



## BJØRN SIBBERN

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### Digitalisation for sustainable and inclusive growth

I appreciate and support the European ambitions to continuously develop the regulatory framework, enable innovation and leveraging opportunities with technology to create more inclusive, efficient and secure markets.

There is tremendous potential to leverage data sharing technologies in the fight against financial crime – including money laundering, fraud and terrorist financing. Over the past year, Nasdaq launched its Automated Investigator for AML for banks, as well as recently acquiring AML solutions provider Verafin, one of the world's largest players that offers cloud-based, artificial intelligence and machine learning tools for cross-institutional, multi-channel analysis to combated financial crime. Verafin sends alerts to its bank customers when unusual transactions occur, and then facilitates data sharing and joint data investigations to fully scrutinize the behavior. In addition, Verafin performs data analytics across all clients' data to deliver insights offering a tool that significantly improves the detection of money laundering cases. There needs to be a regulatory framework for sharing data, or financial institutions are unlikely to take full advantage of data analytics.

I welcome exploratory regulatory projects that allow to test innovative initiatives. In order to find the right balance between innovation and investor protection, these initiatives should be limited in scope as well as time, should strictly justify exemptions to current regulations, should be conducted in a transparent way – towards supervisors as well as the wider industry – and should also be evaluated after the specified time. These principles should be applied for instance to the digital ledger technology (DLT) pilot project.

On the private investor side, digitalization is everything. Sustainable and inclusive growth will only happen if private investors can be digitally connected to capital markets. One reason that Nasdaq's Nordic growth markets, First North, have been so successful is a relatively high proportion of retail participation. Smaller investors have been able to be part of the growth journeys of the companies coming to market. The online retail brokers offering services in the Nordics play a vital part in the financial ecosystem. It is crucial that the European market structure allows for efficient and safe participation of both larger and smaller investors.

The plans for a European Single Access Point (ESAP), has the potential of facilitating cross-border investments by allowing any investor to access any issuer's information in a one-stop-shop. For this, it is crucial that the ESAP will truly provide hassle free access for investors, at no added cost for issuers. If on the contrary the access point becomes complicated to use for investors, and if new costs are added to issuers, the ESAP project risks unfortunately deterring issuers from using the public capital markets, contrary to the policy intentions of strengthening the European capital markets. We therefore have to be quite careful on the way the ESAP is framed.

The global pandemic has tested the whole industry. In addition to coping with huge volumes and volatility on our exchanges, we have all been challenged to manage a remote workforce and engage with clients across the globe facing their own struggles. Technology has been a tremendous support as we have worked to remain resilient. Policymaking needs to continue to allow the next steps. Not only will innovation equip technology companies like Nasdaq to deliver top quality products and services to our customers, but they will position the whole industry to adapt to changing business environments.