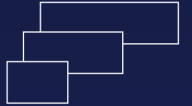


Future
Finance
Poland

FIN
TECH
POLAND



How to do FinTech in Poland?

REPORT 2023



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Contents

| | | |
|------------------|--|------------|
| CHAPTER 1 | About Poland. General information | 6 |
| | Economy in figures | 7 |
| | The human factor & the largest academic hub in the CEE | 10 |
| | Poland – home to the best developers in the world | 11 |
| | Economy: promising industries | 12 |
| | The Polish Investment and Trade Agency (PAIH) | 15 |
| CHAPTER 2 | Poland's financial innovation landscape | 16 |
| | Overview of the FinTech landscape in Poland | 17 |
| | Banking industry | 22 |
| | Payments industry | 25 |
| | Financial management industry | 27 |
| | Software providers | 27 |
| | Insurance industry | 28 |
| | Crowdfunding industry | 29 |
| | Lending industry | 30 |
| | Accelerators and spaces for innovation | 31 |
| CHAPTER 3 | The Polish VC market | 43 |
| CHAPTER 4 | Talent pool in Poland | 47 |
| | General overview | 48 |
| | Banking, Financial Services, and Insurance industries | 49 |
| | IT industry | 55 |
| CHAPTER 5 | Regulatory framework | 57 |
| | Regulatory authorities | 58 |
| | Poland as a gateway to the financial market of the UE | 60 |
| | Taxation | 62 |
| | Incentives | 64 |
| CHAPTER 6 | Support for financial innovation by the Polish Financial Supervision Authority (UKNF) | 66 |
| CHAPTER 7 | Success stories | 71 |
| CHAPTER 8 | Moving forward in 2023 | 84 |
| | Challenges and opportunities | 85 |
| | AI and automation in the Polish financial industry | 87 |
| | Revision of PSD2 and open banking | 90 |
| | MiCA and the Polish financial industry | 92 |
| | DORA and Poland's digital transformation | 95 |
| | ESG Regulations | 96 |
| CHAPTER 9 | Fintech events | 98 |
| | Authors | 107 |

Introduction

**Polish fintech is going to be global soon.
...and global fintech is coming to Poland as well.**

Poland is becoming an increasingly attractive market for activities in the area of financial innovation thanks to its well-developed infrastructure, mature financial sector, good quality business environment and outstanding talents, especially in IT and finance.

The boom in the fintech sector has taken place in Poland in recent years. Due to technologically advanced banks, the development of the fintech sector was carried out to a wider extent in the model of cooperation with mature institutions, rather than through direct competition with them.

Despite this, we are observing a significant increase in the number of fintechs – by 32% from 2020 and as much as 79% compared to 2018. The market is becoming more and more mature, which is noticed by VC funds debuting on the Polish market, as well as international financial institutions and global fintechs opening their research and development centers or human-intensive business service centers here.

At the same time, Polish fintechs are slowly ceasing to think locally and are starting to expand internationally. As a consequence, the financial innovation sector is becoming a key element of the Polish financial center.

At the same time, the increasing openness of regulatory and supervisory authorities to activities supporting the development of the financial market is noticeable. Their support for the idea of building a new generation financial center in Poland changes the way of thinking about the importance of the modern financial sector for the national economy and state security.

This implies the need for proactive measures supporting new foreign investment in this sector of the economy and building the brand of the Polish financial center, which will also support the foreign expansion of Polish fintechs.

Therefore, in cooperation with the public sector, financial market participants and professional services providers, we present the second edition of the report “How to do fintech in Poland”. It is a compendium of knowledge and a guide for foreign entities interested in the Polish financial market. The study is not limited only to the fintech sector but presents a broader context of the entire economy and the financial sector. It describes the specificity of the domestic market, identifies key public institutions dealing with this market, and also points to selected challenges facing the market, in particular of a regulatory nature.



*Paweł Widawski,
CEO FinTech Poland*



Introduction

We are operating in a time where the economic reality, both at the macro level and from the perspective of enterprises, poses numerous challenges related to unprecedented uncertainty and the occurrence of numerous rapid economic events. Operating in such an environment is increasingly challenging for fintechs.

At the same time, we are experiencing high dynamics of change related to the general transformation of living and working patterns, environmental threats, or the rapid maturation of modern technologies, the massification of which will have significant long-term social and economic consequences. Such conditions open up an infinite space for the development of new innovative solutions.

Innovation created by fintechs benefits all participants in economic life. Therefore, together we must ensure that they have the right conditions for further development. As the largest universal bank in the CEE region, we understand the importance of a skilful marriage of business and new technologies. Not only from the perspective of increasing satisfaction of direct recipients of fintech solutions, but also the opportunities which this relation represents for the future of the Polish economy and all the entities that build its success.

That is why, we, as PKO Bank Polski, are always willing to join any initiatives that support the FinTech environment and engage participants of this environment in a creative dialogue that will help to turn the indisputable advantages of the Polish market into Poland's position as one of the leading fintech centres in the world.



*Paweł Gruza,
Vice-President
of the Bank's Management Board,
PKO Bank Polski*



Bank Polski



CHAPTER 1

About Poland. General information



Economy in figures

In recent years Poland has achieved stable economic growth due to factors such as an affordable, skilled workforce, increasing value of foreign direct investments (FDI) and a stable banking sector.

As a result, the country has been able to quickly reduce the negative impact of the COVID-19 pandemic on its GDP growth.

The war in Ukraine, however, has brought a new set of challenges that economies of countries worldwide are now facing. The exact impact of that war on the Polish economy is very difficult to measure at this point. It is, however, worth noting that Poland's society has survived many turbulent events over the past 30 years. This has led the Polish people to develop a tremendous amount of resilience. Despite many geopolitical and economic challenges, some analysts predict that the Polish economy will experience a "soft landing". **Regardless of the war in Ukraine, the investment environment in Poland remains safe and stable. The country is also part of many key strategic alliances such as the EU and NATO.**

Poland is the sixth largest economy in the European Union – not far behind the Netherlands, Spain, Italy, France, and Germany.

Since joining the European Union in 2004, Poland's GDP has shown stable growth. It was also the only EU country not to experience a recession in 2009.

Poland in figures – 2021:

5th

most populated country in the EU
(38.2 mn inhabitants – largest country in CEE)

14

cities with more than 200k of residents

USD 1.42 tn

total GDP (PPP)

57%

debt-to-GDP ratio

USD 37 502

GDP per capita (PPP)

USD 99.1 bn

total manufacturing value added

USD 339.3 bn

total exports value

USD 13.8 bn

inward FDI flows

<20%

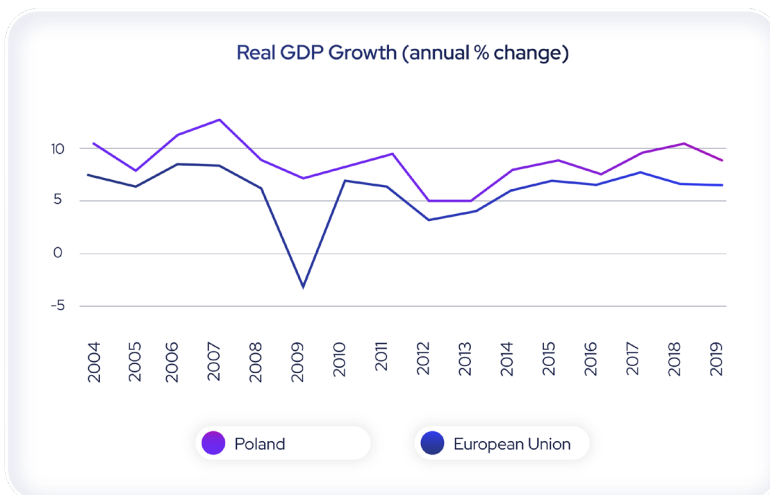
share of exports in GDP

USD 238 bn / 18% of GDP

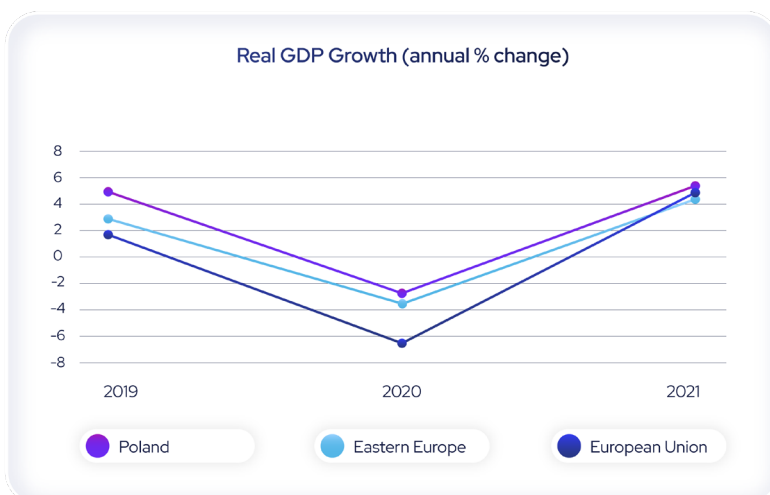
inward FDI stock

All major agencies have kept their 2022 rating for Poland unchanged compared to the previous year. This provides an extremely stable outlook for the future.

| RATING AGENCY | SCORE |
|----------------|--|
| S&P | A-/A-2 for long and short-term liabilities in foreign currency, and A/A-1 for long and short-term liabilities in local currency. |
| Moody | A2/P1 for long and short-term liabilities. |
| Fitch | A-/F1 for long and short-term liabilities in foreign currency, and A-/F1 for long and short-term liabilities in local currency. |



Source: IMF, pre-COVID-19-pandemic figures



Source: IMF

In comparison to other EU countries, **the COVID-19 pandemic influenced Polish GDP growth to a lesser extent.**

The Polish economy also recovered swiftly in 2021.

Investment trends:

423

new FDI projects in 2021 earned Poland a spot among **EU's top 3 destinations**.

19%

of **all new jobs created by FDI** in Europe since 2019 were created in Poland.

2nd

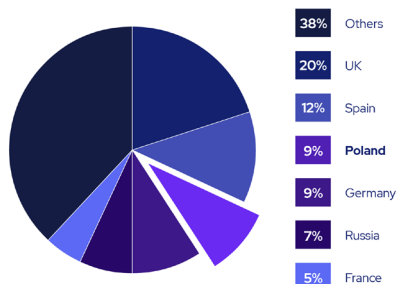
Poland is the **2nd most popular** destination for **offshore FDI projects**.

100+

Poland was the location of choice for **over 100 STEM FDI projects**, ranking among the world's **top 10 destinations in 2020**.

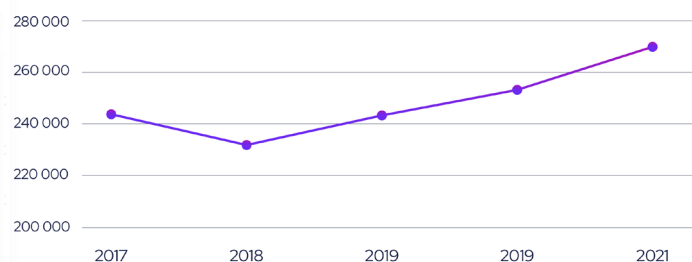
The decline in FDI projects experienced by Poland at the start of the pandemic was among the lowest in the world.

FDI by capital investment 2021, \$bn



Source: PAIH

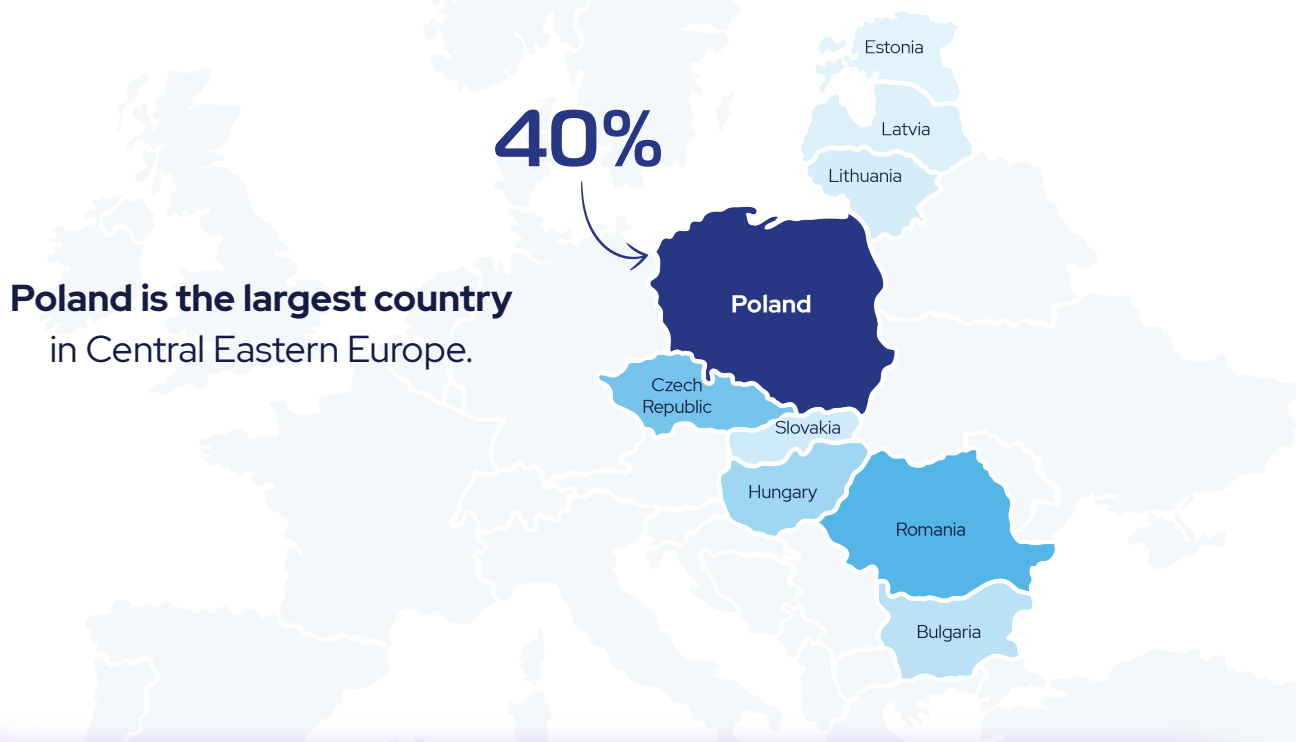
FDI stock (MLN USD) in Poland



Source: UNCTAD

Poland recorded a stable growth of FDI – 7.8% in FDI stock between 2020 and 2021, with FDI representing approx. 40% of Polish GDP.

The human factor & the largest academic hub in the CEE



Poland is a true academic hub:

300+
institutes of
higher learning

1.2 mln+
students

350,000
graduates a year

20%
graduating with
engineering / technical
degrees



The unemployment rate in Poland is two times smaller than the EU average.

7%
EU average

3.4%
Poland average



Competitive rates (EUR/h) for skilled workers (compared to 2021 EU average in 2021).

29.10
EU average
(EUR/h)

11.50
Poland average
(EUR/h)

Poland – home to the best developers in the world

450 000

software developers according to 2022 EC estimates

1st place in CEE

5th in the EU



1st

in Java programming.

3rd

in HackerRank of best developers worldwide.

2nd

top programmers in algorithms and Python.

7th

TopCoder Country Ranking (February 2022).

1st in CEE, 7th in EU

in terms of available AI specialists.

1st in CEE

in the EF English Proficiency Index (2022).

86 000

ICT students in 2020 – 2021,
99% English speakers.

15 000

ICT graduates in 2020 – 2021

Economy: promising industries

ICT Industry (Information and Communications Technology)

8%

of Polish GDP.

50 000

small, medium, and big IT companies in Poland.

430 000

Industry employment.

Business Services Industry

Poland is CEE's leader in terms of both the number of centers and industry employment levels, chosen as target localisation for BSS and R&D centers not only by large IT companies or financial institutions, but also by FinTechs like Revolut or Tink.

1 700+

centers operating across the country in 2022.

70%

of all BSS centers in CEE.

\$26bn

value of the industry exports in 2021
(+15.1% YoY).

430 000+

Industry employment

6.2%

share of the industry in total employment
in Poland.

50%

of total employment in the industry in CEE.

42%

of centers belong to Banking, Financial Services
& Insurance industries.

