

European Central Bank

Brussels, 2 November 2017

Re: Draft Guide for assessing fintech credit institutions licensing

Dear Sir/Madam,

Eurofinas, the voice of consumer credit providers at European level welcomes the opportunity to respond to the European Central Bank's public consultation on its draft guide for assessing FinTech credit institutions licensing.

Eurofinas supports the work of the ECB in maintaining high prudential standards in the context of the growing impact of innovative financial technology (FinTech) and ensuring that market actors engaging in financial innovations can do so with clarity across Europe, while subject to a consistent and transparent approach by the relevant authorities.

As a Federation, Eurofinas brings together associations throughout Europe that represent finance houses, universal banks, specialised banks and captive finance companies of car or equipment manufacturers. The products sold by Eurofinas members include all forms of consumer credit products such as personal loans, linked credit, credit cards and store cards. Consumer credit facilitates access to assets and services as diverse as cars, furniture, electronic appliances, education etc. It is estimated that together the Eurofinas members financed almost 427 billion euros worth of new loans during 2016 with outstandings reaching 1024 billion euros at the end of the year.

The financial services industry is currently facing a high pace of uptake of new and innovative technological tools and greater clarity provided by the guide in relation to the application of new technologies is therefore much appreciated. In this context, we very much welcome the broad approach taken by the ECB with the guide, encompassing activities of both new market entrants as well as existing credit institutions. Such measures are important to foster a European wide innovation-friendly approach while at the same time addressing the relevant risks.

We believe that the guide is relevant for all entities which are making use of FinTech technology. However, we would like to ask for further clarity in relation to the definition of a FinTech bank. As the use of innovative technology is wide-spread in the financial services sector, we believe that the proposed



definition could encompass the majority of entities. In this respect, we believe that further clarity would be beneficial to allow for the distinction between traditional banks and FinTech banks.

I remain at your disposal, should you be interested in discussing any specific issue. Alternatively feel free to contact my colleague Isak Bengtzboe (i.bengtzboe@eurofinas.org - tel: + 32 2 778 05 73).

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Leon Dhaene', with a large, stylized flourish underneath.

Leon Dhaene
Director General

Eurofinas is entered into the European Transparency Register of Interest Representatives with ID n° 83211441580-56