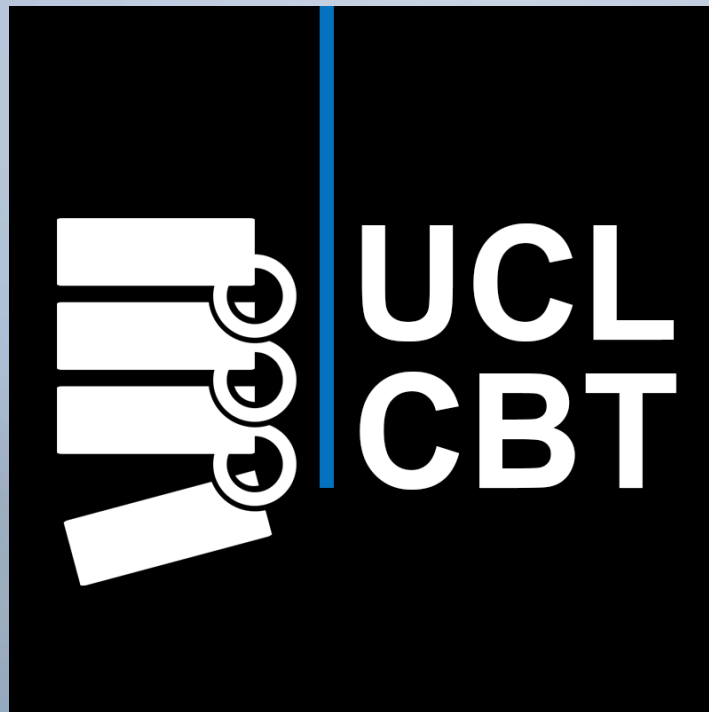


Recent technological innovations affecting the financial industry



Paolo Tasca

European Central Bank and
International Monetary Fund
Workshop

Panel: Implications of FinTech for
market infrastructures and
monetary policy implementation

24 and 25 October 2016

■ What is FinTech ?

Financial innovation can be triggered by several drivers:

1. **Technology** (e.g., CC, ATM, ETFs, online trading)
2. Regulation (e.g., Callable commercial papers)
3. Innovation Spirals (e.g., indexes)
4. Macroeconomic drivers (e.g. securitization)
5. Demographic drivers (e.g., mobile banking)

