

Fintech on the rise in Romania

National Bank of Romania and EFSE Development Facility explore paths to open market to fintech innovations

Luxembourg and Bucharest, 14 January 2021 – The National Bank of Romania (NBR) and the Development Facility for the European Fund for Southeast Europe (EFSE DF) are cooperating to foster the advancement of financial technology in the Romanian financial sector.

To this aim, on 2–3 December 2020, a virtual two-day workshop was organised in order to explore “fintech regulatory sandboxes”, a framework that enables startups to test their financial technology innovations in a live but controlled environment under the supervision of the regulator. Over 30 NBR representatives from various departments discussed the requirements and assessed the possibilities of such an initiative together with the international experts provided by the EFSE DF. This was to set the stage for further engagement in 2021 and beyond.

The session followed on the heels of the NBR’s Fintech Innovation Hub, launched in 2019 to encourage and support innovation in payments and financial services for the benefit of consumers, while seeking to identify the potential risks involved and propose measures to manage them. Through the Hub, the central bank engages in a dialogue with active start-ups and firms directly involved in developing fintech solutions and provides an institutional framework for developing innovative projects. The hub is also meant to increase financial inclusion by creating a favourable environment for developing efficient and convenient products and services.

The NBR is seeking to leverage the benefits of fintech to expand the ability of the financial sector to support innovation and business development in the country by tapping the EFSE DF’s international expertise in promoting fintech.

Fintech is transforming Romania’s financial landscape for individuals, enterprises, and institutions. The rise of online banking, for example, has extended financial inclusion to the underserved segments of the population who may otherwise have difficulty accessing brick-and-mortar establishments, while digital platforms are opening up access to new markets for businesses. Tech solutions can also streamline processes within financial institutions – helping them to achieve leaner operations and expand their services and outreach. The NBR and EFSE DF aim to accelerate these developments through measures that encourage the uptake of fintech across industries.

Markus Aschendorf, Chairperson of the EFSE Development Facility, said: “The growth and increasing significance of fintech’s role in financial markets, which is becoming more and more evident in Romania, call for it to be nurtured and developed. Responsible, accessible, and affordable services can play a direct role in increasing financial inclusion for the underserved, helping to release the economy’s full potential. We are glad to see the NBR’s likeminded commitment to promoting innovation and financial inclusion in the country – which is ultimately core to EFSE’s mission.”

Eugen Nicolăescu, Deputy Governor of the NBR, said: “The NBR is determined to intensify its efforts to explore the benefits of the new wave of technologies that are reshaping the banking sector and the global economy overall, while considering the right balance between innovation and financial stability. The implementation of the Fintech Innovation Hub represented a first step to this aim. We are now examining the prospects of further measures to encourage the fintech industry, in our quest to provide a wider access to banking and financial services for all members of our society.”

About the EFSE Development Facility

The Development Facility of the European Fund for Southeast Europe (EFSE DF) was created in 2006 to support the fund’s development finance mandate. It deploys effective, targeted, and innovative technical assistance to maximise the impact and extent of the fund’s development finance mandate in target countries. The EFSE Entrepreneurship Academy is an arm of the EFSE DF that specifically focuses providing entrepreneurs with the resources, training, opportunities for financial backing, and other means necessary to turn good ideas into successful enterprises.

Managed by impact asset manager Finance in Motion, the facility operates independently from the fund in a fiduciary arrangement under Luxembourg law. The Development Facility Committee, comprising members nominated by KfW Development Bank, the development bank of Austria OeEB, and the Dutch development bank FMO, is responsible for assessing and approving all project proposals and providing strategic guidance to the facility.

For more information on the European Fund for Southeast Europe, please visit: www.efse.lu

For more information on Finance in Motion, please visit: www.finance-in-motion.com

Media contact EFSE

Nikki Eggers
Senior Officer, Marketing & Communications
Email: press@efse.lu
Phone: +49 (0)69 271 035-470

Media contact NBR

Teodora Pausan
Communications Expert
Email: teodora.pausan@bnro.ro