



DIGITIZATION AND COMPETITION IN THE FINANCIAL SECTOR: LEGAL AND INFRASTRUCTURE REFORMS FOR SECURITY

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Creating Markets, Creating Opportunities

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Is Digitization = Market Concentration?

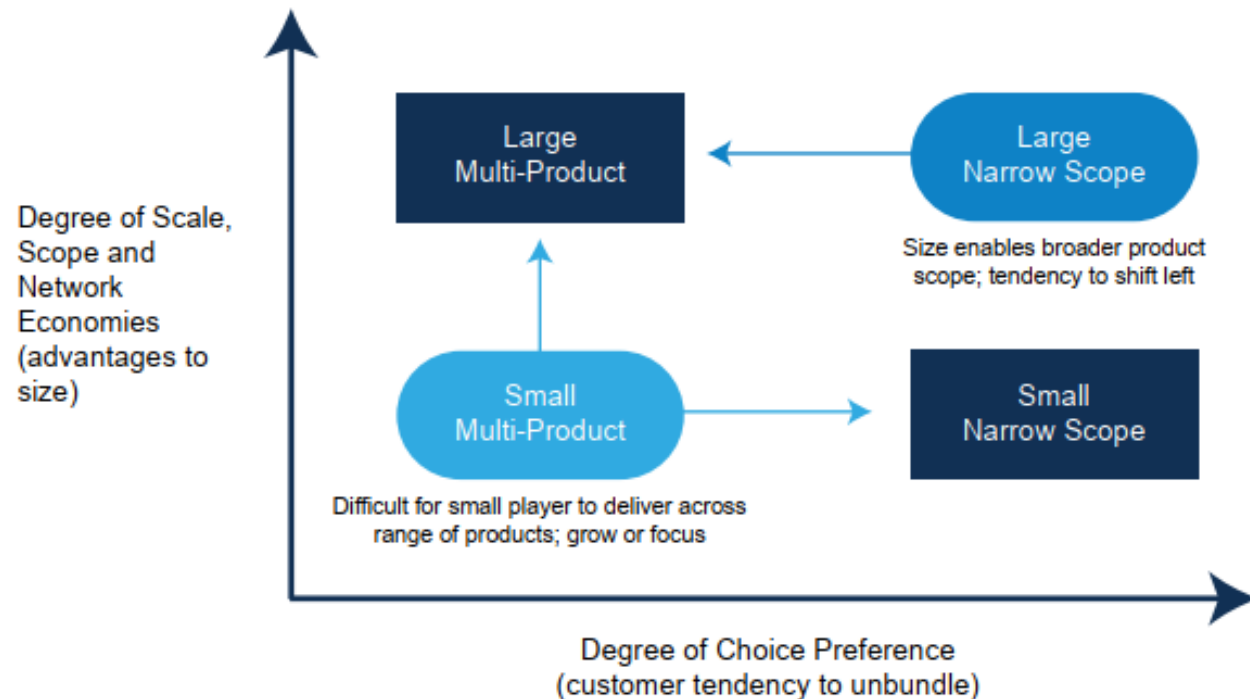
amazon

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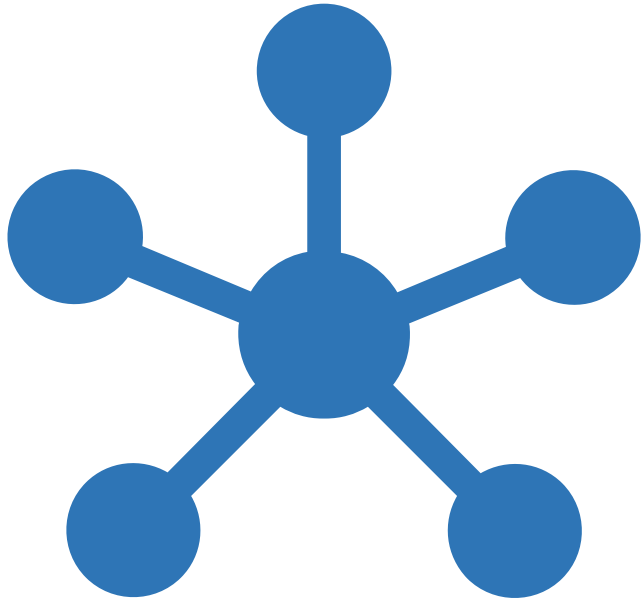
Smaller players are sometimes at disadvantage

