

Speech

Economy

“Fintechs and sovereignty: Three pillars to be strengthened together”

Published on the 9th of October 2025

ACPR-AMF Forum Fintech – Paris, 09 October 2025

Speech by François Villeroy de Galhau, Governor of the Banque de France

Chairman of the ACPR

Ladies and Gentlemen,



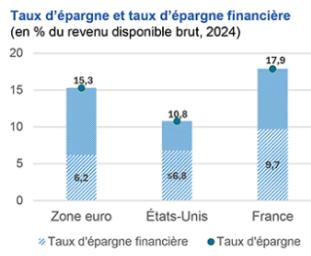
I am delighted to welcome you today to the Banque de France for this sixth edition of the Fintech Forum, organised jointly by the ACPR and the AMF, whose chair, Marie-Anne Barbat-Layani, I wish to warmly welcome. In a context that is volatile to say the least, the ACPR remains attentive to the ecosystem, which is the very purpose of this Forum. Let me stress once again that fintechs require from us just as much attention, dialogue and consideration as other traditional players. These are also the commitments of our Fintech Charter that are regularly reviewed: our response rate to initial contacts within two weeks, as stipulated in the Charter, remains consistently high at 98%. Once the authorisation process has begun, response times are 10 days (compared to 9.5 days last year). In early October, the ACPR also set up a Directorate for Innovation, Data and Technological Risks, bringing together the divisions responsible for innovation and those responsible for AI and cyber supervision, thereby effectively combining innovation and regulation. This Forum provides an opportunity for regulatory dialogue with the ecosystem. But it also strives to be strategic: this year's theme is sovereignty. I would like to share our conviction that the development of the fintech ecosystem can, and must, strengthen our sovereignty through three pillars: financing the economy (I), money (II), and lastly new technologies (III).

I. Sovereignty and the financing of the economy

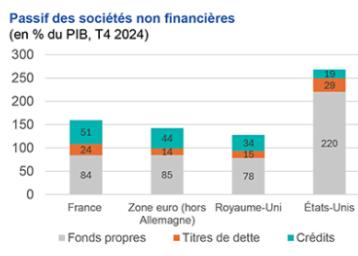
1. The financing of the economy requires “stimulus” from fintechs

I will begin with the first “pillar of sovereignty”: the financing of the economy. Today, implementing a genuine Savings and Investments Union (SIU) is an essential step towards establishing European economic and financial sovereignty. Europe does not lack savings or credit, it lacks equity. And Europe does not lack total investment, but rather innovative investment: there is obviously a strong link between these two observations.

| L'EUROPE NE MANQUE PAS D'ÉPARGNE, NI DE CRÉDIT, MAIS DE FONDS PROPRES

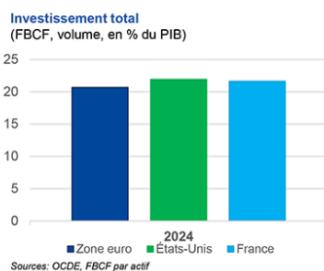


Sources: Eurostat, BEA. Note: Moyenne annuelle pour 2024.
Pourcentage du revenu disponible brut des ménages et des ISBLSM.

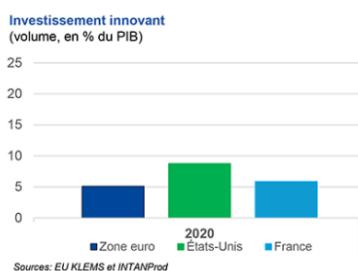


Sources: Banque de France, BCE, OCDE, US Fed

L'EUROPE NE MANQUE PAS D'INVESTISSEMENT TOTAL, MAIS D'INVESTISSEMENT INNOVANT



Sources: OCDE, FBCF par actif



1

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L'Europe ne manque pas d'épargne, ni de crédit, mais de fonds propres

It is vital to strengthen support for innovation in key areas of sovereignty, such as digital technology and artificial intelligence (AI), decarbonised energy, and defence, by mobilising more European financial savings. The fintech ecosystem, at the forefront of innovation, can play a role in making our economies more 'sovereign' in terms of financing, for example by fostering new financing channels amid the tokenisation of financeⁱ. The European pilot regime supports this process by offering market infrastructures the opportunity to use blockchain technology within a simplified framework.

2. Despite their dynamism, fintechs still lack equity capital

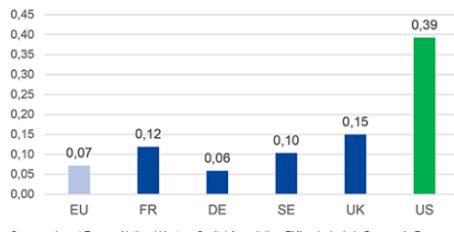
The fintech ecosystem in France is reaching a first stage of maturity, with over 1,000 fintechs, 50,000 employees, and a number of major players. It has proved its resilience: despite a sharp decline in fundraising in 2023 and 2024, the ecosystem has consolidated and held its ground. This tightening of financing conditions has led fintechs to double down on their efforts in order to achieve profitability.