97%

share of the business centers with global coverage
or focus on other countries / regions

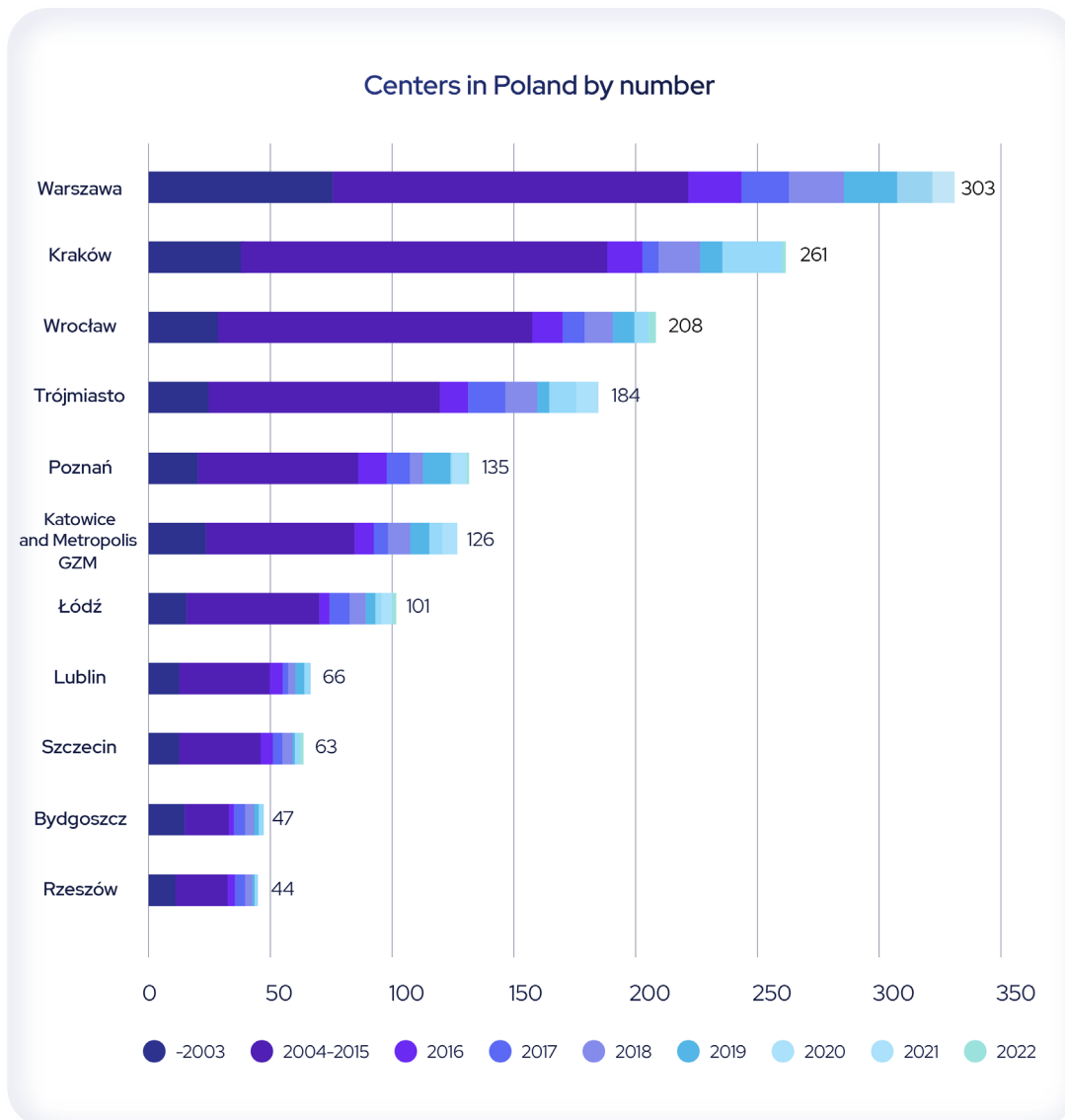
17/30

of GSIBs have their business centers in Poland.

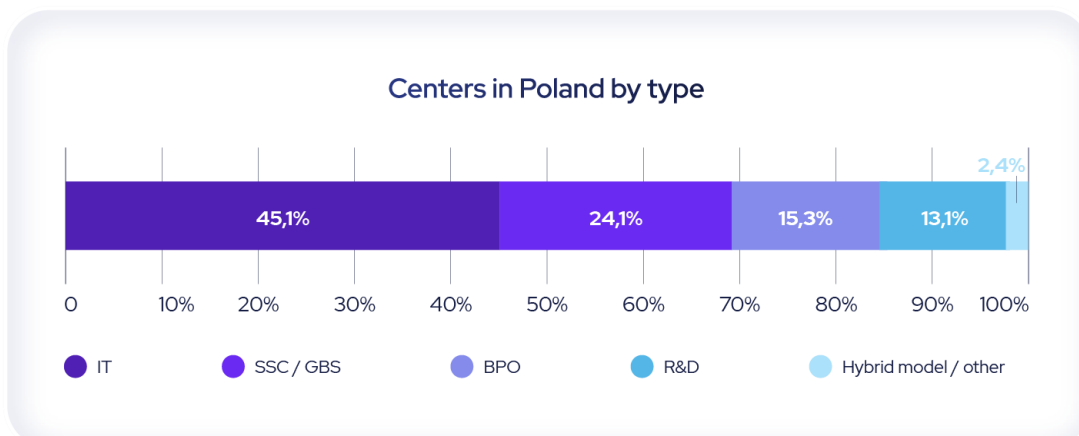
50.8%

share of the knowledge-based processes
(ahead of transaction services).

Business centers in Poland

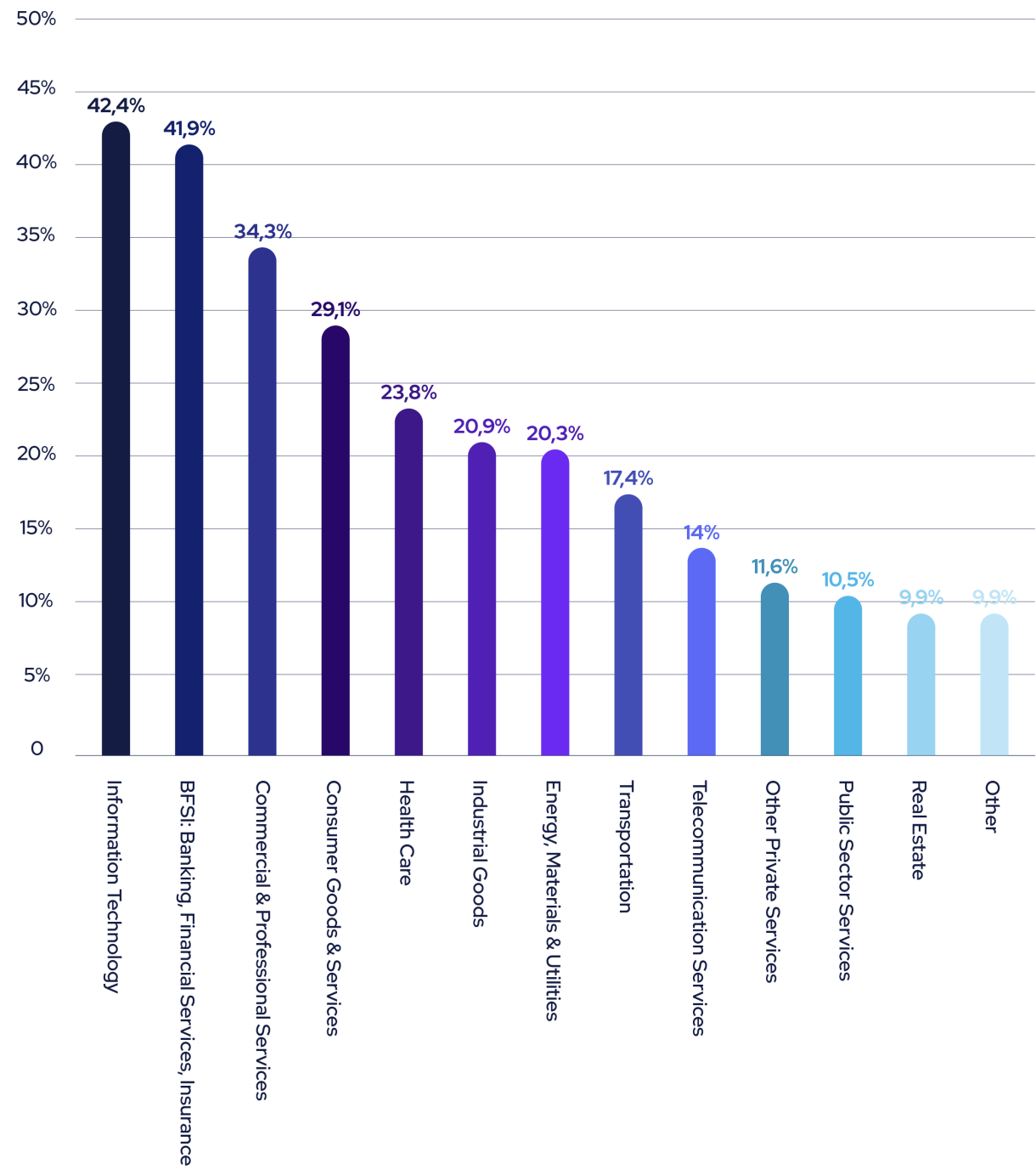


Source: ABSL, Business Services Sector in Poland 2022



Source: ABSL, Business Services Sector in Poland 2022

Centers in Poland by serviced industry



Source: ABSL, Business Services Sector in Poland 2022

The Polish Investment and Trade Agency (PAIH)



The Polish Investment and Trade Agency (PAIH) supports both the foreign expansion of Polish business and inflow of FDI into Poland.

PAIH's main objective is to increase the amount of goods and services being exported from Poland. The Agency supports entrepreneurs and helps them overcome administrative and legal challenges abroad. It helps choose the best expansion location and reliable partners and suppliers.

In an effort to offer direct assistance to Polish businesses abroad, PAIH has established a global network. PAIH Foreign Trade Offices comprise a global, constantly expanding network of Agency's offices, responsible for providing support for Polish exporters and for investors who are looking for new opportunities overseas. PAIH Foreign Trade Offices are focused on distant markets of rapid growth, that represent the greatest potential for Polish companies.

PAIH trade offices around the world

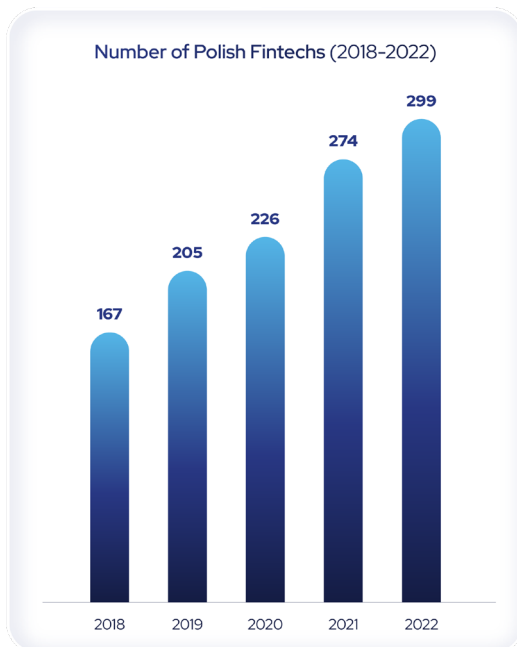


CHAPTER 2

Poland's financial innovation landscape

Overview of the FinTech landscape in Poland

The FinTech market in Poland is rapidly expanding.



Source: cashless.pl

Over the past 4 years, the number of FinTechs in Poland has nearly doubled – rising from 167 in 2018 to 299 in 2022.

There are several factors driving this growth, including:

- overall macroeconomic growth,
- increasing demand for technology-enabled financial services,
- the large number of highly-skilled experts and technical university graduates,
- changing customer behavior (accelerated by the COVID-19 pandemic),
- and an increasing pressure to meet ESG standards.

This report focuses on three main drivers of FinTech growth:



Favorable market conditions:

a prospering economy and financial services industry



Increasing digitalization
of Polish consumers



Strong ecosystem:
well-established partners,
especially among incumbent
banks.

The Polish FinTech ecosystem, though relatively young, is already well-developed and set for further growth. Poland is the biggest financial services market in CEE which will likely allow it to attract talent and investment from the entire region. Macroeconomic forecasts show space for future growth and the banking industry indicates a continued trend toward forming strategic partnerships between technology providers and established banks.

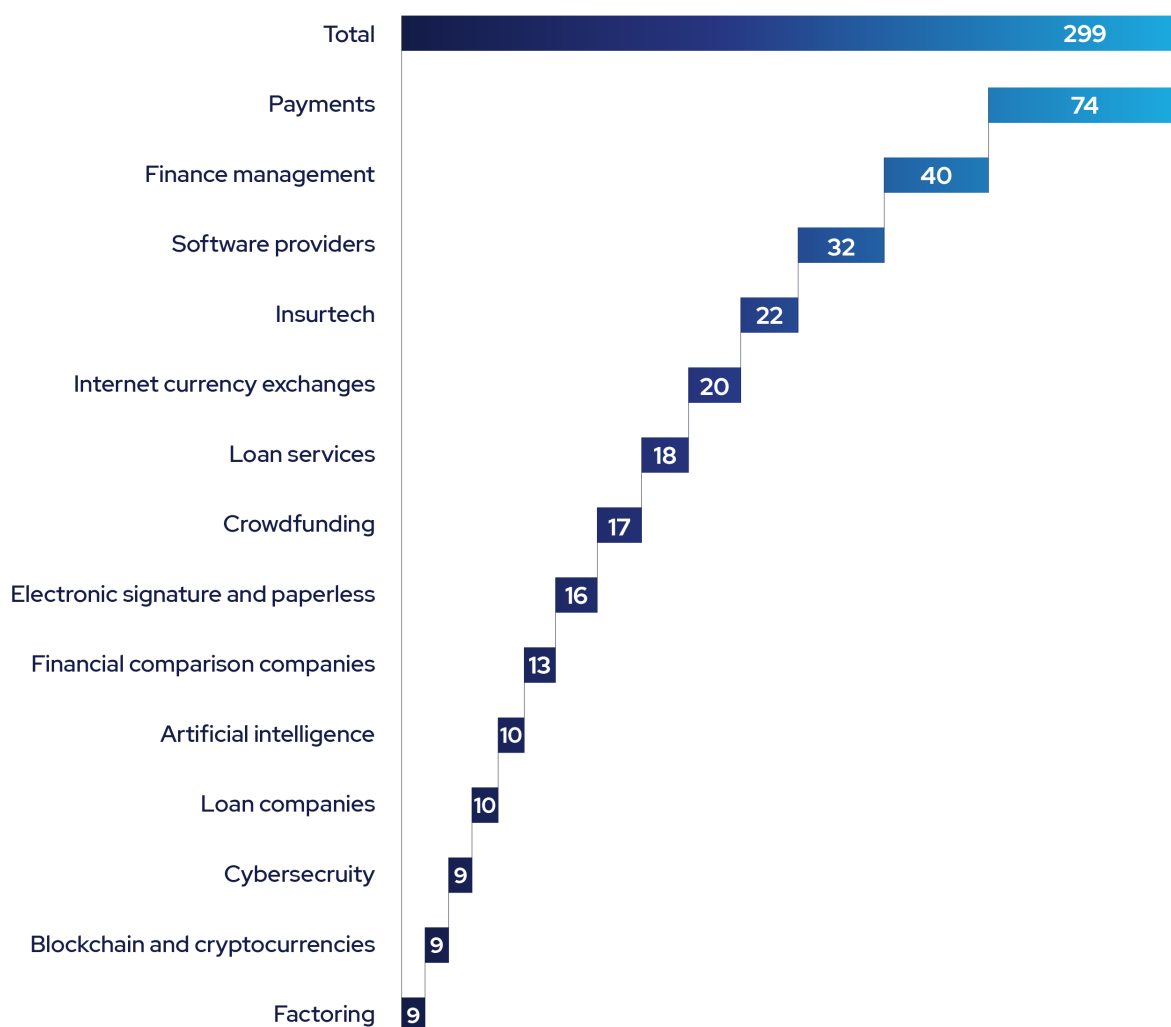
Also important is the fact that Polish consumers are extremely open to innovation and very mature when it comes to using digital solutions. There are growing expectations related to intelligent, customized and integrated value propositions. This will certainly create demand for the services offered by innovative technology providers. It is difficult to predict which segment of the FinTech industry will experience the fastest growth. That depends, to a large extent, on ever-changing customer needs and global trends. There is, however, no doubt that when it comes to the FinTech industry as a whole – the future is bright for Poland.

General observations

The Polish FinTech Map developed by Cashless.pl features 15 main FinTech segments. The largest groups are payments, financial management and software providers. Together, these 3 segments account for nearly 50% of all FinTech providers. These are “mature” segments of the industry, where some companies have already managed to develop a strong position and gain significant market shares.

There are also “high growth” segments such as InsurTech and Crowdfunding, which in 2022 experienced dynamic growth (+175% and +89% respectively) in the total number of companies.

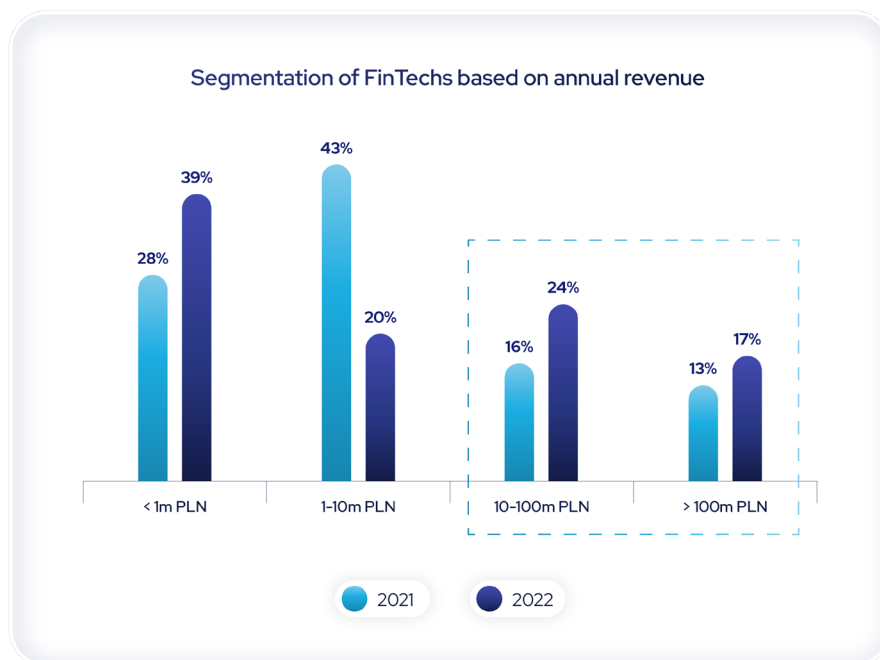
Number of Polish FinTechs, 2022



Source: Cashless.pl

Financial results

While half of Polish FinTechs are still relatively new entrants (less than 5 years on the market), the industry is already showing signs of maturing. Average revenue is increasing and, according to Cashless.pl, the share of companies with more than PLN 10m in sales rose from 29% in 2021 to 41% in 2022. Key players are starting to build scale and increase market share by offering additional products and services, so this trend is expected to continue.

