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## **Jean Monnet Network VISTA**

### **Teaching and Learning Resource:**

### **Financial Single Market**

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**Student level:** upper undergraduate, postgraduate

## Teaching and Learning Resource Financial Single Market

### Recent Developments in the Single Financial Market

Howarth, D. & Quaglia, L. (2020) One money, two markets? EMU at twenty and European financial market integration. *Journal of European Integration*, 42(3), 433-448. DOI: [10.1080/07036337.2020.1730346](https://doi.org/10.1080/07036337.2020.1730346)

Howarth, D. & Quaglia, L. (2017). Brexit and the Single European Financial Market. *Journal of Common Market Studies*, 55(1), 149-164.

Mertens, D. & Thiemann, M. (2022). Investing in the single market? Core-periphery dynamics and the hybrid governance of supranational investment policies. *Journal of European Integration*, 44(1), 81-97. DOI: [10.1080/07036337.2021.2011261](https://doi.org/10.1080/07036337.2021.2011261)

Quaglia, L., Howarth, D., & Liebe, M. (2016) The Political Economy of European Capital Markets Union. *JCMS: Journal of Common Market Studies*, 54, 185-203. DOI: [10.1111/jcms.12429](https://doi.org/10.1111/jcms.12429).

Raudla, R. & Spendzharova, A. (2022) Challenges to the European single market at thirty: renationalisation, resilience, or renewed integration?. *Journal of European Integration*, 44(1), 1-17. DOI: [10.1080/07036337.2021.2011263](https://doi.org/10.1080/07036337.2021.2011263)

### FinTech and the Single Financial Market

Ahern, D. (2021). Regulatory Lag, Regulatory Friction and Regulatory Transition as FinTech Disenablers: Calibrating an EU Response to the Regulatory Sandbox Phenomenon. *European Business Organization Law Review*, 22, 395-432.

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Chatzara, V. (2020). FinTech, InsurTech, and the Regulators. In P. Marano and K. Noussia (Eds.), *InsurTech: A Legal and Regulatory View* (pp. 3-25). AIDA Europe Research Series on Insurance Law and Regulation, 1.

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- González-Páramo, J. M. (2017). Financial innovation in the digital age: challenges for regulation and supervision. *Revista de estabilidad financiera*, 32, 9-37.
- Knight, B. R. & Mitchell, T. E. (2020). The sandbox paradox: Balancing the need to facilitate innovation with the risk of regulatory privilege. *South Carolina Law Review*, 72(2), 445-476.
- Omarova, T. S. (2020). Technology v Technocracy: Fintech as a Regulatory Challenge. *Journal of Financial Regulation*, 6, 75-124.
- Ringe, W. G. & Ruof, C. (2019). *Keeping up with Innovation: Designing a European Sandbox for Fintech*. [Commentary]. European Capital Markets Institute. [http://aei.pitt.edu/95830/1/Keeping\\_up\\_with\\_Innovation\\_ECMI\\_commentary.pdf](http://aei.pitt.edu/95830/1/Keeping_up_with_Innovation_ECMI_commentary.pdf)
- Ringe, W.G. & Ruof, C. (2020). Regulating Fintech in the EU: the Case for a Guided Sandbox. *European Journal of Risk Regulation*, 11(3), 604-629.
- Smoleńska, A., Ganderson, J. & A. Hérítier. (2020). The impacts of technological innovation on regulatory structure: Fintech in post-crisis Europe. In A. Hérítier & M.G. Schoeller (Eds.), *Governing Finance in Europe*, (pp. 164-189). Edward Elgar Publishing.

## Discussion questions about current dynamics and challenges in the financial single market

### *General questions:*

1. What are the main implications of differentiated integration in Economic and Monetary Union (EMU) and Banking Union (BU) for the single market in financial services? One could consider Howarth and Quaglia's (2020) as a starting point.
2. Brexit posed many challenges for the smooth functioning of the single financial market. Identify two important disruptions and discuss how these have been addressed so far (or not). One could consider Quaglia *et al.* (2016) and Howarth and Quaglia (2017) as a starting point for this analysis.
3. In what ways do European investment mechanisms managed, for example, by the European Investment Bank seek to address the growing developmental disparities between 'core' and 'periphery' member states in the single financial market (see for example Mertens and Thiemann 2022)?

### *Teaching case study questions:*

4. Analyze the main tenets of each of the four possible options outlined in Ringe and Ruof (2019; 2020) for dealing with regulatory sandboxes in the EU single financial market.
5. How will the member state (national level) and EU (supranational level) financial regulators interact with each other in each of the four options?
6. Examine the advantages and challenges (or shortcomings) that each of the four options brings. Please analyze these systematically from the point of view of both the member states and the EU (supranational level).
7. Member state regulators might have different levels of risk tolerance. Can you envisage what tensions might arise as a consequence of more decentralized FinTech governance (more powers at the national level)?
8. Overall, in your view, is a more centralized or a more decentralized regulatory approach to FinTech sandboxes preferable and why?