate results. 9. Bridging the gap between practitioners from the finance industry, academics and regulators by setting up a common knowledge exchange platform. 10. Transfer knowledge in terms of expertise, scientific tools and human resources across the different disciplines and between academia and industry. 11. Establish an inclusive community of researchers on methodological and technological themes in Machine Learning and Artificial Intelligence, to promote Early Career Investigators and increase their visibility. 12. Overcome the siloing of research topics by country and achieve geographical and demographical diversity, with special attention to COST Inclusiveness Target countries. 13. Prepare competitive European researchers for a fruitful career in an international environment through intensive use of Short Term Scientific Missions (STSM) and joint educational programs with industrial partners. 14. Maximize the job opportunities for PhD students and Early Career Investigators. 15. Disseminate the results of the Action's activities to the scientific community, European institutions and to the general public. 16. Significantly improve the gender equality in the fields of the Action.

Action Deliverables

Deliverable	Month
1. Strategy to engage stakeholders in the Action (including revisions in month 24 and 36)	6
2. Report on good examples and best practices for a transparent finance industry with guidelines to improve transparency	12
3. A database which contains pre-ICO documentation and post-ICO performance (ROI and lifespan)	24
4. A database which contains data on crowdfunding/P2P platform features useful for rating platform integrity and to predict fraud	24
5. A discussion paper for possible approaches to building a statistically valid back-testing framework	24
6. An internal database of collected (scraped) financial time series from exchanges and regional consolidation platforms optimised for accessibility to all partners	24
7. Discussion papers (DP) on the methodology for evaluating/rating ICOs and crowdfunding/P2P platforms and for detection/early warning about fraud-illegal behaviour with emphasis on the application of AI tools	36
8. Position papers, aimed at regulators and policy-makers, on methodology (with examples of formal criteria) for testing AI techniques in real-time	36
9. Handbook and/or wiki page describing potential approaches to tackle risk management issues related to blockchain assets and crowdfunding/P2P lending	36
10. A position paper and roadmap on mitigating risks connected with the increased use of digital assets	48
11. Methodological discussion paper on the design of stress tests for the evaluation of AI and ML models under shifting financial conditions to improve the robustness of models	48
12. Methodological discussion papers on AI models to generate “failed trials” of investment product producers and on quantitative strategies with the usage of the promising field of network data analysis	48
13. Four annual reports (for lay audience) distributed via local and national media	48
14. Key software (codes, packages) developed by each of the Working Groups in line with their objectives	48
15. An edited volume containing scientific achievements of the Action (dummy text to delete)	48

Grant Agreement Period

Grant Agreement Period Start Date	01/11/2020	Grant Agreement Period End Date	31/10/2021
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Grant Agreement Period Goals

Number	Grant Agreement Period Goal	MoU Objective(s) it relates to
GAPG 1	Acquiring an overview of methodologies, knowledge and approaches to blockchain, ICOs and P2P lending in Finance	<ul style="list-style-type: none"> • Secondary objective 3
GAPG 2	Set up a plan for dissemination of the results	<ul style="list-style-type: none"> • Challenge • Secondary objective 16
GAPG 3	Comparing the efficiency of different methodological approaches in measuring transparency in Finance	<ul style="list-style-type: none"> • Challenge • Secondary objective 4
GAPG 4	Regional market studies regarding investment product vendors, product range, regulation and marketing have been performed	<ul style="list-style-type: none"> • Secondary objective 5
GAPG 5	Strategy to engage stakeholders in the Action	<ul style="list-style-type: none"> • Secondary objective 8 • Secondary objective 9
GAPG 6	Specification document for the knowledge exchange platform	<ul style="list-style-type: none"> • Secondary objective 10 • Secondary objective 11
GAPG 7	Strategy to ensure and improve COST diversity (gender balance, ECI participation, ITC involvement)	<ul style="list-style-type: none"> • Secondary objective 12 • Secondary objective 13 • Secondary objective 14 • Secondary objective 15 • Secondary objective 16
GAPG 8	At least 50% of STSMs have been hosted/ originated in ITC	<ul style="list-style-type: none"> • Secondary objective 13
GAPG 9	Set up process for deciding on how to award STMS applications, conference support, other financial support	<ul style="list-style-type: none"> • Secondary objective 1
GAPG 10	Co-coordination of PhD programmes	<ul style="list-style-type: none"> • Secondary objective 12 • Secondary objective 15
GAPG 11	Encouraging partnerships with private entities	<ul style="list-style-type: none"> • Secondary objective 10 • Secondary objective 11 • Secondary objective 14
GAPG 12	Strategy paper on how to obtain additional funding	<ul style="list-style-type: none"> • Secondary objective 3 • Secondary objective 4 • Secondary objective 5

Work and Budget Plan for the Grant Agreement Period

Work and Budget Plan Summary

A. COST Networking Tools	EUR
(1) Meetings	37,200.00
(2) Training Schools	0.00
(3) Short Term Scientific Missions (STSM)	10,730.00
(4) ITC Conference Grant	3,000.00
(5) COST Action Dissemination	3,840.00
(6) Other Expenses Related to Scientific Activities (OERSA)	0.00
B. Total Science Expenditure (sum of (1) to (6))	54,770.00
C. Financial and Scientific Administration and Coordination (FSAC) (max. of 15% of B)	8,215.50
Total Grant (B+C)	62,985.50

