

## PRESS RELEASE 18/32

### LUXEMBOURG AND AUSTRALIA ENTER AGREEMENT ON FINTECH AND REGTECH

The Luxembourg Commission de Surveillance du Secteur Financier ('CSSF') and the Australian Securities & Investments Commission ('ASIC') today signed a Cooperation Agreement which provides a framework for cooperation to understand financial innovation in each jurisdiction.

The Agreement provides a framework for information sharing between the two regulators on financial technology (fintech) and regulatory technology (regtech). It complements the existing close relationship between ASIC and the CSSF. In 2013, the regulators entered into memorandums of understanding on regulating entities that have presence in both Australia and Luxembourg, and specifically for funds management entities regulated under the EU's Alternative Investment Fund Managers Directive (AIFMD).

On entering the Agreement, ASIC Commissioner John Price said, "We see this agreement as very timely. Both our jurisdictions are leaders in funds management and other financial services. ASIC is very interested in learning from the fintech and regtech innovations that are taking place in the Grand Duchy. We look forward to sharing ASIC's experience with our Innovation Hub and regulatory sandbox initiatives."

Claude Marx, Chief Executive Officer of the CSSF said: "Fostering our cooperation with the ASIC makes sense to us. Australia and Luxembourg are both strongly innovation-oriented jurisdictions, and we do think that such agreement will enhance our ability to adapt ourselves to the upcoming FinTech challenges. We look forward to sharing views and experiences with our colleagues from the ASIC."

This agreement is ASIC's fifteenth fintech cooperation agreement overall and the fourth fintech information-sharing agreement, following on from agreements with China, Indonesia and Kenya.

#### **Background**

##### **CSSF**

The CSSF has always considered innovation as being an essential driver to the development of the financial services and the financial sector itself.

In order to be proactive in the FinTech developments, the CSSF created a FinTech working group composed of internal experts, government officials and industry's representatives. The objective of this working group is to analyse the current and future innovation in the financial sector, to assess the related risks and opportunities and, then, the appropriateness of the existing regulatory framework.

##### **ASIC**

ASIC is focused on the vital role that fintechs are playing in re-fashioning financial services and capital markets. In addition to developing guidance about how these new developments fit into our regulatory framework, in 2015, ASIC launched its Innovation Hub to help fintechs navigate the regulatory framework without compromising investor and financial consumer trust and confidence.

The Innovation Hub provides the opportunity for entrepreneurs to understand how regulation might impact on them. It is also helping ASIC to monitor and understand fintech developments. ASIC collaborates closely with other regulators to understand developments, and to help entrepreneurs expand their target markets into other jurisdictions.

To date, fintech referrals and information-sharing agreements have been entered with the Monetary Authority of Singapore, the United Kingdom's Financial Conduct Authority, a number of provincial Canadian regulators including the Ontario Securities Commission, Hong Kong Securities and Futures Commission, the Japan Financial Services

Agency, Malaysia Securities Commission, New Zealand Financial Markets Authority, Abu Dhabi Financial Services Regulatory Authority, the Financial Market Supervisory Authority, Switzerland and the Dubai Financial Services Authority.

In addition, information-sharing agreements have been entered with the Capital Markets Authority, Kenya, Otoritas Jasa Keuangan, Indonesia and the China Securities Regulatory Commission.

Luxembourg, 4 October 2018