

Expectations towards a Gaia X roadmap for the European financial ecosystem

This position paper is based on a collaboration initiated in October between the French and German financial communities within Gaia X national hubs. The intention of this document is to share widely our ecosystem's expectations and to provide a first overview / indication as to a desired 2021-2025 roadmap.

We, banks, insurance companies, financial institutions, fintechs, cloud service providers, software editors, academic institutes and governmental agencies of the **German-French Gaia X Financial community**, **expect strong business benefits and tangible outcomes from the creation of the Gaia X ecosystem, and actively support the emergence of federated service & data platforms that create value for all our businesses– and ultimately to European citizens.**

Up to now, most of **the users among us (banks, insurance companies, financial institutions) have been lacking a trusted cloud service & data space** between our own internal cloud and data platforms and international cloud platforms operating under extra-territorial laws. This has prevented us from accelerating the use of trusted cloud and data-based services and ecosystem-based models that we foresee as providing a competitive advantage to our businesses. And because of the lack of trusted cloud technical standards, **the solution providers among us (fintechs, cloud service providers, software editors) have been hindered in the growing of our cloud business** towards the financial industry, slowing down the necessary transformation of users' operating and business models required to compete more efficiently.

Through the Gaia X initiative, we – at last – foresee a tangible and close way forward to easily build, assemble and use trusted and value-creating data-based cloud services, as well as create new products/services and foster new business models that are compliant “by design” with European regulations and values, and will fully take advantage of the massive European potential in terms of technical expertise and market size. **We see Gaia X as a European-wide accelerator of innovation**, scaling up open innovation and co-construction by providing secured data sharing and artificial intelligence services at scale, in a compliant and secured way. By combining the forces of the finance industry with those of governments and academic institutes on the creation of a financial data space within Gaia X, e.g. building on the Gaia X „Financial Big Data Cluster“ initiative, the financial sector is contributing to the Gaia X network **and will foster Europe's competitiveness and financial markets' stability**, through enhancing research, AI development, disruptive innovation and stability in the legal environment.

We fully support the Gaia X strategy of enabling access to aggregated, federated and interoperable trusted cloud services , data spaces and AI services through the setting of common policy rules that will ensure data and services protection, interoperability and portability. This strategy is to us the most efficient way to build on existing cloud services and accelerate the development of new services that leverage the very dynamic European financial innovation community.

Through many European and national regulations (from the European Commission, the European Central Bank, national regulators in France and Germany, national cybersecurity agencies...), **we are a regulated industry which needs a sound level of data management – this both justifies and requires the Gaia X initiative** in order to accelerate the development and use of trusted data-based services. **We should benefit from the expected consistency of Gaia X policy rules with the financial sector regulations;** and **we expect Gaia X leadership to rapidly set up a framework that fulfils the requirements induced by the financial regulations.** Only this framework and ultimately its widespread use by solution providers will unlock the full potential of European trusted cloud services towards the financial industry.

Thanks to the incredible political momentum around Gaia X in recent months – and we would like to acknowledge our tribute to Gaia X founding members as well as to the French and German governments – **we have been recently gathering our forces in order to share and challenge the actual business benefits that we could expect from the Gaia X ecosystem that are presented below.**

We have outlined below three maturity-based stages that can drive future cooperation between us, and drive future funding from the European Commission's dedicated funds.

2021-2022: "quickwins" rapidly available

- **A "compliance by design" framework set up by Gaia X governance**, in connexion with European and national regulators and governments
- **Secured innovation and experimentation platforms to support co-innovation with multi-entity participation.** Exploring future AI and data-driven use cases, for the financial industry, supervision, competent authorities and academia as well as for cross-industry use cases, e.g. through the start of the European FBDC platform including a demonstrator case.
- **"Compliant by design" electronic/intelligent document & content management cloud services:** a large array of tools has existed for long in Europe, but has been regularly hindered by the lack of an operant framework, especially as to emerging cloud services (i.e. document scanning, text-to-speech...)
- **Authentication, identity management, consent management and ePrivacy cloud services**, which could be cross-dataspace services within Gaia X
- **Acceleration of the development of trusted open banking services**, capitalizing on the building of European industry-wide standards
- **Trusted Fraud, Risk and Compliance data-based cloud services**, in the domains of fraud detection, fight against money-laundering and terrorism financing, regulatory reporting...
- **Trusted financial risk management cloud services** in the domains of market trading risk assessment, credit risk assessment, ALM simulations... that need massive computation and strong protection of data used

2022-2023: mid-term benefits building on already-launched or soon-to-be-launched projects

- **Stable Supply Chain Finance**, by fostering the synchronisation of physical goods and financial flows along the industry 4.0 supply chains, through cross-industry data sharing
- **Financial cloud services' tokenization platform**, that would facilitate usage-based services' invoicing, secured data access and brokering, down-the-supply-chain contracting and invoicing with subcontractors...
- **Trusted "Blockchain as a service" platforms:** providing trusted hosting for blockchain nodes, smart-contract execution, digital money transfer...
- **Collaboration applications suites trusted cloud services:** leading suites' cloud services, key to financial industry productivity
- **Personal Data digital safe:** at any citizen's initiative and under their control, storage of personal data in a trusted and secured space that could be used by cloud services without copying data
- Building **new services in a directly Gaia X compliant mode**, such as European Payment Initiative (EPI), Interbank clearing, Clearing house (FPML)
- **Sustainable finance data-spaces and innovative AI and machine-learning cloud-enabled services** that analyse the effects of sustainability risks and derive relevant methods, models and database structures for sustainability, climate risk and impact analyses
- **Enhancing market integrity** in the context of market supervision of stock exchanges, thanks to a better detection of market manipulations through new AI methods
- **Improving the data basis for monetary policy decisions**, through the optimisation of the information base for monetary policy (improve the empirical data basis) and the use of AI.

2023-2025: long term benefits requiring significant investments on the 2021-2025 period

- **The emergence of a European financial market-data platform** that would create an alternative to non-European financial market data providers, e.g. by completing the set-up of the European FBDC platform.
- **Trusted "core banking as a service" cloud platforms** that would benefit to the European financial industry through standardization and would strengthen European solution providers' worldwide market position