Meetings

Overview

Meeting Title	Meeting Type	Dates	Location	ITC	Total Cost(EUR)
The darkness of Finance - making it transparent	Core Group Meeting, Working Group Meeting, Management Committee Meeting	18/03/2021 - 19/03/2021	Bukarest (Romania)	Yes	37,200.00
Total					37,200.00

Details

Meeting Type	Core Group Meeting, Working Group Meeting, Management Committee Meeting		
Title of the Meeting	The darkness of Finance - making it transparent		
Grant Period Goal(s) it will address	Acquiring an overview of methodologies, knowledge and approaches to blockchain, ICOs and P2P lending in Finance, Set up a plan for dissemination of the results, Comparing the efficiency of different methodological approaches in measuring transparency in Finance, Regional market studies regarding investment product vendors, product range, regulation and marketing have been performed, Strategy to engage stakeholders in the Action, Specification document for the knowledge exchange platform, Strategy to ensure and improve COST diversity (gender balance, ECI participation, ITC involvement), At least 50% of STSMs have been hosted/ originated in ITC, Set up process for deciding on how to award STMS applications, conference support, other financial support, Co-coordination of PhD programmes, Encouraging partnerships with private entities, Strategy paper on how to obtain additional funding		
Description	Annual Management committee meeting joint with working group and core group meetings.		
Output(s)	Status report on the progress of the Action (diversity, deliverables, goals, achievements); Strategic plan for the next grant period; Working group status, progress and outlook; Core group status, progress and outlook; Planning of next work and budget plan; Country and leadership updates; Foundation for further joint research and joint research applications		
Location	Bukarest (Romania)	ITC	Yes
Start Date	2021-03-18 09:00:00	End Date	2021-03-19 18:00:00
Duration	2 days		
Number of expected total participants	45	Number of participants to be reimbursed from COST funds	45
Average reimbursement(per participant)(EUR)	800.00	Total Reimbursement costs (EUR)	36,000.00
Local Organiser Support (EUR)	1,200.00		
Total cost of the meeting (EUR)	37,200.00		

Short Term Scientific Missions (STSM)

Number	Average cost per STSM(EUR)	Total cost(EUR)
8	1,341.25	10,730.00
Grant Period Goal(s) it will address	Acquiring an overview of methodologies, knowledge and approaches to blockchain, ICOs and P2P lending in Finance,Comparing the efficiency of different methodological approaches in measuring transparency in Finance ,Regional market studies regarding investment product vendors, product range, regulation and marketing have been performed,At least 50% of STSMs have been hosted/ orginated in ITC,Set up process for deciding on how to award STMS applications, conference support, other financial support,Co-coordination of PhD programmes	
Description	Short-term scientific missions to advance the research output of the Action	
Output(s)	Scientific exchanges, collaborations and visits. Contribution to the goals of each working group for the first grant period Academic papers, new research collaborations, support of researchers that fall into COST diversity categories (ECI, ITC, gender)	

ITC Conference Grant

Number	Average cost per Grant(EUR)	Total cost(EUR)
2	1,500.00	3,000.00
Grant Period Goal(s) it will address	Strategy to ensure and improve COST diversity (gender balance, ECI participation, ITC involvement), Set up process for deciding on how to award STMS applications, conference support, other financial support, Co-coordination of PhD programmes	
Description	Provide ITC Grants to PhD students and ECIs from ITC for attending conferences that are not organised by a COST Action	
Output(s)	Support of COST diversity goals; Dissemination of academic results; Increase visibility for young scientists from ITC countries; Conference talks, papers and poster presentations;	

COST Action Dissemination

Title	Type	Publisher/provider	Expected date of Release	Cost(EUR)
Website for FinAI	Action Website	to be determined	01/12/2020	1,790.00
Grant Period Goal(s) it will address	Strategy to engage stakeholders in the Action, Encouraging partnerships with private entities			
Description	Create a professional website to share the results of the Action, future events and main news.			
Output(s)	Website: Disseminate the Action goals and achievements to a wide audience, get a visibility of the results and the possibilities for the network extension			

Title	Type	Publisher/provider	Expected date of Release	Cost(EUR)
Brochure for COST Fintech and AI in Finance	Brochures, flyers, posters, infographics	to be determined	31/12/2020	1,000.00
Grant Period Goal(s) it will address	Set up a plan for dissemination of the results			
Description	Create an Action brochure with an overview of the Action			
Output(s)	Brochure of the Cost Action for dissemination purposes			

Title	Type	Publisher/provider	Expected date of Release	Cost(EUR)
Magazine publication about COST CA 19130	Publication expenses	to be determined	30/11/2020	600.00
Grant Period Goal(s) it will address	Set up a plan for dissemination of the results, Strategy to engage stakeholders in the Action			
Description	Publication costs for publishing the start of the Action as well as the first results/thoughts in a magazine			
Output(s)	Publication to connect with stakeholders and to extend our network			

Title	Type	Publisher/provider	Expected date of Release	Cost(EUR)
Graphics for FinAI	Graphic design (max EUR 1000 Action lifetime)	to be determined	11/01/2021	350.00
Grant Period Goal(s) it will address	Set up a plan for dissemination of the results, Strategy to engage stakeholders in the Action, Encouraging partnerships with private entities			
Description	Graphic design for logo, brochures, etc.			
Output(s)	Action Logo; design for our dissemination material			

Title	Type	Publisher/provider	Expected date of Release	Cost(EUR)
test	Action Website	test	02/12/2020	100.00
Grant Period Goal(s) it				

will address	
Description	
Output(s)	

Total Disseminations	3,840.00
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