

Financial System Conference 2022

Supporting the Economy, Delivering for the Consumer

Summary of Conference Themes

The Central Bank of Ireland's inaugural Financial System Conference - *Supporting the Economy, Delivering for the Consumer* took place on 2 - 3 November 2022 at the Aviva Stadium in Dublin. It brought together stakeholders from Ireland and across the EU to discuss and debate the driving forces shaping the financial system. This document briefly outlines some of the key themes that emerged during the Conference. Details of all the speakers and panellists, as well as recordings of all of the Conference sessions are available [here](#).

Open and Engaged: The Conference was delivered through a mix of panel discussions, formal addresses, audience participation and informal engagement. A central theme of the event was the importance of engagement, connection and collaboration, particularly between the regulator, regulated firms and users of financial services.

Shared understanding of regulatory philosophy: Key issues around predictability and proportionality of regulation were discussed, as well as the need for understanding of the benefits and costs of regulation.

Evolving risk landscape: Panellists also highlighted the evolving risk landscape created by current geo-political uncertainty which suggests that there may be other tests to the regulatory framework.

Drivers of regulatory change: Technological innovation, big data and the response to climate change are transforming financial services. The need for cross-border regulation and cooperation in responding to these challenges as well as harnessing opportunities was discussed.

Non-banks: Non-banks were also discussed with panellists noting that the financial system has responded to many recent crises but that there is now a need to enhance regulation in the non-bank space to make sure the system is resilient.

Ireland as financial services hub: Ireland has developed as a major financial services centre which has systemic importance. It has a natural advantage in terms of being able to work closely with the EU, the US and the UK. Panellists highlighted that in order to maintain this momentum, regulators will need to continue to focus attention on consistency, a risk-based approach, predictability, a forward-looking approach, proportionality, transparency and responsiveness.

Consumer Protection: The importance of striking the balance between consumers' interests and the ability of firms to be sustainably profitable in a competitive environment was an emerging theme at the Conference. The Central Bank's Consumer Protection Code Discussion Paper was discussed with a focus on choice and availability, and on balancing customer and shareholder interests. The impact of a rapid evolution of financial products and services on more vulnerable



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consumers who may not be able to access or who may struggle with technology was highlighted. The need to strike a balance between regulation to protect customers with the potential cost of that regulation for small and medium sized businesses was also discussed.

Educating consumers: The importance of investor and consumer education was a running theme with speakers highlighting the importance of education for consumers and investors to help them make better investor decisions. Financial literacy is becoming increasingly important in the context of technological innovation.

Culture: The importance of good culture was a key theme of the Conference with a focus on what comprises good culture and how to promote good culture through regulation and supervision. The conversation also touched on the importance of diversity and inclusion and on the need for leaders to demonstrate required standards of behaviour. The need to empower users of financial services as part of good culture was also discussed.

A focus on the future – Innovation and Climate Change

The second day of the Conference saw a focus on the future and on challenges and opportunities on the horizon. The promotion of innovation through the development of a well-functioning financial services sector was highlighted focusing on the importance of ideas, developments and efficiencies as a key driver of effective markets. Ireland has become a hub in this area, with Irish-based innovators and indigenous firms leading the way. Ireland is increasingly being chosen as a base jurisdiction for global technology-driven firms who plan to serve the wider EU market. The role of the regulator in enabling innovation was also discussed.

Climate Change was also a key theme of the conference with a focus on how we can collectively move from words to action to concrete outcomes. The need for finance leaders to take action to ensure the financial system is both resilient to climate-related risks and supports the transition to net zero was also discussed.