

Remarks by Vice-President Dombrovskis at the informal ECOFIN press conference in Vienna

First I would like to thank Hartwig Löger and his teams for their warm welcome in the beautiful city of Vienna.

It is a pleasure to be here and we had interesting and productive discussions.

First we discussed the financial stability implications of increasing interest rates.

So far we have been operating in a very low interest rate environment and the monetary policy has been very accommodating.

So the question was how to ensure full smooth adjustment and minimise any negative impact of the policy normalisation on the financial sector and the real economy.

Of course we must see this in the context of a broader macro-economic policy. Also on the fiscal policy side, we think it is time to rebuild fiscal buffers in Member States so that there is more room of manoeuvre in case of next downturn.

On the Commission's side we underlined the necessity to further strengthen the resilience of our financial system by implementing the post-crisis financial regulatory reforms and continuing work on the non-performing loans.

We also had a good exchange of views on crypto-assets. We see that crypto-assets are here to stay. Despite the recent turbulence, this market continues to grow.

In particular initial coin offerings, or ICOs, we see they have the potential to emerge as a viable form of alternative financing. Already last year, ICOs helped raise over 6 billion dollars in funding and this year this figure will be substantially bigger.

At the same time, we also see risks linked to a lack of transparency, so there are risks for investment protection and market integrity, but also in the form of money laundering, potential fraud or hacking.

So we need to continue monitoring the developments in this area, and we need to do so also in cooperation with our international partners at the Financial Stability Board or G20 level.

One challenge with crypto-assets is how to categorise and classify them, and whether and how to apply existing EU financial rules to these assets or if we need new EU rules.

In this context, we are currently working together with European Supervisory Authorities on what we call regulatory mapping of crypto assets to answer exactly these questions. Many Member States today supported the need for such mapping, so we expect to conclude this assessment later this year. This will provide a solid ground to build on and to decide on further steps in this area.

I also note that we have already expanded the scope of the EU anti-money laundering and anti-terrorism finance legislation to crypto-asset exchanges and custodian wallet providers.

Thank you.