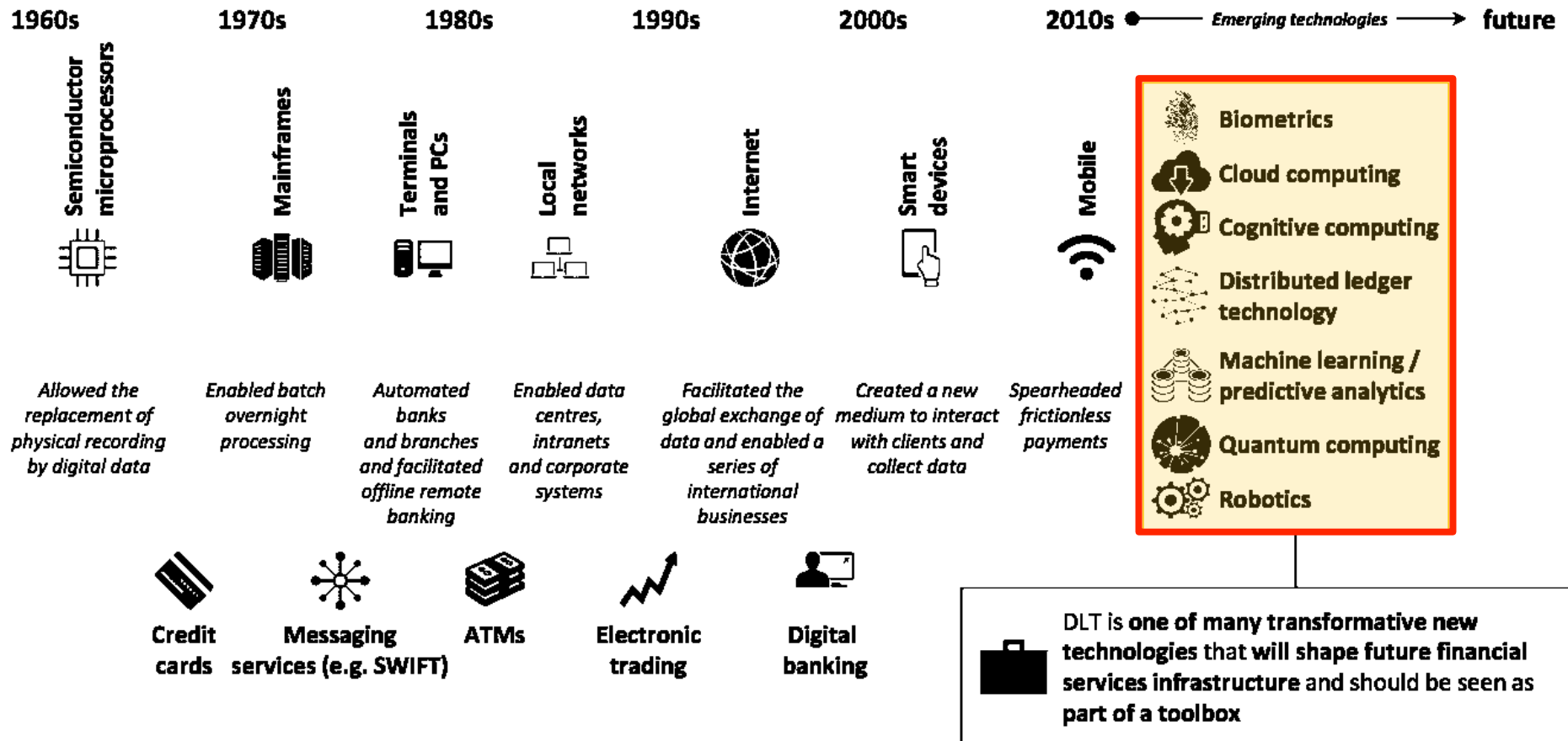
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The application of technology to financial markets is not new !

