

Nine questions about the InnovationHub

What is your definition of innovation, for whom exactly is the InnovationHub intended and are there costs associated with using the InnovationHub? AFM and DNB have received many questions about the InnovationHub in the past months. Below, we provide a summary of the most frequently asked questions.

1. What is your definition of innovation?

AFM and DNB favour a broad interpretation of the concept innovation. Innovation can concern a new financial service, product or market, but it can also concern the modernisation of existing financial services, products or markets. When this takes place by applying technology, we call this fintech. The InnovationHub is thus accessible for a wider range of innovations than only the application of (new) technology.

2. Does the InnovationHub publish all the answers to market questions? Several parties emphasise that the whole market should be given insight into the feedback that the InnovationHub gives to individual market parties. We understand this wish. Of course, we do not share any information of and about a party that asks questions. However, when our feedback concerns an important clarification of, amendment of or addition to existing policy, we will make this known more broadly. In the event of individual feedback to market parties, whereby only an explanation of existing policy is provided, market-wide publication has too little added value compared to the time that this takes and thus the costs.

3. What is the InnovationHub's intended target group?

The InnovationHub is intended for both new and existing market parties. It does not make a difference whether they are (already) subject to supervision or not. Not all market parties appear to be aware of this. We emphasise that the InnovationHub is open to all parties with questions regarding laws and regulations and policy with regard to innovative services or products, also when they are still being developed. Furthermore, it is important that the innovation is significantly innovative compared to products and services that are already on the market, that the innovation has a clear prospect of providing added value for the customer or society, that the party in question has sufficiently examined the applicable regulations and that the party in question already has a sufficiently clear image of the proposed concept.

4. What is the role of the InnovationHub within the supervision?

The InnovationHub aims to lower thresholds in the contact between supervisory authority and market party, and provides for better communication between both. This obviously requires a good exchange of information between the InnovationHub employees and the executive staff of the supervisory authorities.

5. Are there costs associated with the use of the InnovationHub?

The InnovationHub's objective is to accommodate positive innovation in the financial sector and thus it contributes to the supervisory objectives of AFM and DNB. Therefore, participants are not charged any separate costs for the use of the InnovationHub. This is in line with the AFM's Business Desk and DNB's Infobox, which has already been providing clarifications regarding the regulatory

framework for years. The InnovationHub is an addition to the existing service desks, aimed especially at innovations that are important for the customer or for society and that are more difficult to accommodate in the existing regulations and supervisory structures.

6. What legal certainty does the support of the InnovationHub provide?

The aim of the InnovationHub is to quickly provide support to market parties. As a result, the communication is of an informal nature. With the InnovationHub, we seek to maintain a good balance between quick support and the degree of legal certainty of this support. So the InnovationHub's aim is not to provide a formal standpoint to market parties. Of course, market parties are free to request the supervisory authority to issue a formal standpoint, for example via a scope request through the applicable channels.

7. Do AFM and DNB also work together with the Dutch Data Protection Authority and the Dutch Authority for Consumers and Markets?

AFM and DNB wish to strengthen the cooperation with the Dutch Data Protection Authority (DPA) and the Dutch Authority for Consumers and Markets (ACM) within the InnovationHub. We wish to do so because we see that many innovations in the financial sector lead to questions regarding the use of customer data. We see that innovations are broader than only the financial markets and we see that a number of innovations lead to new market power issues. Innovative developments in the market thus have a bearing on the focus area of various market supervisors, whereby coordination and consultation among the various parties is becoming increasingly important. The generic supervision of the DPA and the ACM thus overlap with the sector specific supervision of AFM and DNB. We are holding consultations with both the DPA and the ACM regarding the structuring of the cooperation with these supervisors.

8. Are AFM and DNB working together on an international level?

AFM and DNB are working on placing the implications of innovations and dealing with innovative services on the agenda of colleague supervisors in other countries, both in a European context and globally. An equal treatment of market parties, also to avoid supervision arbitrage, plays an important role in this.

9. What are you doing with the feedback that the market has recently given on the discussion document 'More room for innovation'?

Many different market parties and other stakeholders have recently reacted to the [discussion document](#) of AFM and DNB, and are participating in the thought process regarding innovations of the supervision approach and accommodating innovations in the financial sector better. We recently published [the reactions](#) on the InnovationHub website.

We will also use this feedback to further elaborate the innovation plans in the coming period. Furthermore, we would also like to enter into consultations with a number of parties about their input.

AFM and DNB aim to announce concrete follow-up steps by the end of the year.

The questions that we have answered above also came to the fore in the feedback that we received on the discussion document.