Figure 8. Corner solutions of scale vs. atomization



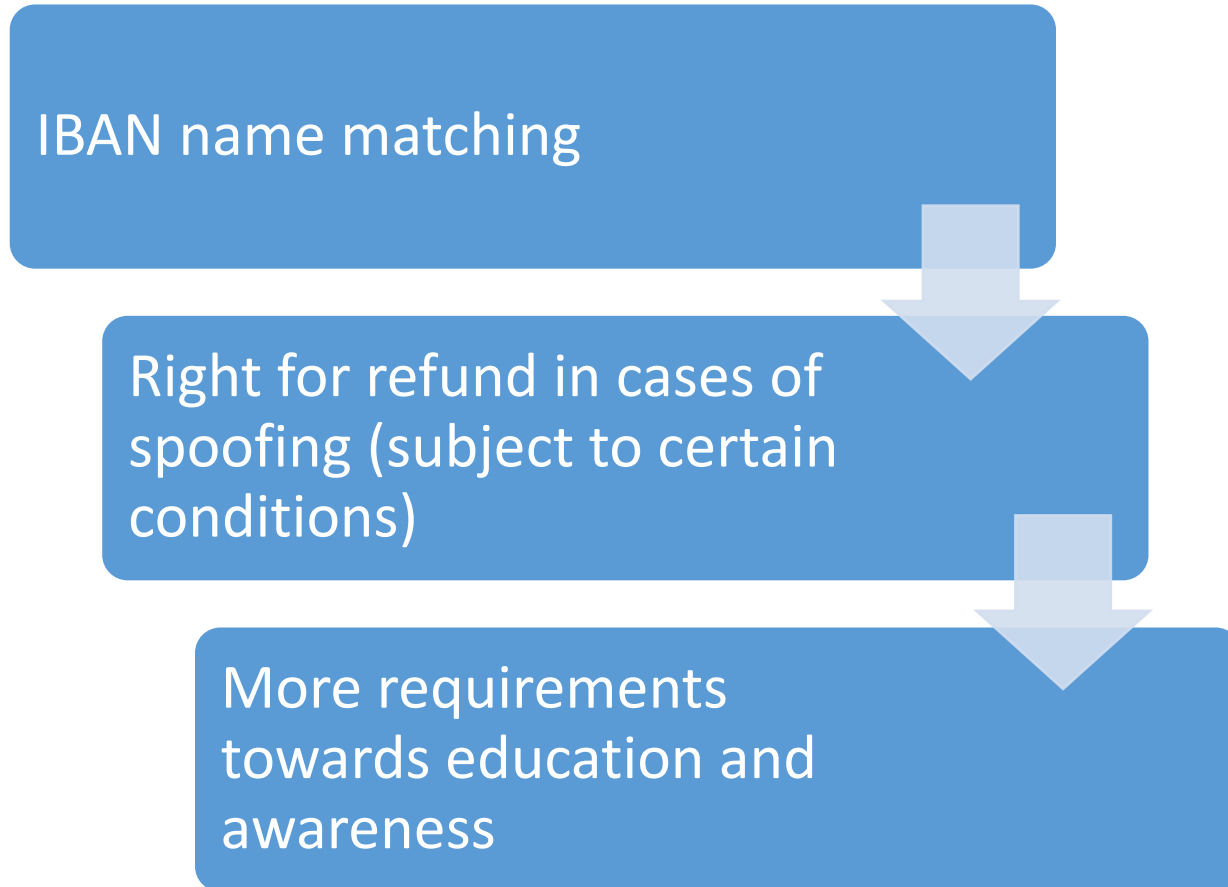
- DORA allows for some exemptions for the microenterprises in the financial sector
- Nevertheless, this does not mean exemptions from the ICT-related responsibilities

Information-sharing is critical



- DORA specifically allows information-sharing to exchange data on notifications about compromise, tactics, techniques, procedures, cyber-security alerts
- Will be further strengthened in PSD3
- EU is moving towards more mandatory approach in Open Banking, with potentially going to financial data access framework
- This highlights the importance of practical implementation of Open Banking – ‘product first!’

