



REGIERUNG  
DES FÜRSTENTUMS LIECHTENSTEIN

MINISTERIUM FÜR PRÄSIDIALES UND FINANZEN

# **Rede von Regierungschef Dr. Daniel Risch**

anlässlich der

**Fintech Conference 2021**

24. November 2021

**- es gilt das gesprochene Wort -**

Ladies and Gentlemen

On behalf of the Liechtenstein Government, I would like to welcome you to the 6th Fintech Conference.

To the best of my knowledge, this conference goes back to an initiative of students at the University of Liechtenstein who wanted to make a contribution to the development of Liechtenstein as a fintech location. It's a considerable achievement to organise a conference of this format over several years, all on a voluntary basis. On behalf of the Government, I would like to express my sincere thanks to everyone who has contributed to this achievement: the organisers, the many supporters, the sponsors, the speakers, and of course all the participants.

The developments over the last six years have been characterised by an almost unbelievable dynamism: Before 2015, the discussion surrounding fintech was mainly about innovations in crowdfunding or crowdlending, payment transactions, or maybe "insure-tech". Bitcoin and blockchain already existed at that time, but the end of 2015 was still right before the big ICO wave, which lasted until 2018. After that, the focus was on "security tokens". Meanwhile, everyone is talking about "decentralised finance" and "decentralised autonomous organisations". You can see from the variety of topics discussed at this conference today how exciting and multifaceted this entire development is.

Personally, I expect this exceptionally high level of dynamism to continue, and I would be only too happy to know what topics will be discussed at the Fintech Conference five years from now.

You may wonder why the Government has been supporting these discussions surrounding fintech for several years already: We're not mainly interested in technology for technology's sake. Technology is always just a means – a tool.

Digital technology has had a massive impact on our world for decades already. It makes applications possible that could not be implemented otherwise. The world in which our children are growing up today is fundamentally different from the world in which we grew up. And I'm not even that old...

The Government's mandate is to promote the "welfare of the people" – to ensure the preservation and expansion of our prosperity. The State's job is not to be entrepreneurial itself, but we have to ensure that the framework conditions provided by the State continue to be so good for the economy that businesses can continue to develop in a positive way.

When technology is such a strong driver of entrepreneurial innovation, it is a special challenge for the State to keep up with this development and even, under certain circumstances, to help guide it.

Because of this dynamism, public authorities face completely new challenges. Especially in the financial market, where the density of regulation is very high, nearly every new business model raises fundamental questions about the application of financial market laws. Inevitably, existing financial market regulation can only reflect the business models known at the time. To answer such fundamental questions, an authority must take a very close look at a business model and interpret it within the framework of the law. As a matter of principle, this requires a high degree of openness and understanding for new technologies. Moreover, Liechtenstein does not exist in a vacuum, but rather is embedded within the European regulatory system. Answering fundamental questions like these may turn out to be quite a complex and lengthy process.

For companies that want to enter the market as quickly as possible, this can be an enormous stress test, even leading to insolvency if financial resources are no longer sufficient. I am well aware that this tension exists.

Many start-ups that would like to take advantage of the opportunities offered by new technologies underestimate the existing complexity of financial market regulation. The question of which laws are applicable often depends on details in the design of the business model. Expert opinions and further clarifications may be necessary – and they are often complex, time-consuming, and expensive, especially when they involve cross-border issues. Right now, unfortunately, every jurisdiction has different regulations, complicating life for companies working with new technologies.

The European MiCA Regulation may be a glimmer of hope in this regard. It creates a uniform European regulatory framework for crypto assets and defines how financial market regulation is to be applied to crypto assets. But we must also be aware that the European Commission cannot harmonise all aspects. Rules under civil law continue to differ from country to country, and this may result in further hurdles in practice when doing business across borders. I very much hope that Europe succeeds in creating a uniform, legally secure space for crypto assets, and that this will generate strong impulses for the financial industry.

In Liechtenstein, we have created structures and processes over the past few years to promote innovation in the financial centre: Through our Office for Financial Market Innovation, we have established a Government innovation process so that we can quickly identify and correct problems relating to the framework conditions provided by the Government. I would like to invite you to continue to make use of this platform and to contribute your ideas for the further development of our business

location. Only then will we be able to keep up with the dynamism and to preserve and expand our prosperity.

Thank you for your attention, and I wish you a stimulating conference.