Fundraising rebounded in the first half of 2025, with an increase of more than 20% compared to mid-2024, initially driven by a few large transactions, often backed by non-European investors. This trend, however, remains fragile. Today, the ecosystem needs more equity, particularly from European investors.

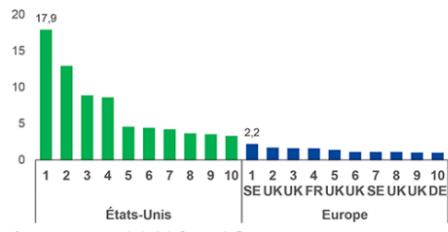
i UNE PRIORITÉ DONC POUR L'UEI: AUGMENTER LES FONDS PROPRES ET LE CAPITAL-RISQUE

Total des fonds de capital-risque levés entre 2014 et 2024
(en % du PIB sur la période)



Sources : Invest Europe, National Venture Capital Association, FMI, calculs de la Banque de France

Montants levés par les dix plus grands fonds de capital-risque entre 2019 et 2023 aux États-Unis et en Europe
(en milliards d'euros)



Source : Crunchbase, calculs de la Banque de France

➤ 5 leviers concrets

- Une supervision réellement européenne des fonds d'investissement
- La création d'un « 28^e régime »
- Le développement progressif de fonds d'épargne-retraite et de pension européens
- Des partenariats public-privé ambitieux pour le capital risque
- Le lancement de produits d'épargne

Une priorité donc pour l'UEI : augmenter les fonds propres et le capital-risque

I advocateⁱⁱⁱ an agenda focused on five concrete priorities in terms of equity and venture capital:

- a genuine European supervisory framework for investment funds in order to hasten the transition from national to “pan-European” funds.
- the creation of an optional “28th regime” comprising a common EU-wide set of business law rules, with the aim of reducing administrative costs for companies operating in several EU countries. The Commission's consultation on the subject is a promising step forward.
- the gradual development of European retirement savings and pension funds.
- the implementation of ambitious public-private partnerships. By extending the EIB's experience and its European Tech Champions Initiative (ETCI), we should leverage the influence of private investors in the venture capital market through public funds.
- the introduction of European retail investment products through simplification and standardisation.



II. Sovereignty and money

1. Maintaining the pivotal role of central bank money

The second "pillar of sovereignty" is monetary. The rapid and potentially massive growth of stablecoins, most often backed by the US dollar and strongly supported by the new US administration, could undermine our monetary sovereignty acquired through the euro. In particular, it could lead to the disorderly proliferation of private settlement solutions and a growing dependence on non-European and unregulated players.^{iv} How should we respond? First, by completing the European regulatory framework – the MiCA Regulation.^v This framework would benefit from the much stricter regulation of the multi-issuance of the same stablecoin within and outside the European Union, to reduce arbitrage risks in times of stress. I also advocate, along with the Chair of the AMF, for the European supervision of crypto-asset issuers, exercised by ESMA.^{vi}

Furthermore, maintaining the pivotal role of central bank money. This requires the Eurosystem to offer a wholesale digital euro for the interbank market and a retail digital euro for the general public. The first project is less well known and less high-profile than the second, but it is even more important. The Eurosystem and the Banque de France are actively working on this as part of the Pontes project: by next year, a pilot solution will enable financial intermediaries to settle their tokenised assets in central bank money, either through TARGET services or via a distributed ledger of the Eurosystem.^{vii} In the second stage, the Eurosystem intends to propose, as part of the Appia project, a shared ledger^{viii} where tokenised central bank money, tokenised bank deposits and tokenised assets could be exchanged on the same platform. This will help overcome many technical obstacles to the integration of European capital markets. This 'wholesale' digital currency has therefore become a high priority: we must accelerate our efforts, and the Banque de France will do everything in its power to contribute to this acceleration.

2. Promoting the private supply of tokenised money

While the provision of a CBDC is essential, it is not intended to cover all uses in the tokenised economy. In addition, it is necessary to have tokenised commercial bank money, equivalent to traditional **commercial** bank money in our monetary system. Why shouldn't European banks consider the USD-backed stablecoin market, since that is where the market is today? But they should be just as focused on their natural market of tomorrow: EUR-backed stablecoins. In that regard, I welcome the launch of a first consortium of nine European banks, following the first initiative of a French bank. The technical choice remains open between tokenised deposits^{ix} or EUR-backed stablecoins issued by banks: we could have **both**, but we must not end up with neither. The cooperation of all market players, particularly French fintechs, is therefore necessary and urgent in order to develop these innovative use cases.