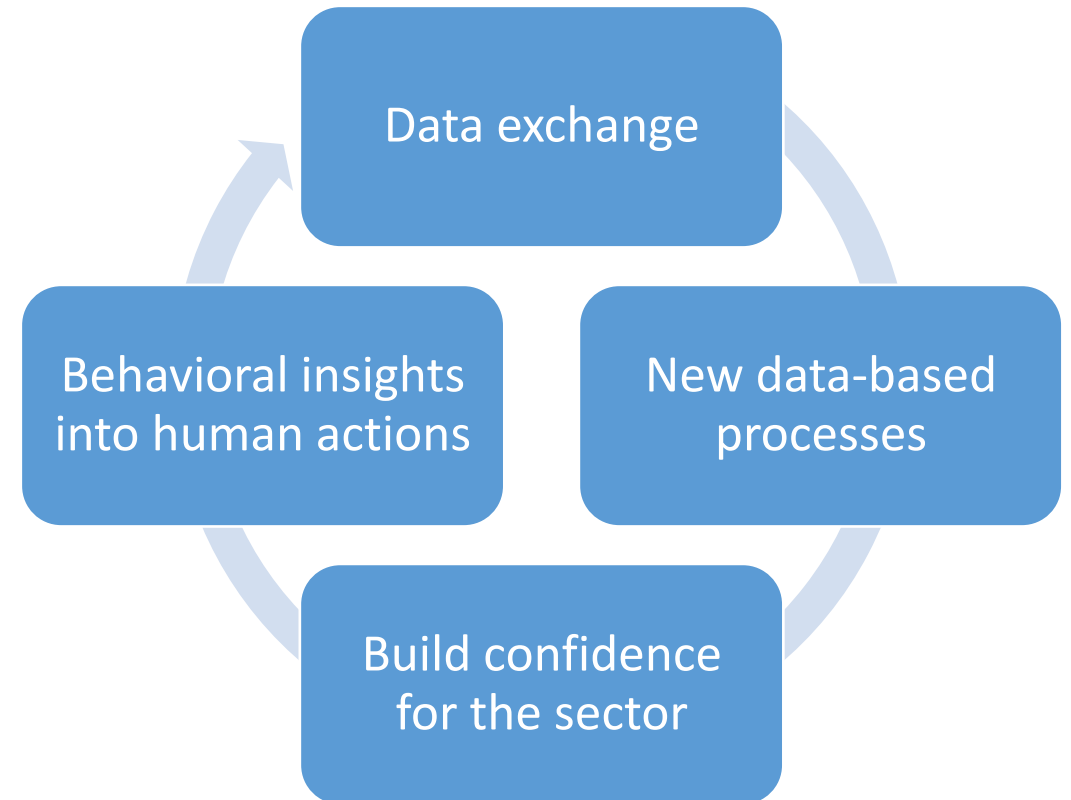
Human behavior matters



- There is ongoing threat of social engineering
- Certain steps (like 'IBAN matching' and wider refund rights) are being taken as part of the EU PSD review
- However, more emphasis is needed on analyzing the human behavior
- We need more data how people make decisions in the specific social and economic context

How to prepare?

- Legal reforms are technicality – impact is a priority!
- Focus on products and services when implementing Open Banking principles
- Promote data exchange among market players: customers who do not trust the financial sector are no one's customers
- Pay attention to behavior: this is the key to combat fraud



Thank You

Get in touch with us

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