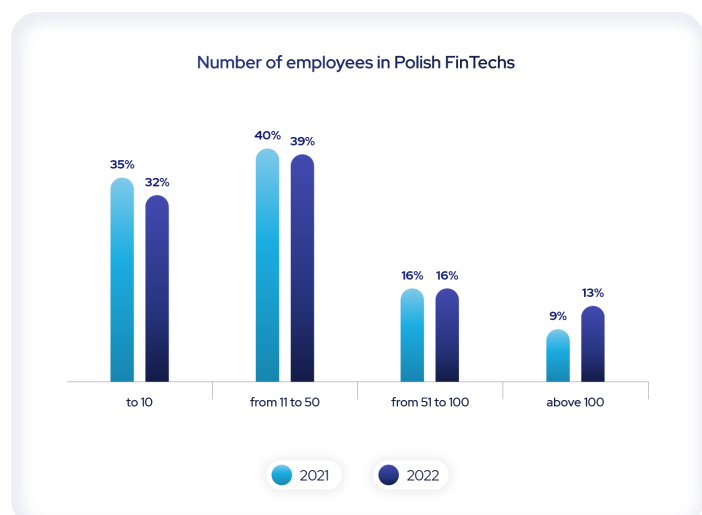


Source: Cashless.pl

Workforce

Most of the FinTechs surveyed (39%) employ 11 to 50 people. 32% employ no more than 10 people. Larger institutions, i.e., those employing 51 to 100 people, account for 16% of surveyed companies, with 13% reporting a workforce of over 100 people.

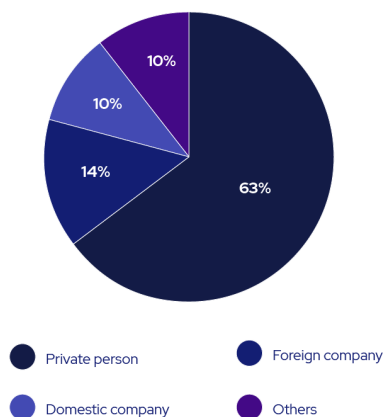
There are no major changes in the data compared to 2021. The exception, however, is the clearly noticeable increase in the share of the largest entities employing over 100 people. A year ago, they accounted for 9% of all FinTechs surveyed by cashless.pl.



Source: Cashless.pl

Strategic investors and partners

Categories of strategic investors



Source: cashless.pl

When looking at the Polish FinTech industry in terms of types of investors, it is dominated by the private and local category – as many as **6 out of 10 Polish FinTechs have an individual person from Poland among their strategic investors.**

14% of FinTech companies claim that their majority shareholder is a foreign commercial law company.

Slightly fewer, about 10%, have a Polish company as their strategic investor.

It may be surprising that other types of investors, such as **domestic and foreign funds**, are the leading holders of only **13%** of FinTechs from Poland.

One of the major drivers of growth on the Polish FinTech market comes from the willingness of top banks to innovate and form strategic partnerships. The majority of lenders in Poland are significantly younger than their Western European counterparts. For this reason they do business using state-of-the-art IT environments. Most of the systems these companies use were launched in the late 1990s which means that they are “free” of legacy platforms.

Banks are more agile and quicker to develop new software.

In many cases they were early adopters of solutions such as mobile banking and digital payments.

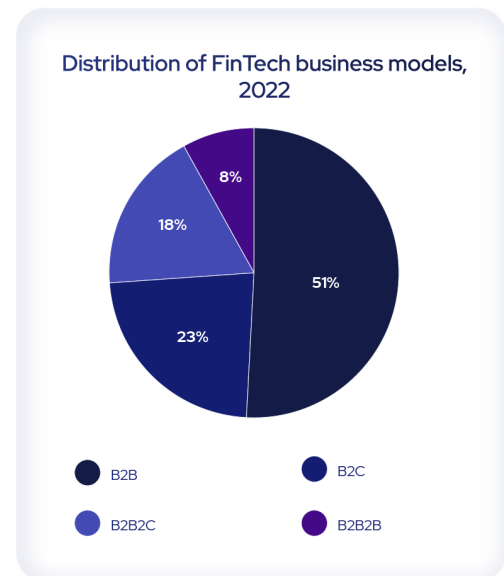


One example of this kind of solution is BLIK – the first local mobile payment system, originally created by a joint venture of six incumbent Polish banks, that became a universal mobile payment solution. This project began in 2014, the same year ApplePay was introduced, and was officially launched in early 2015. **Within six months BLIK had registered 1 million users**, while now around 12.9 million users pay with it every month. The solution has won multiple industry awards.

Integrating the services of a FinTech into their own product offering has also become a common way for Polish banks to enhance their digital value proposition. According to publicly available data the top eight lenders on the Polish market have all formed strategic partnerships with FinTechs over the past two years. Key areas of cooperation included digital channel enhancements, Cloud/IT transformation and Open Banking. Partnering with banks plays an extremely important part in helping FinTechs build scale – **Polish banks are extremely open to partnering with FinTechs and, as the financial services ecosystem continues to grow, more opportunities for start-ups will certainly appear.**

Most Polish FinTechs operate in the B2B segment. Companies offering **B2B products and services** account for **51% of the FinTech market**.

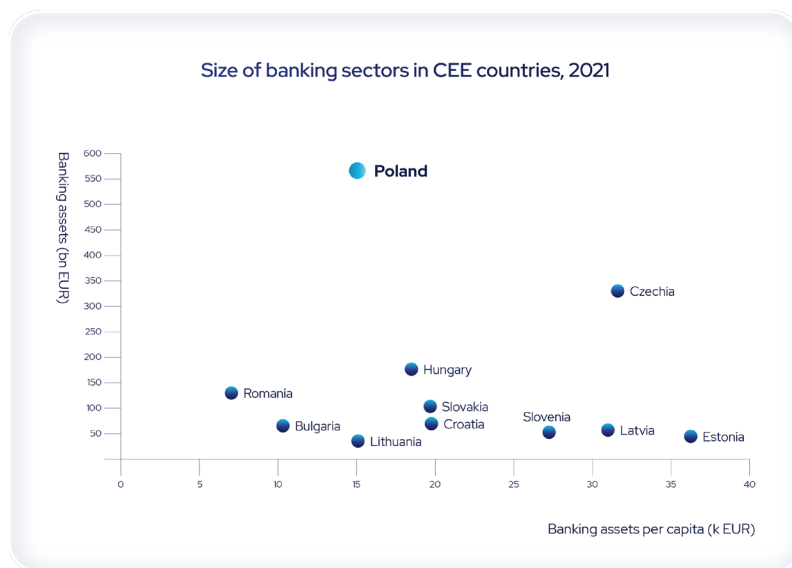
On the other hand, 23% of FinTechs offer their solutions directly to consumers, 18% - reach consumers through intermediary companies, and 8% provide B2B FinTech services through an intermediary.



Source: *cashless.pl*

Banking industry

Poland's favorable macroeconomic environment has been one of the key drivers of growth for the country's FinTech industry. Poland's financial services market is the biggest in the CEE region. According to the ECB 2021 value of assets in the Polish banking industry totaled EUR 564 billion. That's almost double the EUR 336 billion in the Czech Republic – ranked second in the region. The large amount of capital invested in Poland's banking industry acts like a magnet – attracting talent and technologies from the entire CEE region and making Poland an innovation hub.

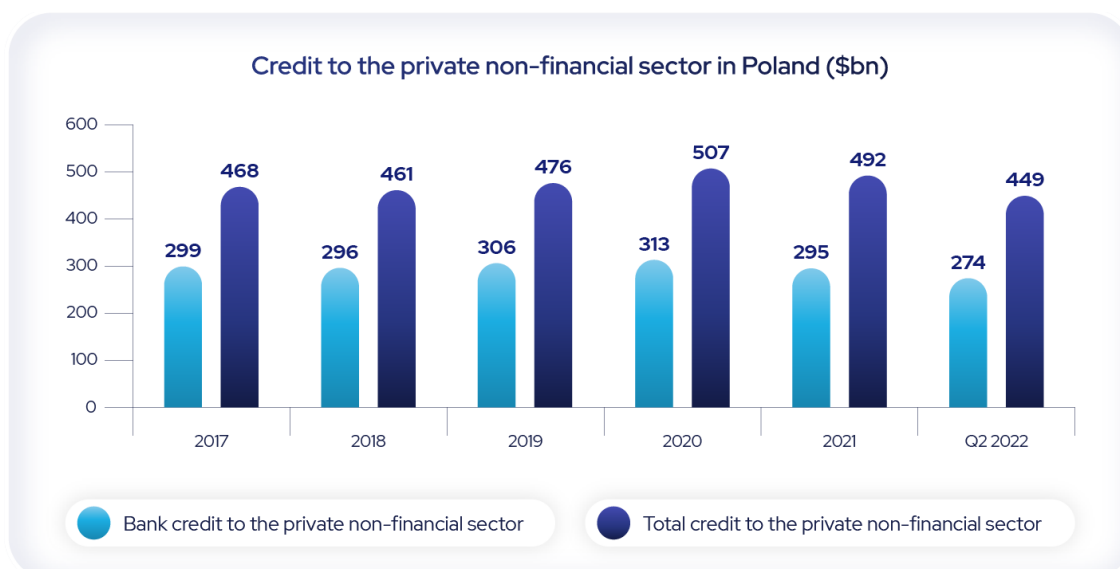


Source: Eurostat

EUR 564 bln

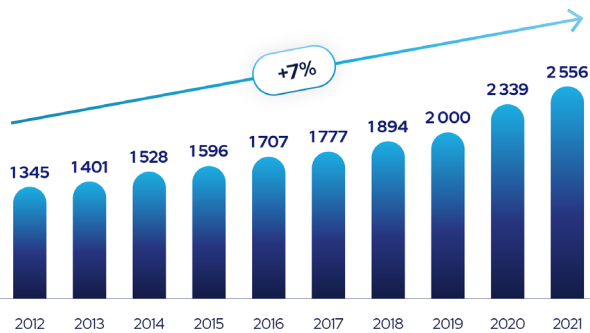
totalled value of assets
in the Polish banking
industry

Both the Polish financial services market and the economy as a whole still have significant room for growth as they catch up to Western Europe. According to ECB data, Poland has the second lowest banking assets-to-GDP ratio in the European Union, and the 6th lowest GDP per capita. Forecasts predict that the industry will continue to grow to levels seen in Europe's leading countries in terms of banking-industry size.



Source: Bank of International Settlements

The Polish banking sector – total assets (trn PLN)



Source: NBPpl

GDP and financial industry growth will be a source of various new possibilities for FinTechs.

The Polish banking industry consists of:

30

commercial banks

503

local cooperative banks

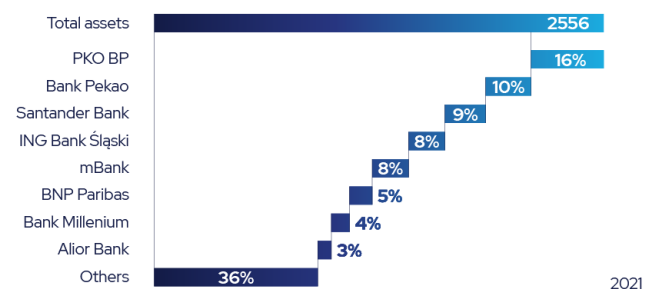
22

cooperative savings and credit unions (SKOK)

The TOP 5 banks by assets are:

1. PKO Bank Polski S.A.
2. Bank Polska Kasa Opieki S.A.
3. Santander Bank Polska S.A.
4. ING Bank Śląski S.A.
5. mBank S.A.

Total assets of the polish banking sector (trn PLN)



2021

Source: NBPpl



Expert's comments

„One of the long-term challenges facing not only the Polish but also the entire global financial sector is the ESG transformation. Today, banks must still pay even more attention to creating value based on the principles of sustainable development and support their clients in similar activities.

PKO Bank Polski takes this challenge very seriously, which has been reflected in its latest business strategy. In accordance with its main assumptions, in the coming years we will provide new, green products and use the experience gained so far to support our business clients in an effective energy transformation.

In this regard, we see a large space for cooperation with fintechs and, more broadly, with the entire start-up community. The example of the Poland ClimAccelerator accelerator programme, of which we are the main partner, shows how many of the solutions needed by the banking sector for effective ESG transformation are already on the innovation market or are just being developed there.”



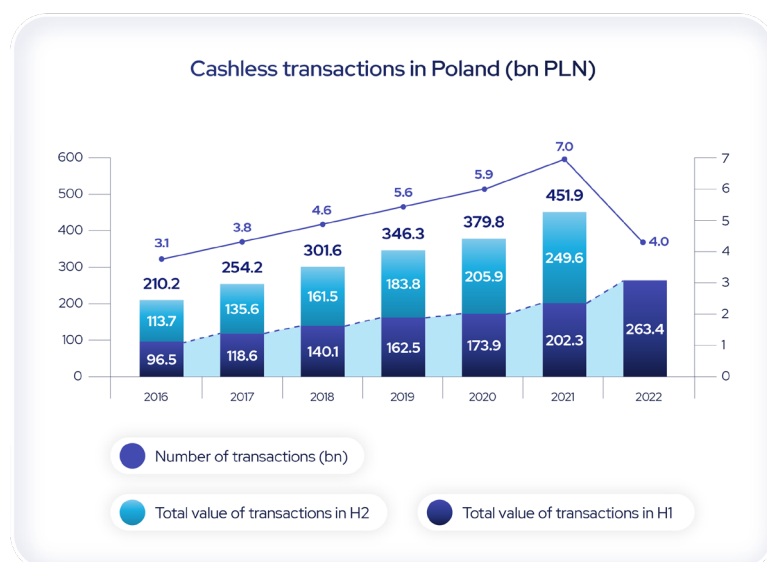
*Marcin Eckert,
Vice-President of the Bank's Management Board,
PKO Bank Polski*

Payments industry

The largest segment of Polish FinTech, which accounts for nearly **25% of the market**, is the payments segment.



As of 2022 there were 74 FinTechs in the payment category - including some of the industry's most successful companies, such as BLIK and PayU.

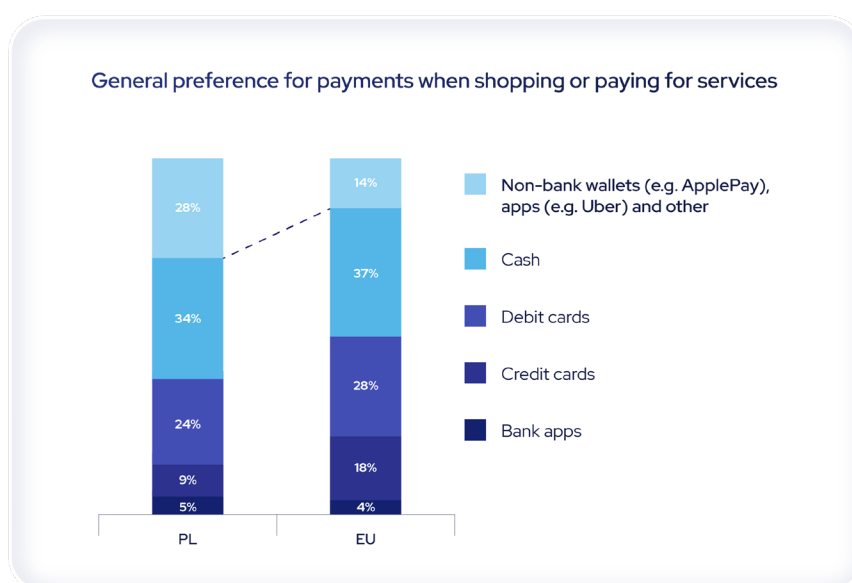


Source: NBP

Overall, the payments industry in Poland is growing at a gradual pace, with the increasing popularity of cashless payments as one of its main drivers.

Over the past 5 years, the total number of cashless transactions has more than doubled, rising from 3bn in 2016 to 7bn in 2021.

