

Report on the outcomes of a Virtual Mobility¹

Action number: CA19130 - Fintech and Artificial Intelligence in Finance - Towards a transparent financial industry (FinAI)

Grantee name: COITA IOANA - FLORINA

Virtual Mobility Details

Title: Challenges and opportunities for Fintech innovations – from technical to regulatory

Start and end date: 26/09/2022 to 12/10/2022

Description of the work carried out during the VM

Description of the virtual collaboration and activities carried out during the VM, with focus on the work carried out by the grantee. Any deviations from the initial working plan shall also be described in this section.

(max. 500 words)

Grantee enters max 500 word summary here.

1. On October 22nd, I organized an online meeting to structure the main issues and potential solutions brought about by the challenges and opportunities identified in the context of the EU's financial and AI strategies, specifically with regard to the explainability of AI models, the use of centralized versus decentralized blockchain in the Fintech industry, risk assessment tools in the lending sector, innovation and social innovation in fintech, sustainable models in fintech, and new skills required from human resources. This meeting was joined by people from various countries and backgrounds like Germany, Hungary, Switzerland, Romania, Netherlands, Greece, Turkey, UK.
2. On October 22nd, I organized an online debate to collect the variety of viewpoints and ideas on the topics identified in the previous meeting. I sent out an invitation to all COST network members to participate and discuss the topics addressed. The topic of this meeting was the challenging aspects of fintech innovations adopted by industry and also on human resource training. This meeting was joined by people from various countries and backgrounds like Germany, Hungary, Switzerland, Romania, Netherlands, Greece, Bulgaria.
3. To obtain a set of technical and regulatory factors relating to the adoption of fintech innovation by industry, I used a brief online survey among academics from the COST network, which is available at <https://docs.google.com/forms/d/1e8nwSNq3g—P4szsn-XuUxOJVnB>

¹ This report is submitted by the grantee to the Action MC for approval and for claiming payment of the awarded grant. The Grant Awarding Coordinator coordinates the evaluation of this report on behalf of the Action MC and instructs the GH for payment of the Grant.

yzKt9nzoCUB1i8/edit#responses. The COST network was given access to the database that was amassed.

4. Based on data collected during the VM, I drafted a report/ white paper on the opportunities and difficulties presented to industry by the adoption of fintech innovation from a technical to regulatory standpoint that will be sent for feedback from regulatory bodies and fintech companies;
5. Vasile Strat and I produced a podcast about the subject discussed;
6. I'll make the report/ white paper available to stakeholders and CA19130 members.
7. I gave stakeholders and CA19130 members access to the podcasts.
8. I included the information gathered from the survey into the MSCA DN proposal;

Description of the VM main achievements and planned follow-up activities

Description and assessment of whether the VM achieved its planned goals and expected outcomes, including specific contribution to Action objective and deliverables, or publications resulting from the VM. Agreed plans for future follow-up collaborations shall also be described in this section.

(max. 500 words)

Grantee enters max 500 word summary here.

VM achieved its planned goals and expected outcomes as described beforehand. **This VM collected valuable knowledge upon:**

- a) technical and regulatory challenges that the adoption of Artificial Intelligence algorithms poses to the industry regarding digital finance techniques, cybersecurity threats and trust, transparency, explainability, interpretability, reliability of tools, safe and innovation-friendly environment;
- b) challenges and opportunities do businesses and academics face in light of the EU's Digital Finance, uptake of blockchain and artificial intelligence, trackable, auditable of AI models, promoting data-driven finance, standardisation of decisions paths to protect consumers;
- c) challenges that financial innovation present, deep tech startups and innovation, transparency and reproducibility of deep tech, computational geometry and deep learning;
- d) Fintech industry and academia face challenges in light of the EU's Green Deal and UN SGDs, AI methods to identify the main determinants of the accessibility of sustainable financial products, portfolio Optimisation in crypto, carbon credits and green infrastructure loans, MiCAR and MIFID adoption, diversity in venture capital;
- e) skills that are expected from future employees in the Fintech industry, highly skilled young people, stimulating their creativity, enhancing their innovation capacities and boost their employability;

Its contribution to the **Action objectives and deliverables** refers to output in the form of data and written report/ white paper that are important pieces in the CA19130's strategy to engage stakeholders. Additionally, results of VM tackle the main purpose of the strategy – “to involve them directly in papers and research” by engaging regulatory bodies, fintech companies and civil society in the writing of the report/white paper. Another output will be in the form of a podcast made together with Vasile Strat.

Another scientific output of the VM consists in the database collected through the online survey.

Consequently, the present **VM contributes to several deliverables of CA19130**, by (1) engaging stakeholders into the Actions activities (including research), (2) providing a dataset that describes the challenges of FinTech industry, (3) contributing to the diversity goals by ensuring that podcasts will be made both with male and female participants.

VM results contribute to specific goals and objectives of the working groups. For example, WG2 has as specific tasks, among others, “3. Interact with stakeholders, in particular regulators, to raise awareness of the research questions and discuss potential solutions. 4. Develop a roadmap for including

the results in European regulation and policies, in cooperation with regulators. 5. All these endeavours contribute to the achievement of the MoU objectives and deliverables of COST action CA19130 referring to objective no. 1 and 3 developing blended approaches for the evaluation of Fintech models and bridging the gap between academia, industry and regulators. Results of VM also contribute to deliverables of the Action specifically to guidelines to improve transparency.

Plans for future follow-up and collaborations refer to continue collaboration with academic peers, regulatory bodies and fintech companies in order to build research projects for developing sandboxes in order to sustain innovation in the fintech sector; Knowledge gathered through the survey will be used in writing future research projects including currently MSCA DN application.