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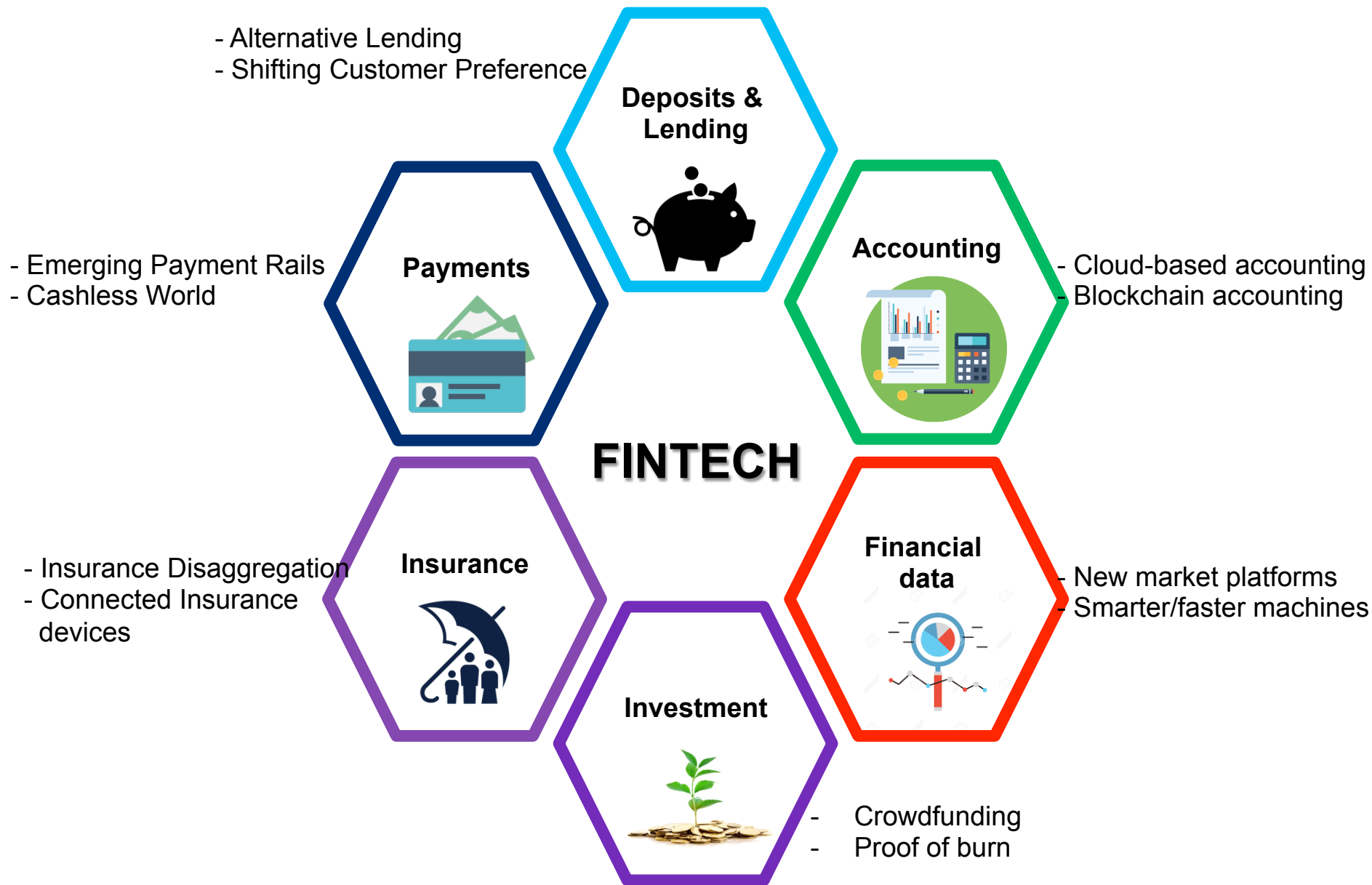


Source: WEF August 2016

October 2016 :: ECB-IMF

P. Tasca, UCL 2016

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- **What distinguish FinTech from other financial innovation ?**

“FinTech referes to the automatic provision of user-driven financial services and markets by technology-enabled platforms that enhance user engagement”

Paolo Tasca

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*“FinTech referes to the **automatic provision** of user-driven financial services and markets by technology-enabled platforms that enhance user engagement”*

Paolo Tasca

Automatic provision: Self-executing with low or minimum direct human intervention or control

- **What distinguish FinTech from other financial innovation ?**

*“FinTech referes to the automatic provision of **user-driven** financial services and markets by technology-enabled platforms that enhance user engagement”*

Paolo Tasca

User-driven: services refined by intermediate-users (e.g. user firms) or end-users (individuals or communities), rather than by suppliers (producers or manufacturers).

- **What distinguish FinTech from other financial innovation ?**

*“FinTech referes to the automatic provision of user-driven financial services and markets by **technology-enabled platforms** that enhance user engagement”*

Paolo Tasca

Technology-enabled platforms: web platforms supported by computer-based and network-based ICTs that combine both demand and supply to disrupt existing industry structures.

- **What distinguish FinTech from other financial innovation ?**

*“FinTech referes to the automatic provision of user-driven financial services and markets by technology-enabled platforms that enhance **user engagement**”*

Paolo Tasca

User engagement: Human–computer interaction (HCI) applications under the motto “do-it-yourself- through-an-app”.

■ What distinguish FinTech from other financial innovation ?

FinTech innovation has been triggered by several drivers:

1. **Technology** (ICTs, AI, DLT, etc.)
2. Regulation (Banks pull back from lending)
3. Innovation Spirals (new foundational technologies)
4. Macroeconomic drivers (low *ir* → reduction costs)
5. Demographic and social drivers (Millennials)

FinTech is not only technology driven !



UCL Centre for Blockchain Technologies

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Oct 2016