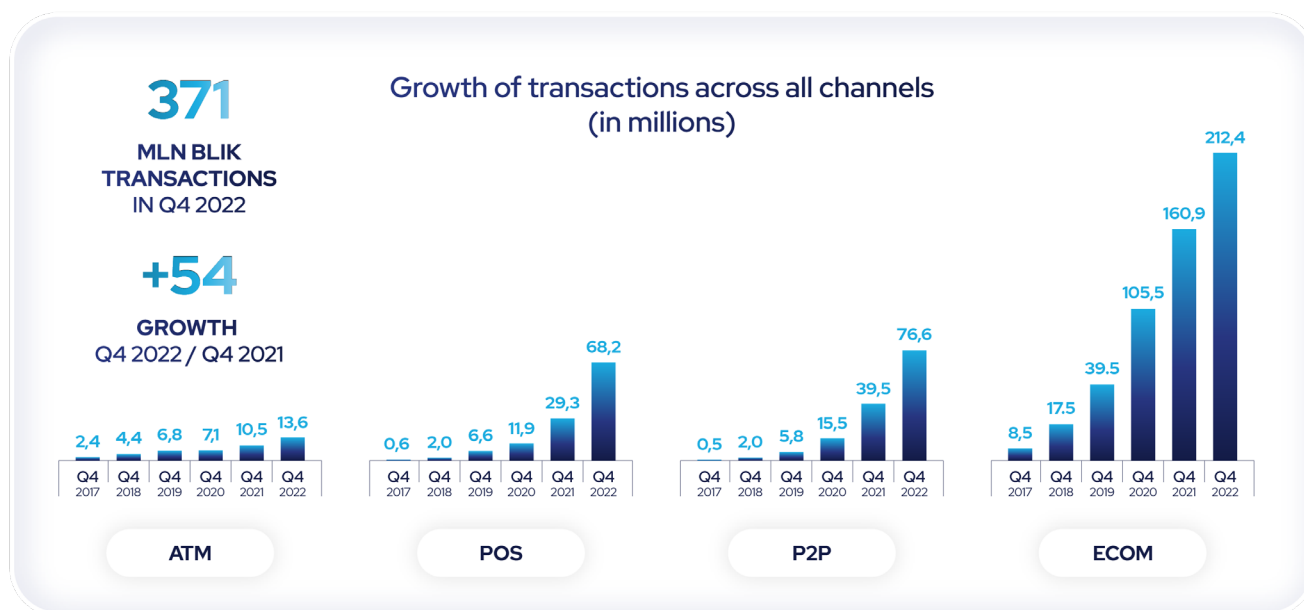
At the same time, the total value of transactions increased at a similar speed - from PLN 210bn to PLN 452bn.



Source: Strategy & Payments and Open banking survey (December 2022)

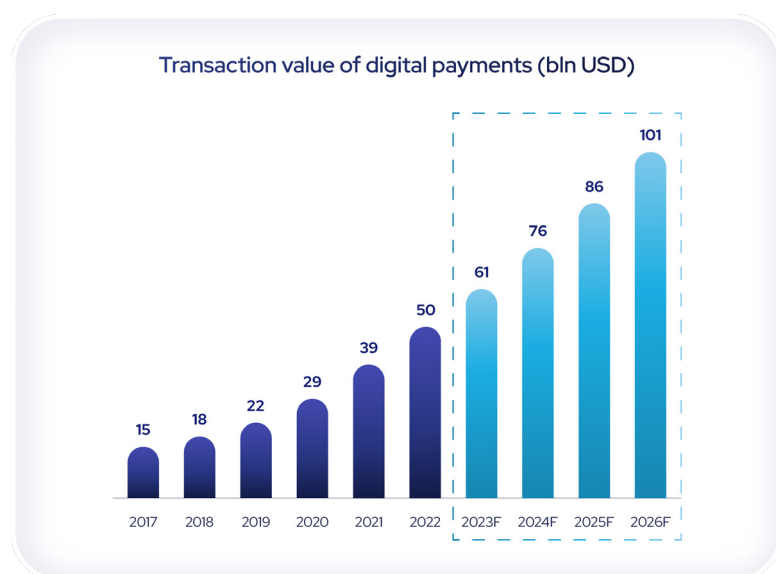
There are also several non-card payment solutions on the Polish market.

The leader, BLIK, was established by the 6 main banks in Poland back in 2015. It is based on a 6-digit code generated in the user's banking app. BLIK can be used in e-commerce transactions, to withdraw money from an ATM, at a POS terminal to process payment in a brick-and-mortar store, or for sending peer-to-peer (P2P) transfers. The convenience of this payment method was the main reason for its success and quick adoption. The number of transactions performed using BLIK has been growing dynamically over the past 3 years - especially in the e-commerce, POS transaction and P2P transfer segments.



Source: BLIK newsroom

In Poland new FinTech solutions will likely continue to be adapted at an increasingly fast pace.



Source: Statista

The total value of digital payment transactions (payments for products and services done through the online mode or mobile payments at points-of-sale [POS] using smartphones) is expected to increase twofold by 2026 from 221m PLN in 2022 to 450m PLN.

Both historical and expected growth have attracted numerous investments to the digital payments industry. It has also led to the launch of numerous new companies. As a result, the payments segment is currently one of the most mature in the entire FinTech industry and it's showing no signs of slowing down.

Financial management industry

The second largest segment in the Polish FinTech industry is financial management.

Companies involved in this segment provide solutions for more accurate and convenient management of finances, for both individual and business users.



Key features include:

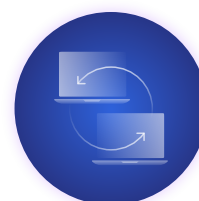
- aggregating information from multiple accounts;
- personal savings management;
- spending forecasts;
- and automated business accounting.

As of June 2022, there were **40 such companies registered in Poland** (17 B2C and 23 B2B). They account for **over 13% of all Polish FinTechs**. Financial management providers will likely benefit from the evolution currently happening in the banking industry: Polish lenders are looking to respond to changing customer needs and transition from a service provider to a financial advisor model. Their clients increasingly expect value propositions which are smart, personalized and fit perfectly into their day-to-day lives and activities. FinTech solutions can often be sold in a white-label model, which acts as a driver for developing self-designed digital banking solutions.

Software providers

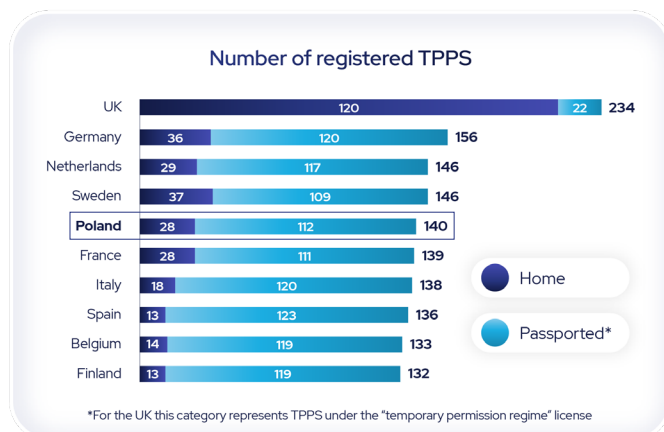
Another key segment of the Polish FinTech industry are software providers.

It accounts for 11% of all companies on the market. Use cases include API integrators for open banking, UX solutions, and cloud core banking platforms.



The market for these services is driven by two factors.

- The first is the increasingly limited IT capacity of Polish banks: demand for new solutions is outpacing in-house capacity leading banks to seek external support.
- The second is that many Western financial institutions, including large international banking groups, are increasingly often outsourcing IT services to companies in Poland – a trend that is expected to continue.



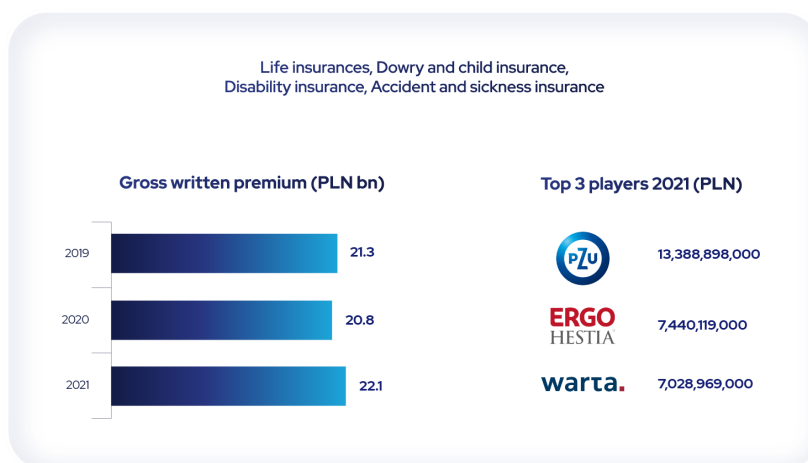
Source: Konsensus

As demand for open banking solutions in Poland continues to increase, there are sure to be many new opportunities for local FinTechs.

Poland already ranks in the TOP 5 of European countries in terms of the total number of registered Third-Party Providers (TPPs) operating in the country's open banking ecosystem – proof of how very mature the entire industry is.

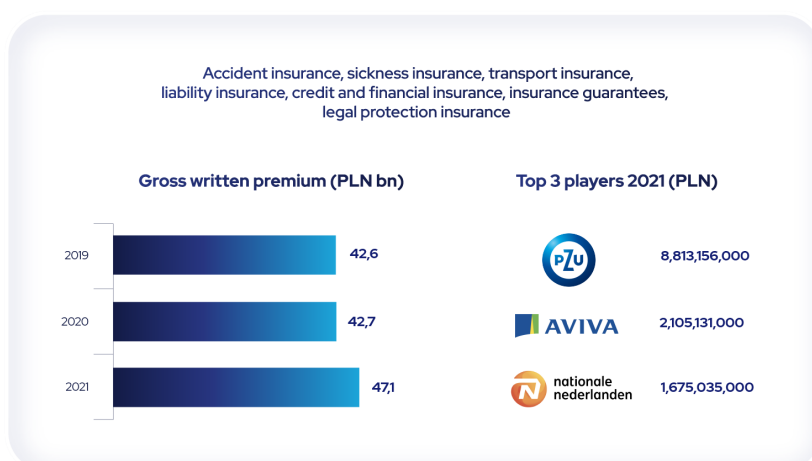
Insurance industry

InsurTech is the leader in the category of high-growth industries. The number of companies in this segment more than doubled in 2020–2022, from 8 to 22. This growth was driven by the evolution of business models among incumbent insurance providers. The insurance industry is traditionally one that is not often affected by innovation. This historical trend is, however, changing both in Poland and globally. Companies from the insurance industry are more often turning to financial technology providers to help develop new customer propositions and make the most of the increasing amount of customer data at their disposal. One of the key shifts on this market is the diminishing popularity of traditional, generic life insurance policies in favor of targeted, purpose-specific solutions. This change in consumer needs will continue to be a source of new opportunities for FinTechs.



Source: Polska Izba Ubezpieczeń

The Polish insurance industry today involves 55 companies. The market is dominated by a few big players. There are also several new entrants disrupting the status quo and bringing innovative solutions into the industry. The gross written premium (amount of gross premiums due under insurance contracts) has been changing in recent years. Over the years the popularity of general life insurance products has plummeted: their total gross written premium value decreased from PLN 29m in 2014 to PLN 21m in 2019 and since then remained stable. In 2021 it amounted to PLN 22m.



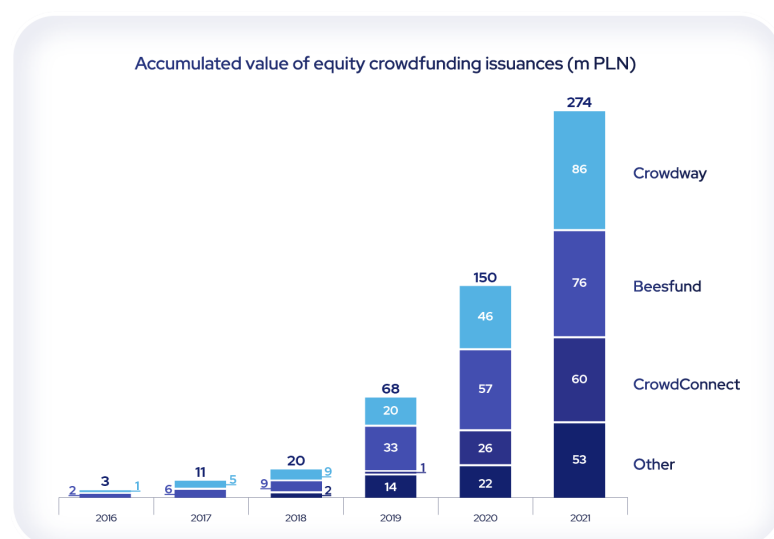
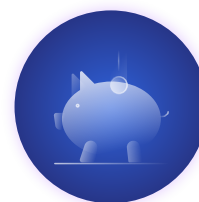
Source: Polska Izba Ubezpieczeń; in 2022 Aviva was acquired by Allianz

The wealth insurance segment, on the other hand, has been gradually growing.

Its value, in fact, nearly doubled over the same period – from PLN 24m in 2014 to PLN 47m in 2021.

Crowdfunding industry

Crowdfunding is another high-growth segment worth mentioning. The number of companies involved in this segment grew by 89% last year, from 9 to 17. The main driver of this recent trend is the increasing popularity of equity crowdfunding in Poland.



Source: ZPF

The equity crowdfunding in Poland has grown from PLN 20m in 2018 to PLN 274m in 2021 – a change of nearly 1400%.

It is an attractive investment alternative for retail investors. These types of early-stage investments offer a potentially high rate of return combined with low entry barriers – they do not require large amounts of capital and can be made using easily accessible and well-developed online platforms.

Crowdfunding also offers advantages to businesses. These include:



the overall speed of the fund-raising process



the ability to receive real-time feedback from investors

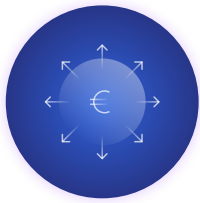


the ability to conduct online marketing on crowdfunding platforms.

The traditional crowdfunding market (raising funds for personal purposes) has also grown. In 2022 its leader Zrzutka.pl raised record-breaking PLN 305m.

We expect both segments of FinTech crowdfunding to continue experiencing significant growth driven by favorable regulatory changes and increasing demand from retail investors.

Lending industry



The non-banking lending industry is made up of 523 institutions allowed to grant consumer loans. The 47 biggest companies make up 80% of this market. Lending institutions fill the gaps left by banks - i.e., they offer low value and short-term loans and accept higher risk consumers.

The lending industry by numbers in 2021:

2.9m+

number of loans
issued

7.2bn+

total value of loans
in PLN

73.1%

of total loans
under 4k PLN

45%

of total loans come
from "Buy Now, Pay
Later" segment

According to a report by Fundacja Rozwoju Rynku Finansowego (FRRF), non-banking loans are targeted mostly at younger consumers - 61.7% are under 40. The most targeted consumers are in the age group of 30-40 and account for 29.5% of total loans issued.

Because users of non-banking loans are often young, innovative solutions such as the KYC process and AI-based scoring are frequently used with loans often granted in a few minutes.

Accelerators and spaces for innovation

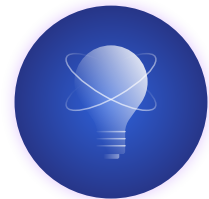
FinTech accelerators represent specialised organisations (and sometimes entire ecosystems) supporting the development of financial innovations and are established by mature financial institutions (in particular banks) or consortia of such entities. Offers of accelerators are addressed to FinTechs at early stages of development, most often at the stage of planning or implementing the first commercial implementations of their products.

The benefits of participating in an acceleration programme are mutual:



FinTechs receive substantive, organisational and often financial support in launching their activity; they also have the opportunity to present and validate their solutions in cooperation with institutions cooperating with the accelerator. Participation in the programme legitimises FinTechs in the eyes of potential clients and investors.

Financial institutions gain access to innovative solutions and ideas and have the opportunity to be the first to use the products offered by FinTechs, to invest in their activities or to set up a consortium offering the product to third parties.



Depending on the specifics of the entity which organises the accelerator, invitations to participate are addressed to entities which are developing their products in specific branches of the digital economy. It is also important to note that the majority of Polish acceleration programmes are supranational and open to entrepreneurs from all over the world.

RBL_START



RBL_START by ALIOR BANK

In 2018 Alior Bank created RBL_Innovation which has been recognized by Global Finance magazine as one of the best and most modern innovation laboratories in the world.

RBL_START has helped Alior, as the first bank in Poland, offer a durable-medium-based feature that allows customers to verify the authenticity and integrity of official documents they receive using the public Ethereum blockchain. The innovation center is also working on projects that take advantage of the possibilities of open banking given the PSD2 directive. It also cooperates with startups from around the world and designs breakthrough products, service and UX solutions for testing by users.

One of the key projects which is part run by the innovation center is the RBL_START accelerator – a program designed for FinTechs which facilitates cooperation with Alior Bank as they develop new solutions.

RBL_START looks for FinTechs with proven track records and innovative solutions which are at least at MVP stage of development. Those chosen to participate receive access to the advice of business mentors and other experts from various departments. At the end of this 10-week period an agreement is reached between the startup and Alior Bank on the best way the companies can work together to further develop this solution.

In addition FinTechs with the most promising solutions are analyzed by RBL_VC fund as a potential investment opportunity – among the fund's most notable recent decisions are investments in PayPo and Autenti.

There have been 5 editions of RBL_START to date – each focused on a different set of challenges. The most recent one (launched in November 2022) deals with interaction between humans and mobile devices.

**BNP PARIBAS****BNP Paribas Bank Polska S.A.**

BNP Paribas Bank Polska S.A. is a member of the BNP Paribas Group which is present in 65 countries worldwide. On the Polish market, as a universal bank with a global reach, it provides services to individual consumers.

The institution also offers wealth management services as well as solutions for small businesses, SMEs, and corporations. Bank BNP Paribas is also the first bank in Poland to launch a range of products and services to support innovative companies on their path toward stable growth. This is a truly unique model for cooperation with startups and other external partners.

To support the growth of innovative companies Bank BNP Paribas offers them various products typically reserved for corporate clients such as: help in opening an account abroad, management of currency exchange risk, automated payment authentication and escrow accounts. In addition, loans are granted to innovative companies on more flexible terms. Bank BNP Paribas offers them access to capital in the amount of 100 to 400.000 Euro. Only two conditions must be met:

1. The company has a y/y increase in sales of min. 20%
2. The company must already have at least one investor on board.

Bank BNP Paribas also cooperates with startups as partners that support the digitalization of the organization. The bank's specially designed "Office Hours" international startup scouting program offers innovative companies a chance to implement their solutions quickly and easily at the bank – given that it provides added value that is well aligned with the institutions overall business objectives.