III. Sovereignty and technology

1. Mastering new technologies

I will conclude with a third pillar in which fintechs are often pioneers: new technologies. Fintechs offer immense opportunities for the financial sector, both in terms of improving internal efficiency and customer services. However, they create a number of vulnerabilities; I will take the example of AI and quantum computing. The development of AI is a decisive boost for productivity, but it may also contribute to the amplification of financial vulnerabilities. For instance, market concentration in AI, in terms of specialised hardware, cloud services^x or pre-trained foundation models, could increase the risk of dependence on third parties. Similarly, while quantum computing offers new capabilities in terms of computing and metrics, it also poses major risks in terms of data confidentiality and security for all financial players.

Regulation can help to support the adoption of these new technologies within a secure framework.^{xi} The European AI Act^{xii} applies to the financial sector, and in particular to "high-risk" AI systems. It will take full effect from August 2026. I welcome the fact that the ACPR has been designated as the market supervisory authority for high-risk use cases in the financial sector in the draft organisation recently presented by the French Ministry of Finance. Fortunately, a significant part of the requirements set out in the AI Act are already included in sector-specific regulations. We are actively preparing for this role and intend to continue to involve market participants through regular meetings with the industry. The ACPR will take particular care to minimise the regulatory burden on institutions by adopting a risk-based approach and exploiting all possible synergies with its "usual" supervisory tasks.

Central banks can also set an example by developing their technological expertise. As regards quantum computing, the Banque de France, one of the pioneers in this field, is conducting experiments in collaboration with several other central banks and financial institutions. At the same time, we encourage all financial institutions to commit to the post-quantum transition without delay; we will play our role in monitoring this transition, but also in influencing it as co-chair [with Canada] of the G7 working group on quantum technologies.

2. Strengthening our collective resilience

In an environment marked by cyber risk; the European DORA Regulation^{xiii} has applied to all financial entities since January 2025; it introduces very concrete measures: institutions must now regularly test the security of their information systems and report major incidents. As regards cloud services specifically, let me point out that, even though critical IT service providers are subject to supervision, financial institutions, including fintechs, remain responsible for their own risks. They therefore need to remain in control of the entire subcontracting chain, and regularly audit their IT service providers. These audit tasks can be shared between institutions, as is the case in the German banking sector: strength lies in unity.



I will conclude with the words of Jean Monnet: "Sovereignty withers when it is frozen in the forms of the past." ^{xiv}Conversely, fintechs, the spearheads of innovation in the financial sector, have the power to promote financial, monetary and technological sovereignty. Rest assured that the ACPR is committed to supporting you during this period of rapid transformation in the financial sector, so that innovation continues to go hand in hand with stability. Thank you for your attention.



ⁱTokenisation involves issuing, recording and exchanging assets in the form of digital tokens on Distributed Ledger Technology (DLT) platforms.

ⁱⁱEU Regulation of 30 May 2022 setting up a pilot regime for market infrastructures based on distributed ledger technology. It enables existing or new market infrastructures to use DLT in a simplified framework for trading or settlement activities involving "tokenised" financial instruments. It aims to promote innovation and experimentation within a framework that ensures investor protection, market integrity and financial stability.

ⁱⁱⁱVilleroy de Galhau (F.) (2025), '[Savings and Investments Union: \(Lastingly\) Turning an Idea into Action,](#)' AEFR/REF Conference 'Where do Savings Go? ', 11 September

^{iv}Assouan (E.) (2025), 'La Banque de France, au défi de la tokénisation de la finance et des stablecoins' Revue Banque, September; Bénassy-Quéré (A.) (2025), "[Is tokenization a game-changer for the International Monetary System?](#)", Op-ed, 15 September.

^vRegulation (EU) 2023/1114 on digital operational resilience for the financial sector

^{vi}Barbat-Layani (M.-A.), Villeroy de Galhau (F.) (2024), « [European supervision: crypto first!](#) » Op-ed, 14 November.

^{vii}ECB (2025), « [ECB commits to distributed ledger technology settlement plans with dual-track strategy](#) », communiqué de presse, 1er juillet.

^{viii}European Shared Ledger

^{ix}Tokenised interbank payment instruments

^xThe cloud is a method of organising and managing IT for businesses, enabling them to remotely access and use standardised IT services provided by IT service providers.

^{xi}Villeroy de Galhau (F.) (2025), « ["Where there is danger, a rescuing element grows as well"](#) », Paris Finance Forum, 10 June

^{xii}The AI Act (Regulation (EU) 2024/1689 laying down harmonised rules on artificial intelligence)

^{xiii}Regulation (EU) 2022/2554 on digital operational resilience for the financial sector

^{xiv}Monnet (J.) (1976), Mémoires