

FINANCIAL TECHNOLOGIES: DEVELOPMENT AND REGULATION

Pochenchuk G.M.

Candidate of Economic Sciences, Associate Professor,
Chernivtsi National University named after Yuri Fedkovich

Today there are radical changes in the field of financial technologies affecting the whole infrastructure of the sector and associated with increased level of automation, openness and customer orientation. Almost any financial operation can be done with a mobile device that provides personal financial management, biometric payments, social benefits, etc. The number of transactions, built on the exchange of products or on the use of alternative currencies within the online platforms, is increasing actively. A completely new type of financial transactions between devices without human intervention appears to be widespread. These processes, on the one hand, provide greater opportunities for meeting needs, and, on the other hand, create new risks and threats. This, in its turn, actualizes the study of trends in the development of financial technologies and possibilities for their regulation.

The key technologies that gave impetus to the rapid development of FinTech are technologies of artificial intelligence, processing large volumes of data, new analytical tools (Blockchain and API). Their introduction promotes the development of various areas of FinTech in the sphere of payments and

currency, the introduction of online platforms, mobile applications, which stipulate the transition of financial intermediation to a new level of customer service.

The development of the FinTech sector causes the formation of a sharing economy as a concept of free resources exchange and collective consumption.

The dissemination and global nature of digital financial services platform presents new challenges to regulators as they seek to strike the right balance between consumer protection, competitive markets advancement and stimulation of innovation. Digital financial services have enormous potential for increasing financial availability. The regulator needs proportional and reasonable regulation and supervision.

A risk-oriented approach should be regarded as a general principle for regulating financial services. The level of protection should depend on the level of risk taken in the performance of a financial transaction. The regulator must continuously monitor new technologies and segments of financial market. It must be in a dialogue with its participants and exercise regulatory influence as systemic risks arise for financial services customers.