Bank BNP Paribas currently has 20+ active partnerships with startups.

Bank BNP Paribas is also a key member of the local innovation community. The institution is one of the founders of Endeavor Poland and a part of Startup Poland and Fintech Poland ecosystems.



Citi Handlowy

The New Technologies & Innovation Department at Citi Handlowy creates a link between the tech and business world. Its objective is to identify global tech trends as well as implement breakthrough technology innovations and projects. The department consists of a few teams of highly experienced professionals with various tech expertise.

The department plays the role of Innovation Leaders within Citi. This means responsibility for shaping and leading the Bank's digital transformation & IT strategy – what aims to deliver: additional value to corporate customers, boost employee efficiency and transform company Tech Stack. The unit is able to generate high results due to its own specialized developers capability, creating a unique potential to build as well Proof-of-Concepts in such areas as: AI/ML, Mobile Apps, Generative AI & chatbots, CRMs.

The New Technologies & Innovation Department also promotes a culture of innovativeness within the bank. This is achieved by establishing cooperation with startups from the FinTech industry as well as universities. The department is currently working on implementation of the NLP solutions tools as a part of the PoC stage. All these projects are being conducted in cooperation with Polish startups.

The New Technologies & Innovation Team thanks to their dedication to innovation and open mind spirit change "That will never work" into a solid and valuable solution.

**Bank Pekao S.A.**

Bank Pekao S.A. – the second largest bank in Poland – implements its innovation strategy with the help of the organization's Innovation Laboratory – an entity tasked with designing the future of banking. The Innovation Laboratory has a holistic approach to developing and implementing innovation.

This is done using 4 separate teams with complementary skills which facilitate:

- cooperation with start-ups including testing their solutions internally at Pekao S.A. (Innovation Partnership Team),
- a look at new products/services through the eyes of consumer thanks qualitative research and user testing (Research Team),
- collecting ideas and opinions from employees using the IdeaCrowd crowdsourcing platform which was created and is managed by the Innovation Culture Building Team,
- creating innovations internally with the use of Service Design techniques as well as designing changes based on trends that (Innovation Design Team).

The Bank doesn't just test solutions developed by FinTech start-ups and designed to deliver additional value to the bank's customers. It also supports breakthroughs that improve operational activity of employees. Innovations are seen as an opportunity to boost the bank's competitiveness, improve communication with customers and increase employee satisfaction as well as the efficiency of internal processes.

Bank Pekao S.A. is open to cooperate with companies from the FinTech industry as well as any other creators of new solutions that can improve our organizational efficiency and customer experience.

Start-ups interested in cooperating with the bank can contact: startup@pekao.com.pl.



Bank Polski

Let's Fintech

Let's Fintech

Let's Fintech with PKO Bank Polski is one of the leading programs that support start-up development in Poland. Since it was launched in 2015 the program has been building a local ecosystem of innovative technological companies while providing them the unique opportunity to develop and improve their innovative solutions in cooperation with.

So far, the program has analyzed the market potential of 1,400 companies in terms of their ability to revolutionize traditional banking. Startups participating in the program can perform (paid) pilot launches of their products/service. They also receive access to the support expert who can better match the capabilities of each innovative solution to the needs of the largest corporations. In addition, PKO BP's 10 million clients, its references and access to capital from the organization's CVC funds makes it much easier for a startup to scale its solution.

Let's Fintech with PKO Bank Polski is also established new standards at the local financial market. They have developed the first blockchain-based banking solution in Poland. It is currently being used by millions of clients. This was the first in a series the bank intends to take in an effort to apply and popularize DLT in the banking industry. Let's Fintech has also drawn our attention to the metaverse. Thanks to the program PKO Bank Polski has moved one of the most well-known buildings in Warsaw to Decentraland. The bank intends to use the metaverse branch as a place to acquire experience and test tech solutions that will be used to interact with customers using this new channel in the future.



Expert's comments

„In recent years, Poland has emerged as a hotbed of fintech innovation, attracting significant venture capital investments. According to recent data, in 2022, investments into fintech dropped notably but this was more of a correction that resulted from an unforeseen event like the macro-economic environment and recovery from COVID, which resulted in higher inflation and raising interest rates. Digital transformation is extremely important for organizations now as they navigate more seamless ways to operate and fintech is a huge part of any business's digital transformation.

This is also the case at PKO Bank Polski, which even has a program dedicated to cooperation with startups: „Let's Fintech with PKO BP”, that provides startups with mentoring, resources, and funding to help them grow and scale their businesses. Let's Fintech with PKO BP has already had a significant impact on the fintech ecosystem in Poland, supporting over 50 startups and helping to establish Poland as a leading fintech hub in Central and Eastern Europe.

By supporting fintech innovation in Poland, Let's Fintech with PKO BP is helping to drive economic growth and create new opportunities for entrepreneurs and investors alike. As the fintech landscape in Poland continues to evolve, Let's Fintech is well-positioned to play a leading role in shaping the future of the industry.”



*Marek Myszka,
Head of Innovation Office,
PKO Bank Polski*

accelpoint

Accelpoint

Accelpoint is a Smart Tech accelerator that has been operating successfully in the Central Eastern Europe (CEE) region since 2018. It cooperates with leading business mentors and international partners from Europe & Asia. Accelpoint is involved in acquiring VC funding – with a focus on promising industries such as FinTech, Blockchain, MedTech, CleanTech, Drones and Sustainability – in CEE and beyond.

The accelerator organized programs valued at nearly 10 million USD. These programs were conducted in cooperation with the National Center for Research and Development (NCBIR), Polish Agency for Enterprise Development (PARP) and through numerous other EU initiatives.

What set it apart is the experience of the team members, including the 20+ years of international experience in Product Design & Development as well as in executive roles at global corporations – including Deloitte CE, PWC, BNP Paribas. The accelerator also prides itself on the fact that founders and management team have a successful track record of being serial entrepreneurs.

Accelpoint is currently running two acceleration programs:

1. “Poland Prize” – designed for foreign startups which want to develop their business in Poland and CEE region.
2. “Poland ClimAccelerator” – designed for startups working on the most promising solution addressing issues related to climate change.

Accelpoint has also, for the past 3 years, organized the “European FinTech Hackcelerator” pan-European competition. The purpose of this project is to, in cooperation with partners from Singapore, select FinTech startups ready to enter Southeast Asian markets. The program is conducted in collaboration with the Singapore FinTech Festival – the largest FinTech conference in the world. Its newest project is the monthly event for startups and investors called “Pitch Me Baby”.



Expert's comments

„In the last few years, we saw the hype for Polish fintech startups mostly fade away. With very few notable exceptions, such as Ramp Network, Symmetrical.ai, or Nethone, much of the Polish founders and team members' potential was lost. The reasons are mostly the same as in other verticals – Polish startups focus too much on the domestic market rather than going international from day one. Startups in Poland still lack capacity and skills with regard to marketing and sales versus their counterparts in other markets. We believe that teams in Poland focus too much on being compliant with the regulator or standards, whereas their CEE or other European competitors conquer the market first and then become standard or set standards in cooperation with other players. So, whenever a team does not require a bank or insurer to enter the market, Poland is ripe for picking.

Based on our relations with key players in the banking and finance industries, we know that the Polish market has been verified in-depth, and it's getting harder to find an interesting scaleup for potential PoC with corporate players. Big corporations do not want to waste precious resources for teaching early-stage startups how to work with them as eagerly as several years ago.

Still, the Polish financial sector is the strongest one in the CEE and, despite some temporary challenges, will become more powerful. Hence, this is an excellent opportunity specifically for foreign scaleups to set foot locally, as the Polish market has a huge potential. Seed or Series A startups could start by finding local accelerators, many of which offer equity-free programs, including soft-landing in Poland – Accelpoint being one of them. For us, the next few years will mean focusing on launching CEE-focused acceleration programs targeting fintech (including regtech, insurtech, cybersecurity, and fraud prevention) and blockchain-based startups. Specifically, blockchain is the new rising star among Polish team competencies with quite a few teams that have the potential to shake up the market in the future.

Accelpoint is particularly well positioned to assist fintech and blockchain startups, as we have relationships and history of working with many of the Polish leading banks and insurers. Through our network and relationships built over the years with key players in Singapore, we are able to help them enter one of the top financial hubs in the world.”



*Maciej Majewski,
CEO / Head of Acceleration,
Accelpoint sp. z o.o.*



Huge Thing

Huge Thing is a global innovation hub. By organizing accelerator programs, workshops, and consultations, they help build profitable startups, as well as implement and develop new technologies in organizations and corporations.

This is one of the first accelerator programs in Poland. Since 2012 they have been working with global and local organizations to help start-ups tackle the challenges of big business. In 2018, in addition to the Huge Thing accelerator, the company launched Huge Thing Consulting – a company designed to comprehensively support public entities and private corporations in building innovation ecosystems.

Huge Thing currently runs several pre-accelerators and accelerator programs with partners such as Google for Startups, Żabka, Veolia and Coca Cola. The company is also involved in organizing the Poland Prize program – designed to convince foreign startups to enter the Polish market – and GovTech – designed to help public administrators update their skills and implement innovative technological solutions in local governments. Huge Thing is part of the SpeedUP Group and has offices in Poznan and Warsaw (Google Campus).

More information about the programs can be found at: www.hugething.vc.



BIK HUB is a technological sandbox that was launched in November 2021. Its first project is the **BIK Open API Platform** – an innovative space integrating data from multiple sources in a secure cloud environment based on Microsoft Azure technology.

The purpose of BIK Open API platform is to create a ground for business solutions for entrepreneurs representing various industries and market segments as well as start-ups and FinTech.

This is a space for testing the market potential for solutions at the prototype stage as well as a source for inspiration when it comes to new directions of development.

This project has attracted the interest of companies of various sizes, from various business segments, that want to create innovative financial services and more. The BIK Open API platform has data categorized by over 700 parameters – all in one place. It focuses on 4 main categories: area, real estate properties, companies, and residents. It provides access to a wide range of geo-location-based information.

This information is related to real estate, financial service, consumer research, digital marketing and data science. It also provides access to public registers: KRS, REGON, CEiDG and BIG InfoMonitor Register of Debtors – these allow you to review and analyse data about entrepreneurs. Users of this innovative platform can purchase statistical data of BIK, as well as receive a professional assessment of the business potential of other data available on the platform.



SANDBOX
BLOCKCHAIN

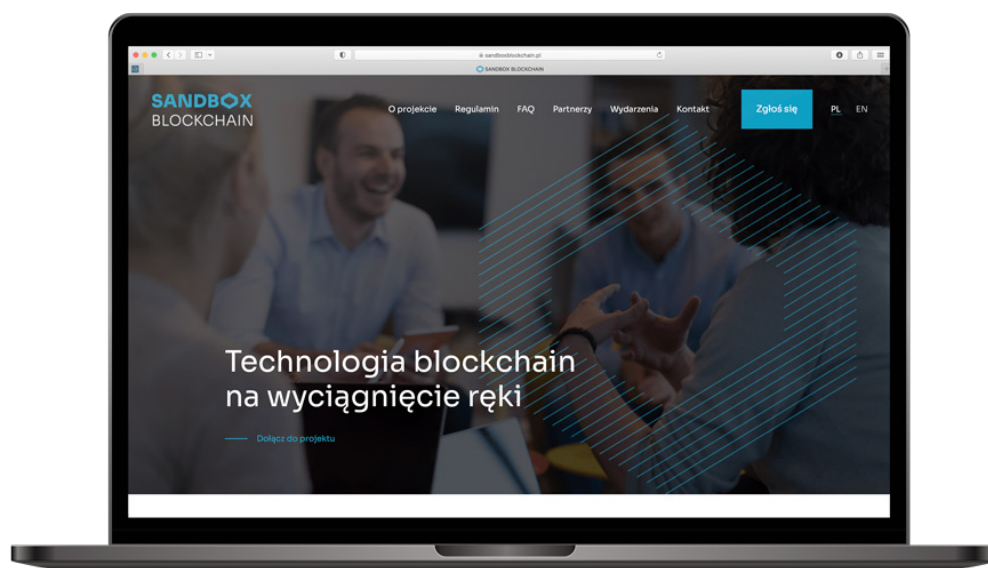
Sandbox Blockchain is an acceleration program launched in the form of an institutional partnership and intended to increase the popularity of solutions based on Distributed Ledger Technology (DLT).

The platform has been launched thanks to the cooperation of KIR, IBM, Chmura Krajowa, PKO Bank Polski, UKNF and Fintech Poland. The joint initiative is coordinated by Fundacja KIR na Rzecz Rozwoju Cyfryzacji Cyberium.

The sandbox is a safe place in cyberspace for practical testing of business ideas which offers technological, financial and regulatory advice as well as marketing services. It allows for testing of new solutions in a closed environment, free of charge, prior to an official market launch. Sandbox users can test their projects using Hyperledger Fabric (HLF) - a scalable DLT platform for business applications. The platform ensures privacy, confidentiality of transactions, control over distribution of information to a network of authenticated users and high volume in terms of the amount of transactions. The competitive advantage of HLF is a unique network consensus protocol that ensures high efficiency while maintaining privacy. It also makes it possible to reduce the technical and operational costs related to the development of new business ideas.

Sandbox users are provided with an environment based on HLF architecture version 2.2. Companies testing ideas in the program can adapt the platform to their specific needs - expanding it using elements from their own network, IT infrastructure or cloud. It should be noted that, to ensure the security of processed data, access to the platform is only possible using cryptographic material which serves to protect classified information. Sandbox users can work in Go, JavaScript, and Java. The platform interface has been designed to improve the speed with which developers track and fix bugs in the test environment.

More information available at: www.sandboxblockchain.pl/en



CHAPTER 3

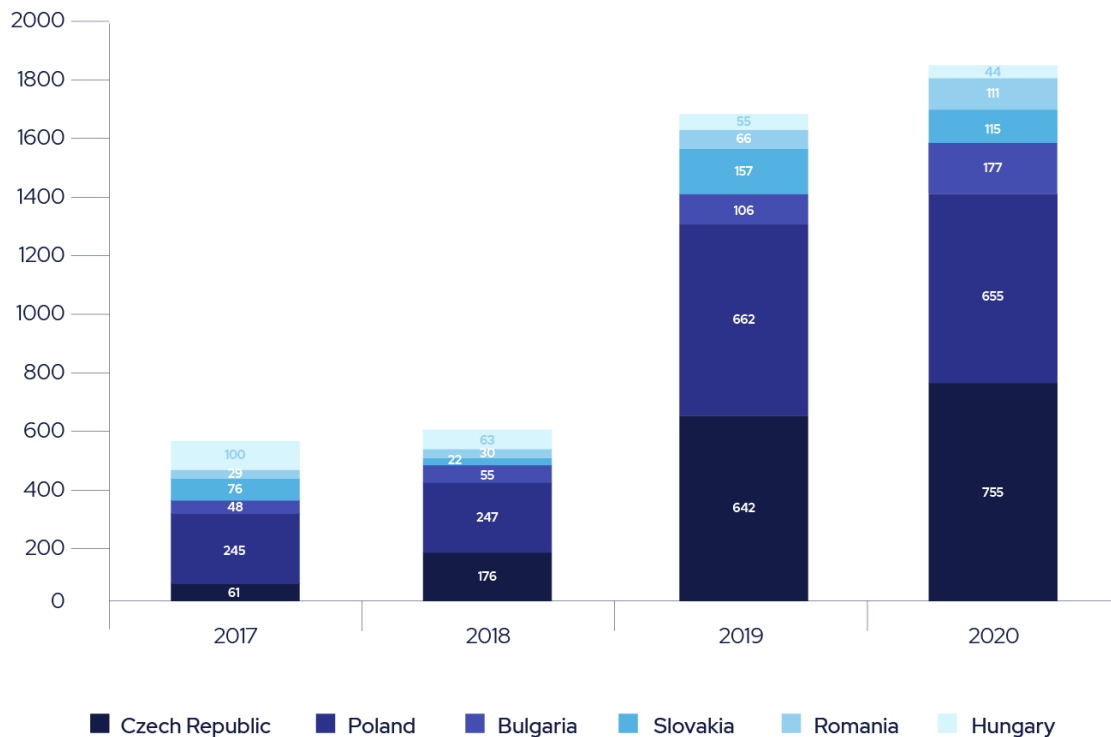
The Polish VC market

The Polish VC market

Trends in the financial industry aside, the recent boom in the venture capital and private equity market might also contribute to faster development of the FinTech industry in the future. As early-stage funding becomes more available and more investors enter the market, FinTechs will have easier access to capital and more opportunities to grow. The VC/PE markets in Poland are still in very early stages of development. Historically they had a relatively minor impact on the FinTech market. This, however, is expected to change as the VC/PE sector grows and more investors seek this type of opportunity.

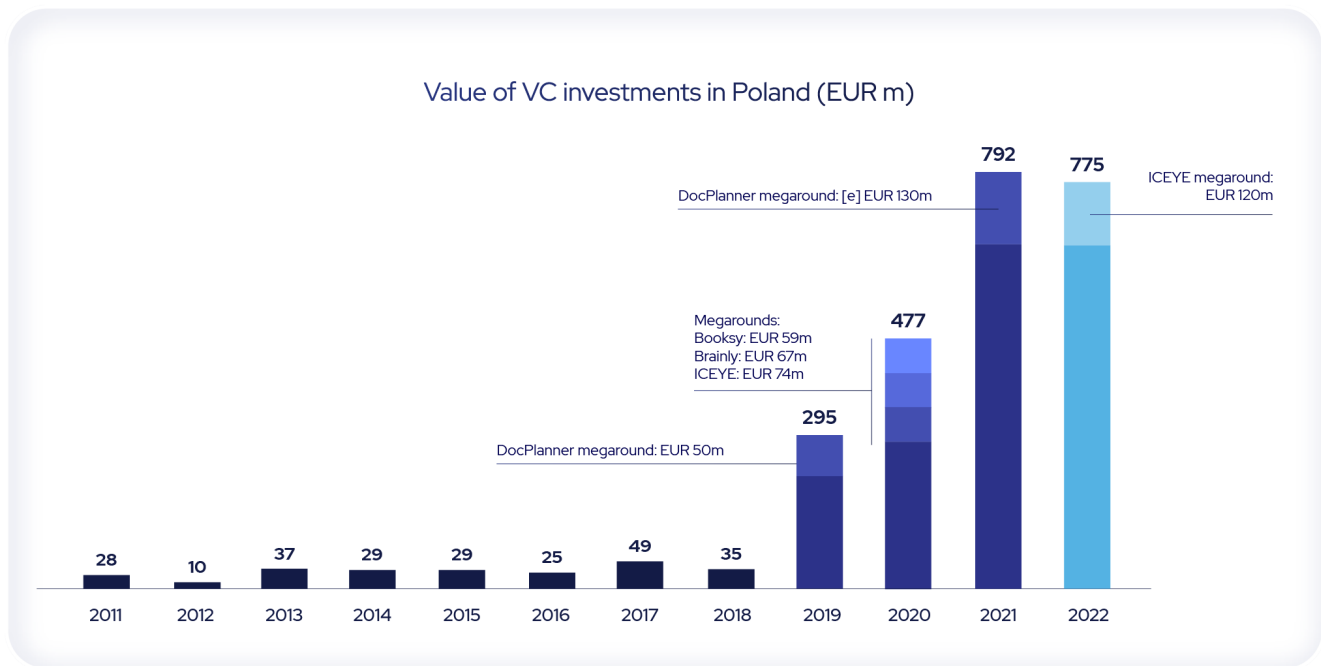
The Polish venture capital ecosystem is maturing at an increasingly fast pace.

Value of VC investments in CEE (EUR m)



Source: PFR, excluding outliers

According to a study by the Polish state-owned fund PFR Ventures, the total value of VC investment rose from EUR 49 million in 2017 to EUR 775 million in 2022. 2019 was the turning point for the Polish market – VC investments grew eight-fold from EUR 35 to over EUR 295m



3 of the 5 biggest funding rounds in 2022 went to FinTechs – with Ramp receiving EUR 69.8m, Vodeno EUR 58m and Silent Eight EUR 35.6m in funding.

Top 5 rounds in 2022

ICEYE

EUR 120m
SERIES D

Ramp

EUR 120m
SERIES D

VODENO

EUR 58m

**silent
eight**

EUR 35.6m
SERIES B

SUNROOF

EUR 28.5m
SERIES A

Innovative companies from Poland receive funding from private investors, local and international, as well as through public-private programs. Early-stage funding is provided primarily by local teams, who manage capital from private investors, as well as by PFR Ventures' programs. Late-stage rounds are still dominated by international teams who double down on Poland and the CEE.

PFR Ventures has invested over PLN 1.5bn in venture capital funds to date. This translates into providing funding for over 250 startups. Starting with 2023 an additional PLN 1.9bn will be allocated into new funds and anticipated additional investments of PLN 1.3bn from private investors. The total – PLN 3.2bn – should result in funding for around 500 new startups.

Selected PFR Ventures Portfolio Funds



Top 5 industries financed by VC in Poland



NO.1
Health



NO. 2
Transportation
/ Delivery



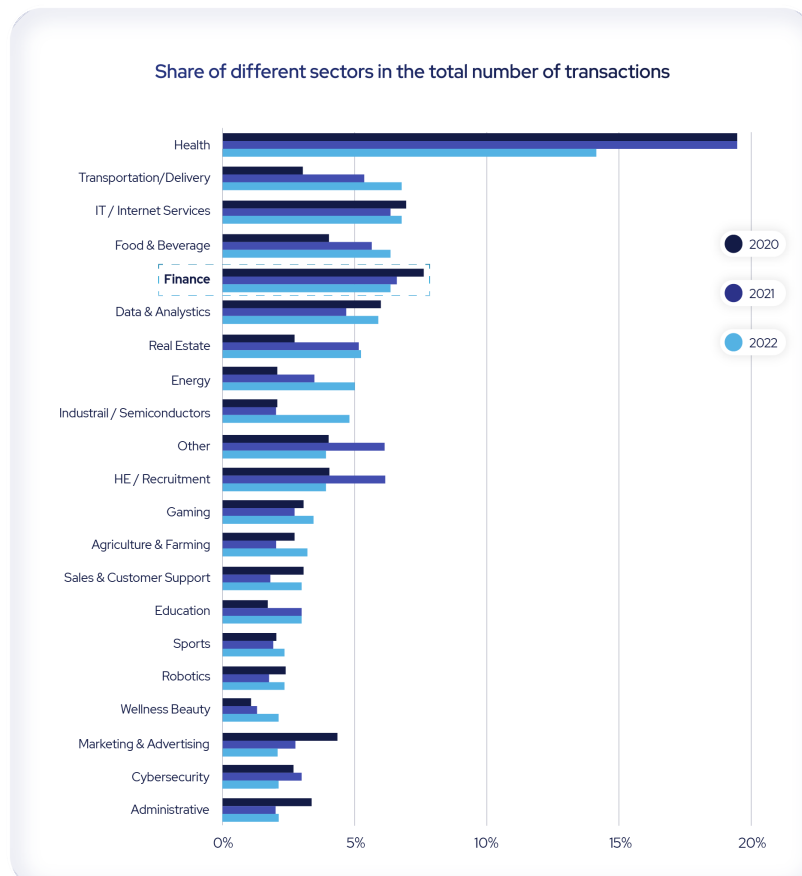
NO. 3
IT / Internet
Services



NO. 4
Food
& Beverage



NO. 5
Finance



Source: PFR

CHAPTER 4

Talent pool in Poland

General overview

What do a dynamic fintech start-up and a large traditional bank have in common? The fact that they can find all the employees they need in Poland. When it comes to skilled employees from finance, tech, and business services industries, the largest country in the CEE region is a gold mine of talent.

With a population of 38 million people, Poland is the 5th largest country in the European Union¹. Polish society is also relatively young. The average age of a resident - 41.6 years - is lower than in most countries in this part of Europe².

One in three people (33.2%) aged 25-64 and 40.6% of Poles in the 25-34 age group³ have a university diploma. That's the third best result in the CEE region.

Well-educated society:

33.2%

people aged 25-64
have a university diploma

40.6%

people aged 25-34
have a university diploma

The above factors make Poland an attractive investment location. Companies looking for employees in the country can choose from a large group of well-educated candidates. That's not all. The largest country in the CEE region still offers competitive labor costs in comparison to many more developed economies. Employees in Poland still clearly get paid less than their Western European neighbors - especially when analyzing low-level positions.



Companies looking for employees
in the country can choose from a large
group of well-educated candidates.

¹ Eurostat

² Eurostat

³ Eurostat

Banking, Financial Services, and Insurance industries

The potential of financial institutions operating in Poland – especially banks and insurance companies – as well as the number of Banking, Financial Services, and Insurance (BFSI) centers in the country are key to high numbers of available employees.

There was initially a very large number of foreign financial institutions offering products on the local Polish market. As a result of ongoing consolidation in the industry, the number of commercial banks has decreased from 52 in 2008 to 30 in 2021. The market share of the 5 largest banks has also grown systematically⁴.

Expert's comments



„Banks in Poland operate in a highly competitive environment.

In the fight for customers, they are continuously expanding the range of services available through digital channels. As a result, innovative banking services are more readily available in Poland than in many developed countries. Banks quite commonly offer, for example, the ability to transfer money to a phone number, contactless withdrawals from ATMs using Apple Pay and Google Pay, or the possibility of using chatbots online.

As digitalization in the industry continues to progress, the ideal candidate profile is changing. Demand for employees with tech skills has increased significantly in recent years. People combining technological, financial and managerial skills are also in high demand.”



*Ewa Jakubiak-Zielinska,
Partner at Page Executive*

Unlike in the banking industry, the number of companies doing business in insurance has remained constant over the past few years (about 60 entities)⁵. Competitive forces at work in this market mean that insurance institutions are also experiencing a technological revolution – demand for digital solutions and for employees with tech skills in this industry is on a rise as well.

⁴ The Polish Financial Supervision Authority

⁵ Source: Polish Insurance Association, Annual Report 2020

Banks and insurance institutions are an important source of labor for organizations looking to invest in Poland. Banks alone employ more than 140,000 people in Poland⁶.

Did you know?

The high degree of technological advancement in Poland's financial industry combined with the fact that Poles are extremely open to using new technologies is good news for future development of FinTech solutions in Poland⁷. Nearly 350 foreign and domestic FinTechs are already doing business in Poland. These companies often offer innovative solutions such as convenient online payments based on digital codes, virtual cards (available only in digital form), or fast and easy biometric payments.

The many years of BFSI industry's rapid growth means that Poland's pool of candidates from the banking, insurance and financial services industries, with the right skills and experience, is much larger than in any other CEE country.

TALENT POOL IN POLAND



Experienced

200,000+ employees
in financial institutions



Global skillset

approx. 40,000 employees
in more than 50 global centers
belonging to financial institutions



Competitive

Salaries in Poland
are still lower than
in Western Europe



International

No. 1 location in Europe
for GBS. More than 400,000
international hub employees



Tech-savvy

No. 1 location in Europe
for ICT Hubs. Around 600,000
ICT specialists⁸



Recognized

3rd place in Hackerank
& Pentalog globally.
Polish developers win awards
regularly

⁶Source: UKNF, Information on the situation of the banking sector in 2021

⁷Source: Cashless, Map of Polish Fintech 2022

⁸Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/isoc_sks_itspt/default/table?lang=en)

Another important argument for choosing Poland as an investment location is easy access to workers with knowledge of foreign languages. The educational system places a lot of emphasis on language skills with the average number of languages taught to young people in high schools among the highest in the European Union⁹. Poland is also frequently chosen as a place to move to by people from around the world.

10 languages currently most frequently used in Poland



ENGLISH



UKRAINIAN



GERMAN



DUTCH



RUSSIAN



FRENCH



ITALIAN



SPANISH



SWEDISH



CZECH

Over the past several years, Polish cities have become first-choice locations for companies intending to establish their own shared service centers, as well as for those offering outsourcing services. As a result, Poland has become a European leader in the modern business services industry. There are more than 1,700 BPO, SSC/GBS, IT and R&D centers throughout the country which employ over 400,000 people¹⁰.

Did you know?

Polish business service centers act as a meeting place of many nationalities and cultures. Out of 400,000 employees, as many as 55,000 are foreigners who make up the largest share of workforce in BPO (25.4%) and SSC/GBS (13.3%) units.

⁹ Source: Eurostat

¹⁰ Ibid

¹¹ Ibid

Sample process categories supported by business services centers in Poland¹²

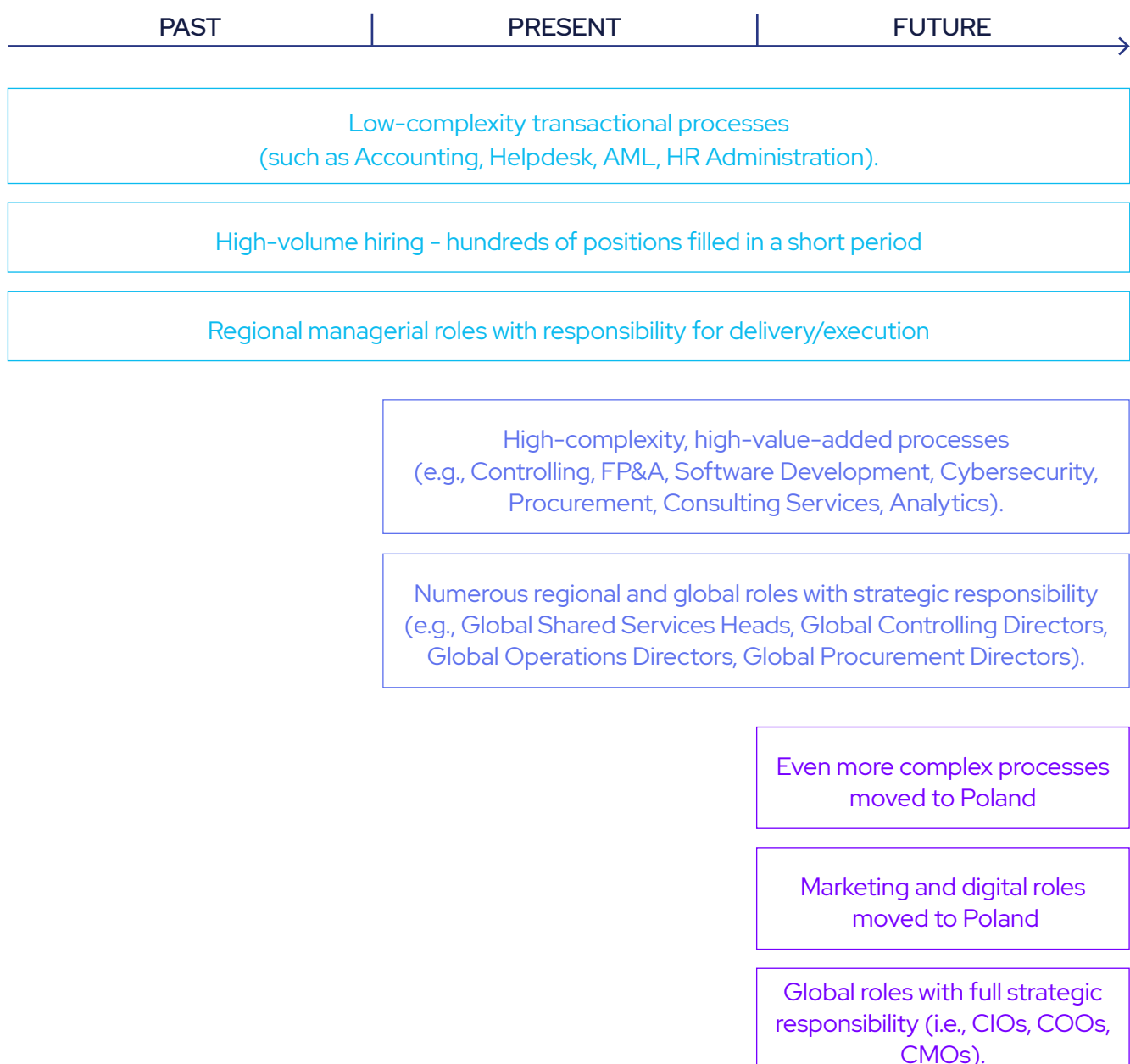
| | | |
|----------------|---|-------|
| BFSI | Risk & Compliance | 27.2% |
| | Corporate Payments | 26.6% |
| | Cash Management | 23.7% |
| | KYC / AML | 18.9% |
| | Asset Management | 18.3% |
| | Fund Accounting | 14.8% |
| | Other BFSI Specific Services | 10.1% |
| | Insurance Services | 8.9% |
| <hr/> | | |
| F&A | Accounts Payable | 66.3% |
| | General Ledger & Period Reporting | 61.5% |
| | Travel & Expenses | 54.4% |
| | Invoice to Cash | 51.5% |
| | Business Controlling (incl. Project Controlling) | 47.3% |
| | Statutory & Tax Services | 46.7% |
| | Financial Planning & Analysis | 45.6% |
| | Order to Invoice (Order Management) | 44.4% |
| | Treasury | 40.2% |
| <hr/> | | |
| IT | Application Lifecycle Management (incl. Software Development) | 49.7% |
| | Robotic Process Automation (RPA), Process Digitization | 46.7% |
| | Project Management (IT specific) | 46.2% |
| | Other IT services | 43.8% |
| | Infrastructure Management | 41.4% |
| | User support / Service Desks | 40.2% |
| | Cloud Services | 37.9% |
| | Testing | 36.1% |
| | Information Security (incl. Cybersecurity) | 34.9% |
| | Enabled Services | 27.8% |

¹² Ibid

As recently as 2008, there were 24 BFSI service centers. 10 years later there were 51. This was accompanied by a jump in the number of employees – from 4,900 in 2009 to 39,000 in 2018¹³. There are more BFSI centers in Poland than in any other European country and the average entity of this type located in a Polish city employs far more people than its counterpart operating abroad.

The development of the industry has resulted not only in an increase in the number of companies and employees working in it – it has changed the profile of tasks typically carried out by Polish business centers. Commissioned tasks were simple at first, but now they are growing increasingly advanced.

The evolution of the business services sector in Poland¹⁴



¹³Source: ABSL, BFSI: The driving force behind the business services sector in Poland

¹⁴Source: Michael Page

Polish executives are also increasingly recognized. The success of top managers in the GBS/SSC/BPO industry has played an important part in the fact that Poles are now more frequently considered for local and global positions by worldwide corporations. International organizations, which before focused on London, Frankfurt, or Madrid, also began looking for executives in Polish cities. This includes companies that do not have branches in Poland – recruiting people to perform fully remote work.

Expert's comments



„For the past 2 years we've conducted an increasing amount of executive search projects for companies from the financial industry looking to fill global, strategic roles. Many of these jobs are fully remote and can be performed from anywhere in the world.

We recruit for positions in various departments such as Global Finance Director, Global Marketing Director, and Global Procurement Director. Our teams are looking for talent in numerous European countries – i.e., the UK, Poland, Germany, and the Netherlands – simultaneously. More and more frequently we are selecting candidates from Poland to fill these positions. Their strengths include a broad set of skills acquired while working for international organizations within their Global Business Services Centers. On top of that, they often have experience working for a dynamic company from Poland's FinTech or banking industries – and the country's financial service industries are among the most innovative in Europe.

Salaries for top positions in Poland are increasing but continue to be lower than in the West. This makes selecting a Polish candidate an extremely profitable proposition. We anticipate that international companies looking to fill positions which assume full strategic responsibility, such as CIO or COO, will also look to Poland in the coming years.”



*Agnieszka Kulikowska,
Senior Partner in Page Executive*

¹³Source: ABSL, BFSI: The driving force behind the business services sector in Poland

¹⁴Source: Michael Page

IT industry

Service centers have also influenced the labor market in another way – they supply huge amounts of human capital for other financial industry organizations operating in Poland, including start-ups. There is a high demand for numerous BFSI center employees specializing in risk management, compliance, or AML (Anti-Money Laundering). All of Europe is benefiting from the skills of Polish experts in these areas thanks to a “nearshoring” approach.

The IT industry is developing extremely rapidly. Companies from all segments of the economy are looking for experts in software development, cybersecurity, infrastructure, design and implementation of cloud solutions, and Business Intelligence or Big Data. Artificial Intelligence and Machine Learning specialists are also in high demand.

Programming languages most used in business service centers in Poland

1. SQL
2. Java
3. Python
4. JavaScript
5. C/C++
6. C#/.net
7. JSON
8. React.js
9. Node.js
10. PowerShell

Specialized IT technologies most used in business service centers in Poland

1. PowerBI
2. SAP
3. Azure Cloud
4. ServiceNow
5. UiPath
6. Google Cloud
7. Chatbots
8. AWS Cloud
9. Tableau
10. Blueprism

Did you know?

When working on developing new technologies on their own, banks and insurers often create unprofitable projects. That's why they tend to turn to innovative solutions offered by FinTechs, which achieve a kind of digital synergy when combined with the scale of banks or insurance institutions.

Staffing needs remain high but there is also a large supply of employees. Candidates from the banking industry are in high demand as are people in sometimes completely unrelated industries. The financial industry, for example, often hunts for people from retail, e-commerce, or telecommunications. This is the case, among others, of people responsible for developing new products or marketing/digital marketing experts.

Recruitment projects also involve positions in the financial or HR department where the task of the candidate is to prepare his/her company for future growth. Because companies in the financial industry are looking to make the most of their growth opportunities, another position they frequently want to fill is that of Chief Growth Officer.

We are dealing with an interesting phenomenon – especially when talking about positions where technology and financial services meet. Up till now separate people were usually responsible for tasks from each of these departments – that is changing, and we find ourselves more and more frequently looking for candidates that can combine tech and financial skills.

Did you know?

Diversity, Equity & Inclusion (DEI) issues related to, among others, gender, age, sexual orientation, nationality, or disability are becoming increasingly important to a growing number of companies.

Many are developing policies in these areas and employing DE&I Officers responsible for their implementation.

Among other things, companies want to make sure they have an adequate number of women in specific positions. Poland ranks among the world leaders in terms of the number of women in middle-management positions – but there are currently far fewer females in top-management positions. Many organizations are interested in building a pipeline of female candidates for expert and managerial roles – this is something that is no doubt being achieved on the Polish market.

CHAPTER 5

Regulatory framework

Regulatory authorities

There are several authorities which supervise entities doing business in the financial services industry and have an impact on their day-to-day business operations.

Key financial regulatory and supervisory authorities in Poland include:

 **KNF** | KOMISJA
NADZORU
FINANSOWEGO

KNF – Komisja Nadzoru Finansowego (Financial Supervision Authority Board)
The KNF Board is assisted by the Polish Financial Supervision Authority – (UKNF – Urząd Komisji Nadzoru Finansowego).

The KNF supervises the banking, capital, insurance and pension sectors, payment institutions and payment service offices, electronic money institutions and credit unions.

The purpose of supervision conducted by the KNF over the financial market is to ensure its proper functioning, stability, security and transparency, confidence in the financial market, as well as to ensure that the interests of market participants are protected.

One of the objectives of the KNF is undertaking actions to support the development of innovativeness of the financial market.

The KNF runs an Innovation Hub which it uses to interact with FinTech companies and provide them with clarification on important issues and answers to relevant questions. This is one of the ways in which the authority supports the development of innovative financial technologies while also making sure the consumers receive adequate protection.

More information about UKNF Innovation Hub Programme can be found here:

www.fintech.gov.pl/en/innovation-hub-menu

The KNF supervises entities doing business in the financial industry and grants authorization/licenses to companies wishing to enter this market including:

- banks
- investment firms
- payment and e-money institutions
- insurance companies.

Due to recent amendments to the Consumer Credit Act and the Act on Financial Market Supervision of July 21st 2006, KNF supervision will be broadened over lending institutions from 18th May 2023.



NBP – Narodowy Bank Polski (National Bank of Poland)

The NBP is a central bank of Poland, which performs three basic functions:

1. Issuing bank and sole entity with the right to issue currency.
2. Bank for banks.
3. Bank for the government and its agencies.

**MF – Ministerstwo Finansów (Ministry of Finance)**

The Ministry of Finance is a public body which creates and controls the state budget, MF is also responsible for the financial condition of the country. The MF focuses mostly on the public segment of the financial industry.

**GIIF – Generalny Inspektor Informacji Finansowej (General Inspector of Financial Information)**

The GIIF is an authority acting within the structure of the Ministry of Finance. It is the central authority in Poland when it comes to preventing money laundering and financing terrorism.

**UOKiK – Urząd Ochrony Konkurencji i Konsumentów (Office of Competition and Consumer Protection)**

UOKiK is an authority that supervises how consumer rights are respected by companies in different segments of the economy (including the financial industry). It acts to protect consumer rights, takes administrative action against companies that violate those rights, and supports fair competition.

**RF – Rzecznik Finansowy (Financial Ombudsman)**

The RF is an authority that provides stronger protection to consumers in the financial industry. More specifically it supervises how financial institutions handle complaints filed by consumers.

A consumer who is unsatisfied with an answer given by a financial institution in response to his/her complaint can ask the RF for step in and settle the dispute.

**PUODO – Prezes Urzędu Ochrony Danych Osobowych (President of the Personal Data Protection Office)**

PUODO is an authority which makes sure personal data is processed by public and private entities in a way that maintains privacy.

Poland as a gateway to the EU financial market

Entities granted a license/permit by the KNF to operate in Poland as banks, investment companies, payment service providers and insurance companies can enter and do business in other countries which are part of the European Economic Area, which is possible through a so-called passporting.

Passporting does not apply to lending institutions and small payment institutions because there are no binding Pan-European regulations regarding cross-border activities by these types of companies. As a result, not all countries require a license or authorization to conduct such activities.

Passporting makes it possible for the above-mentioned entities to operate outside the territory of Poland through a branch (exercising freedom of establishment in the EU) or as part of cross-border activity without opening a branch (exercising freedom to provide services in the EU).

Poland is a go-to destination for the regulated entities who intend to enter the EU market by obtaining a proper license in one of the EU member states and then passporting it to the other countries.

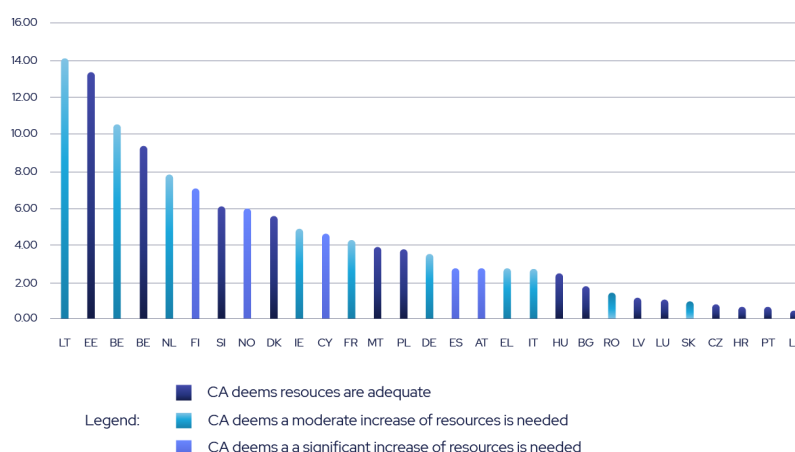
This is the case for two main reasons:

Flexible procedures – in cases when the applicants make substantial changes to its application, the KNF does not request the applicants to submit new applications and allows them additional time to amend it. Law in Poland allows applicants to modify their application during the authorisation process regardless of the scope and types of these changes.

By contrast EBA confirms that if, during the authorisation process, a change is made which impacts multiple documents submitted to the competent authorities in other EEA states, many authorities typically ask the applicant to submit a new application – which in turn may make the process longer and more burdensome when compared to the process in Poland.

Adequate resources – unlike in other EEA states KNF has adequate resources to process the applications quickly allowing applicants to maintain ongoing and undisturbed regulatory dialogue with the respective officers during the licensing process.

Number of applications received per full time equivalents in 2020-2021 and self-assessment of resource adequacy by appropriate authorities



Source: EBA, Report on the peer review on authorization under PSD2, January 2023

The supervisory authorities in individual EEA States, in which a given entrepreneur intends to begin doing business, may publish detailed guidelines as to the expected form of business activity in that country.

As a result an entity with a license/permit issued in Poland should first verify the recommendations and guidelines issued on the subject by the supervisory authority of the host country (i.e. in the EEA State where that entity wants to provide services on the basis of the so-called European passport).

Such an entity should therefore submit a relevant notice to the KNF – a so-called notification – which the KNF will then forward to its counterpart in the host country. If the host country's supervisory authority does not reject the notification it receives within the statutory time limit the entrepreneur is free to start doing business in that country.

Taxation

KEY TAX RATES IN POLAND

CIT

19% – standard rate, but reduced tax rates / tax exemptions are possible:

10% / 20% CIT

payable when profits are distributed using a so-called lump sum CIT scheme (see below).

9% CIT

for so-called small taxpayers (whose revenues do not exceed EUR 2mIn).

5% CIT

for income from qualified IP using preferential IP BOX scheme.

CIT exemption

for income generated within a so-called Special Economic Zone / Polish Investment Zone.

VAT

23% – standard rate, in some cases, **reduced tax rates (5% and 8%)** or **exemptions** are applied

Withholding Tax

19% – standard rate

in the case of dividend payments, certain other forms of profit distribution and participation in profits of a legal entity.

20% – standard rate

for the payment of royalties, interest, or remuneration for certain services.

Basic WHT rates may be reduced (to as little as „0“) under provisions of relevant agreements on the avoidance of double taxation or be eligible for an exemption based on domestic provisions implementing relevant EU Directives.

Tax on Civil Law Transactions

Standard rates depend on the object of the transaction:

0.5%

for capital transactions
(loans, share capital increase)

2%

for sale of real estate
(if VAT does not apply to
the transaction or is VAT
exempt)

1%

on the acquisition of property
rights executed in Poland
or property rights executed
abroad if the buyer is located
in Poland and the transaction
happened in Poland.

Exemptions or exclusions for certain types of activities may apply
(i.e., exemption for certain shareholder loans).

Shares/stock is considered
property rights.

Real Estate Tax (RET)

Different rates **depending on the size and purpose of the property.**

In 2023 the maximum legally applicable rates for key types of real estate are:

PLN 1.16 / m²

Plots of land purchased for business activity

PLN 1 / m²

Residential buildings

PLN 28.78 / m²

Buildings purchased for business operations

2%

structures – 2% of their value
(often the value adopted for income tax
depreciation purposes without deduction
of depreciation write-offs).

Maximum legally applicable tax rates for purchases of property and buildings are adjusted annually based on the inflation rate.

RET exemptions may also be applicable (for example on: barren land, land occupied by port infrastructure, port structures).

Incentives

Poland is the biggest beneficiary of EU cohesion and regional development funding.

A significant portion of these funds is intended to support companies in R&D and innovation as well projects which help fight the negative impacts of climate change. Investors can obtain a CIT exemption if their project is in Polish Investment Zones. They can also apply for grants from the Polish if their project is strategically significant in terms of improving quality of life in certain areas throughout Poland.

In recent years Poland has also introduced new regulations supporting certainty and attractiveness of tax rates on investments. These include:



POLISH INVESTMENT ZONES

– income from projects located in these zones
is – under certain conditions – exempt from CIT.



INVESTMENT AGREEMENT

– specifically designed for strategic investors,
this document can define all tax-related aspects
of a specific investment.



COOPERATIVE COMPLIANCE PROGRAM

– a newly introduced solution involving
an agreement between the taxpayer and
the Head of the National Fiscal Administration
which provides more certainty related to tax
rates and additional tax incentives (particularly
when it comes to having to requirements that
must be met).



INVESTORS' DESK

– a "one stop shop" for investors designed to
provide help when entering into an Investment
Agreement and additional advice on tax-related
matters as needed.

REGIONAL AID

State aid (in the form of, e.g., cash grants, income or property tax exemptions, employment subsidies) provided when making an initial investment is defined as regional aid. Its amount is determined based on the location of an investment (not the company's headquarters) and the size of the company.

The level of state aid is calculated as a ratio of the value of state aid to the costs eligible for support.

POLISH INVESTMENT ZONES (PIZ)

Incentives for new investments located in PIZ are available throughout Poland. They apply to projects on publicly, as well as privately owned land. The regulations that govern PIZ include a list of business activity codes (PKWiU) excluded from this support (for example those related to the production of alcohol, tobacco products, explosives, steel, electricity, and gas).

GOVERNMENT GRANTS

Government Grants are awarded as part of the Program for the Support of Investments of Significant Importance for the Polish Economy for 2011-2030 (the „Program”) and are granted under a bilateral agreement between an investor and the Minister of Economic Development and Technology.

The Program provides for two types of support:

- grants for the creation of new jobs
- grants to cover qualified investment costs.

It is important to remember that:

- the value of the grant cannot exceed PLN 3mn if combined with other forms of regional aid (not applicable to R&D projects),
- 15% of the must be spent on cooperation with an institution of higher education,
- the amount of grant can be increased by (25-50%) of training costs,
- the Program is open to new applicants,
- only business can apply,
- grants are received from the Polish Investment and Trade Agency and awarded by the Ministry of Economic Development and Technology.

R&D RELATED INCENTIVES

Poland provides a wide range of tax incentives related to innovation and R&D. They include the IP BOX as well as lower tax rates projects that require and support R&D, hiring innovative employees, prototyping and/or robotization.



CHAPTER 6

Support for financial innovation by the Polish Financial Supervision Authority (UKNF)



Support for financial innovation provided by UKNF

UKNF (The Polish Financial Supervision Authority) is involved in many activities designed to support the entities it supervises as well as those which have recently begun doing business in the financial industry. Below are a few of the institution's most important initiatives promoting innovation.

Innovation Hub

The UKNF Innovation Hub Programme aims to support the development of innovation on the financial market by undertaking information activities by the UKNF for entities qualified for the Programme, whose activities include designing, developing or using technological solutions in their activities:

- on the financial market (FinTech);
- in the area of financial market supervision (SupTech);
- in the regulation area (RegTech).

The program is aimed at:

- entities planning to start operations in the part of the financial market covered by the supervision of the KNF (including start-ups) that have an innovative financial product or service based on modern information technologies (IT);
- entities supervised by the KNF planning to implement an innovative financial product or service based on modern information technologies (IT).

One of the program's features is the fact that UKNF representatives provide information to entities (free of charge) regarding the provisions/regulation that apply to their business – also offering explanation and or answers in case of any legal doubts. There is also the possibility of meeting and working directly with UKNF representatives at the institution's headquarters. This an extremely effective form of direct interaction – a single meeting (which can also be organized remotely) is often all it takes for a company to get the information it needs.

Most of the current inquiries focus on issues related to payment services, investment crowdfunding, ICO and DLT/Blockchain.

Issuing individual interpretations

The KNF has, since 2018, been issuing interpretations regarding individual entities – those already under its supervision or aspiring to be supervised. These interpretations deal with introducing various kinds of innovations to the financial services industry. If the entity asking for an interpretation submits an actual business model for review – if it launches that product/service – KNF will not be able to impose sanctions that are contrary to its interpretation of the facts presented in the application and legal provisions on which the KNF interpretation is based.

The KNF interpretations are intended to increase legal and regulatory certainty for entities supervised by the KNF or intending to carry out such activities.

The KNF individual interpretations are issued on entity application. An application for an interpretation must concern products and services that aim to develop the innovativeness of the financial market and should include:

- data identifying the applicant;
 - a comprehensive description of the factual state or future event to which the KNF's interpretation is to apply;
 - the applicant's position on the legal assessment of that factual state or future event;
 - the applicant's statement confirming that the elements of the factual state covered by the application on the date of its submission are not the subject of proceedings conducted with respect to the applicant before other authorities;
 - proof of payment of the application fee.
-

Issuing of official positions as a supervising authority

Due to constant changes in the laws governing the financial industry legal requirements can be a large obstacle for financial market participants. To keep participants informed UKNF issues announcements and positions regarding important issues. These often deal with rules concerning the introduction of innovative services. The UKNF has a range of experts, who specialize in various aspects of the financial markets, within its structures. This ensures and positions papers and announcements clearly and specifically answers doubts that market participants might have regarding specific issues. These official UKNF positions are also an important source of information when dealing with inquiries from the Innovation Hub. An announcement regarding cloud computing, for example, was published in January 2020 – in direct response to legal concerns of financial market participants raised during Innovation Hub consultation meetings.

Commitment to identifying and removing barriers in the development of financial innovation

In late 2016 the UKNF established a Special Task Force for Financial Innovation in Poland.

It includes 22 entities among which are public administration organizations, professional associating, and key market players. These entities reported a total of 145 barriers that limit the development of financial innovation 85 of which are regulatory or systemic). As of December 10th, 2019, 22 barriers were still to be removed. In 2021 Task Force identified 193 barriers that were submitted by representatives of organizations doing business on the financial market. UKNF is constantly monitoring the elimination of barriers identified in the past.

The UKNF Special Task Force for Financial Innovation in Poland monitors whether identified barriers have been eliminated while also constantly looking for new problems that can potentially slow down development of the FinTech industry.

UKNF Virtual Sandbox

What is the Virtual Sandbox?

The Virtual Sandbox is a safe IT environment where companies can test their innovative solutions. It was created and managed by UKNF.

The first Virtual Sandbox is designed to test payment solutions based on the PSD2 Open API standard (which the Polish API standard complies with). The Virtual Sandbox allows its users to simulate basic operations defined in PSD2 such as Payment Initiation Service (PIS), Account Information Service (AIS) and Confirmation of the Availability of Funds (CAF) – in a secure environment and with help from KNF.

The second Virtual Sandbox is designed for DLT/Blockchain technology. It makes it possible to test new services, business models or smart contracts tailored specifically to the financial industry.

The Virtual Sandbox is an extension of the Innovation Hub Program. The idea for the Virtual Sandbox first appeared in the Digital Supervision Agenda.

Who can participate?

Virtual Sandboxes are designed for:

- start-ups thinking about acquiring a license to do business,
- experienced market participants who want to test newly developed services.

The most important condition for participation is this: *the product tested by Sandbox users must bring some form of innovation to the financial industry.*

Users are not required to have TPP license prior to applying to participate in Virtual Sandbox. They also do not have to apply for this kind of license after testing has been concluded.

Entities included on UKNF's public warnings list are prohibited from participating in the Virtual Sandbox.

How can I apply to participate in the Virtual Sandbox?

The first step is filling out an application to join the Innovation Hub on the KNF website¹⁶.

After being accepted to the Innovation Hub an entity interested in testing its solutions in the Virtual Sandbox needs to initially discuss this matter with representatives of UKNF's FinTech Department. They will help assess whether a given entity's product or services is eligible for the Virtual Sandbox. If the answer to that question is yes, if verification of an entity's business model or service is positive, it can then be tested in the Virtual Sandbox. The last thing for any entity looking to use the Virtual Sandbox to do is file an appropriate application form.

How much does it cost to test solutions in the Virtual Sandbox?

Filing a Virtual Sandbox application as well as the testing process itself is free of charge.

¹⁶ <https://fintech.gov.pl/en/innovation-hub-menu>

How does the testing process work?

After qualifying to participate the entity receives access to the Virtual Sandbox's specially designed IT infrastructure for 90 days. There it will be possible to simulate the transaction processes related to the product/service being tested. Access to the infrastructure can be extended by 30 days.

During this period (max. 120 days) entities can upload their data to the infrastructure as well as install the software needed to test their solution. It is important to note that uploaded data as well as software are treated as confidential and are not made available to third parties. As mentioned above, participation in the Virtual Sandbox is free of charge and does not oblige the user to apply for any kind of license after the testing process has been completed.

What are the benefits of Virtual Sandbox?

The main benefit of Virtual Sandbox is being able to test innovative products and services in a secure environment. These kinds of tests make it possible to adjust the service – solve either a technical or compliance-related issue. Participating entities also receive access to expert advice from UKNF representatives which helps them modify business models to meet regulatory requirements in the best possible way. From an UKNF' perspective the Virtual Sandbox is also a place for discussion with market participants. It is also a way to boost the development of Polish companies – making them more competitive on the domestic and international markets.



CHAPTER 7

Success stories



Success stories

allegro pay.

Over 1 million clients now benefit from the state-of-the-art user experience offered by **Allegro Pay**, Poland's most popular online shopping platform's innovative fintech arm. Its made-to-measure offer proves just what consumers need, as it makes buying easier and widens user choice thanks to the flexibility of postponed payment.

Allegro's buy-now-pay-later wonder, which offers an easy way to either defer payments for purchases on the platform or split them into convenient installments, has surpassed its targets amid sector-high client appreciation. It works hand in hand with the platform's other offers like the benchmark benefit programme Allegro Smart!, as they boost one another's appeal and convenience. The handiness of Allegro Pay, which now extends billions of zlotys in convenient and secure loans a year, drives the adoption of consumer finance in all shopping categories at Allegro while helping clients keep expenses in check. A perfect solution in inflationary times.

It took Allegro Pay only nine months since its full roll-out to welcome client No. 1 million, with its offer as technologically advanced as it is simple to use. It boils down to super-fast onboarding and 1-click payment, as well as tailored financing plans for all. The fintech is now readying to move to a higher level still with new financial products and services in-store, while Allegro's international expansion across Central and Eastern Europe scales new ambitions for all of the marketplace's programmes.



Since 2012 **Autenti** has not only been offering a self-designed e-signature platform but also a full trust-services ecosystem. Customers have access to every type of electronic signature and stamp as well as identification methods and qualified services.

This is what makes Autenti stand on the domestic and international markets. Autenti has the power to change the habits of entrepreneurs. It is designed for people who are open to and see the potential of innovation and new digital solutions. Anyone who agrees with this philosophy can do business with us. Depaperization is unavoidable. Autenti was created so that all entrepreneurs have the possibility to sign legally binding documents online. In a single click, 24 hours a day, 7 days a week, at home, at work, or even on the go. On any device with internet access. Quickly, conveniently, efficiently, and securely. Thanks to Autenti, entrepreneurs can concentrate 100% of their energy on developing their business - not on unnecessary paperwork. The Autenti platform is available in a self-service version (in a SaaS model, mostly for SME clients) and an Enterprise version which is provided as part of a tailored and personalized solution that is integrated using API technology. This version is designed for larger corporate clients. It saves customers time - they can sign documents in minutes instead of days - and money.

After achieving a leading position on the domestic market Autenti is ready to fight to become the „first choice platform“ in Europe. The company started implementing its international development strategy at the beginning of 2022. Based on OKRs („Objective Key Results“), by the end of 2025, over 100 million documents will be electronically signed on authentication platforms each month. By the end of 2023 Autenti will be available in all 24 EU languages. The company's founders invested their private funds into their idea - leaving their comfortable and secure corporate jobs behind. On top of that, starting in 2017, external investors have provided financial and other assistance to Autenti which has helped the company scale its business. Autenti has already convinced several partners to cooperate with the company including Innovation Nest, Black Pearls, PKO BP, BNP Paribas, Alior Bank, 3TS Capital Partners and Elevator Ventures. Over 5 thousand companies from every sector of the economy have placed their trust in Autenti's idea. The company began by providing its services to banks as well as insurance companies and now also targets SME clients. It also provides services to dozens of foundations and OPPs, schools and companies from the public sector. Autenti offers a valuable solution to anyone who wants to operate a sustainable and socially responsible business in the future.



The BLIK mobile payment system was a gamechanger on the mobile banking market in Poland. The solution was launched in 2015 as collaboration between competing Polish banks.

BLIK has been integrated in existing mobile banking apps which is what really allowed it to become the market standard for mobile payments.

At its core BLIK is an innovative mobile payment method and the only system that makes it possible to transfer money in front of a POS terminal, in e-commerce transactions and to phone numbers. It utilizes a 6-digit code generated by the user's mobile banking apps and expires in 2 minutes (after that time a new one must be generated). It is a universal and flexible solution that can be used to pay online or in a brick-and-mortar store, withdraw money or deposit it at an ATM. Furthermore, BLIK has also launched a contactless payment platform which is already being used by 1.2 million consumers.

BLIK is versatile, offers an excellent UX and makes financial services simple. For these reasons it is incredibly popular and frequently recommended to others by its users who praise its speed, convenience as well as the security it provides.

The system has already been utilized by 25.9 million users of mobile bank apps in Poland - around 12.9 million of which pay with it every month. Because of its simplicity BLIK has been accepted by millions of Poles and become their first choice when it comes to online payments. The solution is in fact also establishing a strong position on various global markets. The company recently acquired VIAMO - a mobile payment platform in Slovakia. It has also long been active in global e-commerce, where customers can choose this convenient form of payment. According to BLIK's development strategy, in a few years, it has the potential to become a pan-European payment system. This in large part thanks to successful cooperation with banks in the rapidly growing e-Commerce market. It has also long been active in global e-commerce, where customers can choose this convenient form of payment. At the end of December 2022, BLIK established the company BLIK Romania, which will develop a unique and innovative digital payment system in RON.



Kontomatik

Kontomatik is a fast growing, Poland-based fintech that has been offering financial data aggregation services and innovative solutions since 2009. Kontomatik's services are based on gathering data from banks under open banking laws and regulations stipulated in the PSD2 directive.

Kontomatik is a trusted name in the field of open banking and data aggregation. In 2018 it became the first authorized provider of Account Information Services in the CEE region by the Bank of Lithuania. The following year, in 2019, it was authorized to provide the same services by the Polish Financial Supervision Authority.

Kontomatik's primary product is data aggregation services, but it offers finely tuned and tested analytical tools as well. Kontomatik's analytical solutions use Machine Learning to assess the financial data and assign labels to financial transactions to make the data more understandable. It also offers risk analysis solutions like scoring, which assigns a creditworthiness score to users based on their financial data.

The specialized data aggregation services offered by Kontomatik have been developed by the company's in-house team of data science experts, which is growing yearly. The team regularly tests algorithms, updates financial products and innovates new solutions to keep Kontomatik at the forefront of the open banking movement.

Since its inception, Kontomatik, which is authorized to operate in 17 countries, has seen enormous success, including tens of millions of bank data downloads for customers. It has also experienced growth across Europe, boasting international success especially in the Czech Republic and Spain.

At home in Poland, Kontomatik is at the forefront of the open banking movement, and is considered an open banking leader in the CEE region. Over the last few years, Kontomatik has served over 200 established and internationally recognized clients including Revolut, Grover, Experian, Raiffeisen Digital bank and many more.

Currently, Kontomatik is working on growing its team to continue providing top-of-the-line data aggregation and financial analytical products and services. It is also working on strengthening its position in the CEE region, with immediate plans to focus on growing its presence on the Romanian market.

Find more about Kontomatik: www.kontomatik.com



PayU is payment service provider to online merchants across 50+ the most dynamically growing e-commerce markets worldwide with a leading position in CEE (Poland, Romania, Czechia), Latin America (Colombia, Brazil, Argentina), Africa (South Africa, Nigeria) and India. The company is owned by Prosus (part of Naspers Group), a global consumer internet group and one of the largest technology investors in the world.

PayU is dedicated to creating cutting-edge financial services tailored to the needs of over 450,000 merchants and millions of consumers worldwide. As an online payment service provider, it deploys more than 400 payment methods and PCI-certified platforms to process approximately 10 million transactions every single day. It also specializes in innovative consumer and small business products that improve access to credit and banking services in markets that are underserved by traditional financial services providers.

In Poland, PayU is the leader and pioneer of online payments with 20 years of track record and consistently contributes to the dynamic development of e-commerce. PayU provides the best online payment solutions for merchants of all sizes. Among the companies that have trusted PayU payments, there are both the most recognizable e-commerce brands in Poland and in the region, as well as hundreds of thousands of small enterprises.

The company practically accelerates the development of online stores, acting as a settlement agent and payment gateway at the same time. The scope of payment services offered by PayU includes among others: one-click payments, mobile payments, fully online installments, deferred payments (BNPL), digital wallets (Apple Pay, Google Pay), BLIK, online bank transfers (pay by links), card payments, subscription payments, multi-currency payments.

PayU systematically develops its offer of cross-border payments and supports online companies that enter the path of international expansion. Thanks to PayU's payment orchestration platform international merchants can build a payment stack to cater to the needs of prospective customers with a top-of-the-line shopping experience.

Visit www.corporate.payu.com and www.poland.payu.com to find out more.



ProService Finteco is a leading provider of support services for financial institutions, including transfer agent services, fund accounting and valuation, corporate accounting and IT solutions for funds, banks and insurance companies. Founded in 1994 and now owned by Oaktree Capital Management, the company has PLN 137bn assets under management, carries out 22 million transactions every year and employs 1300 people covering 5500 funds in total across 7 countries in Europe.

The company's IT strategy is based on providing "managed services" to the financial market, based on its own IT solutions, broken down into:

- **Fund Services**
 - Transfer Agent Services
 - Fund Accounting and Valuation services
 - Corporate Accounting
 - Automation of Funds processes (CasePro/PowerFarm)
- **Digital Distribution Platforms for Funds Industry**
 - GOLL/STI24/Digital on-boarding/Durable Medium, MOV 2.0
- **Insurance**
 - Flexiblocks (motor insurance, travel insurance, real estate insurance)
 - BrokerUFG (scoring engine for motor insurance)
- **Banking**
 - Credit sales solution (CasePro)
 - Automation based on proprietary RPA (PowerFarm) and Work Flow (CasePro) tools.

The company provides its own IT solutions in SaaS or on-premises model as well as has its own Data Center. The organization is a leader among financial institutions in Poland and was one of the first companies to implement public cloud solutions compliant with the applicable regulations; the solutions for insurance industry (available in the SaaS model) have been repeatedly recognized by the market and won in competitions for the most innovative solutions (Fintek.PL main award in 2021 for the solution for insurance companies).

For more information, visit www.psfinteco.com/en/



Verestro (esperanto: “true leader”) is a dynamically growing Fin-Tech from Poland that has been developing innovative payment products since 2011.

Over the years, the company has built an extensive Fin-Tech-as-a-Service platform that specializes in creating digital payment solutions for mobile and internet connected devices. The company’s solutions are used by banks, Fin-Tech partners, mobile telecom providers, merchants, and other eCommerce platforms.

In July 2020 Mastercard announced an investment in the company thanks to which it became one of the co-owners of Verestro. The company’s current CEO is Krzysztof Drzyzga and the main investors, besides Mastercard, include Cezary Smorszczewski and WP2 Investments. The company currently does business on 5 continents and in 28 countries including Austria, Bulgaria, Colombia, Germany, India, Kenya, Poland, Serbia, Singapore, UAE, and the USA. The company has numerous projects and specially assigned teams in the USA, Argentina, Brazil, Mexico, Bulgaria, Switzerland, Thailand. Verestro’s Fin-Tech-as-a-Service platform is a single solution designed to deliver multiple Fin-Tech features and provide a fully digital customer journey. The company provides the following: card issuing and management, eKYC processes, NFC HCE tokenization, push notification deliver to Apple Pay / Google Pay and other X-Pays, P2P money transfers (incl. card-to-card solutions), QR payments, e-Commerce/m-Commerce/secure remote payments, loyalty cards, rewards system, spending management and alert services and more.

Verestro main customers are:

- new Fin-Tech start-ups looking to launch payment solutions, issue payment cards, enable money transfers,
- cryptocurrency partners, exchanges that want to provide payment cards and payment accounts to customers,
- banks that want to go live with innovative digital products i.e., contactless mobile payments or global money transfers to and from payment cards,
- processing and personalization centers that want to offer digital products to their existing customers,
- big merchants and e-Commerce marketplaces that want to make money on their customer databases and enable seamless payments.

Verestro can begin delivering its services to customers in various parts of the world within a few weeks.

|VODENO

Vodeno

Vodeno is a leading European Banking-as-a-Service (BaaS) provider, offering a fully API-based, cloud-native platform and access to an ECB banking license through Aion Bank.

We cover the full spectrum of banking services, from smart contract enabled; core banking to accounts to payments to lending and investments, and both for retail and corporate end users, allowing for our solutions to be flexible and modular to client needs.

The concept for Vodeno was to build a financial services technology company with the latest cloud technologies. A fully cloud-native banking platform did not exist at the time, so our team of more than 500 engineers built the VODENO Cloud Platform (VCP) from the ground up with proprietary software that covers all aspects of Retail and SME banking via hundreds of open APIs. We also knew that we needed to tap into fast-moving fintech innovation, so VCP is also a '360' ecosystem with nearly 90 of the best fintechs integrated into the platform. The combination of Vodeno's fully API-based platform and access to an ECB banking license through Aion Bank make us uniquely positioned to offer BaaS to both regulated and non-regulated entities across multiple sectors. Backed by global private equity company, Warburg Pincus LLC, with a recent investment from NatWest Group, we are scaling fast across Europe.

We are currently servicing clients from more than 10 countries, from providing BaaS lending to e-commerce giant Allegro and accounts for Revolut in Poland, to launching banking products for METRO AG, one of the largest retailers in the world. We see tremendous interest from non-regulated companies, who are looking to embed financial products to improve their customer journey and grow their business. With this momentum, our ambition is to become one of the top BaaS providers in Europe across the next three years.



Wealthon was born out of a desire to help entrepreneurs out on a limb. The solution was introduced promptly to help all those left, solution-less' and just in time to attend to their needs.

When the company was established in 2019, the entrepreneurial landscape in Poland differed significantly. Nevertheless, Aleksander Majchrzak, the company's founder, has set the tone for continuous growth and clearly defined Wealthon's mission as providing access to funds for micro and small businesses. Over 4 years after opening its doors, Wealthon is doing great: it operates in a growing niche market, it is run by a team of experts, and is preparing for international expansion...and this is just the running start.

But how did it all begin? The company was founded after one of Aleksander's friends asked for help in financing his Social Insurance Institution (ZUS) debt pay-off scheme. Analyses showed that there were more entrepreneurs facing similar problems, i.e., financing shortage at the very end of the process to heal their financial condition. The bridge loan offered by Wealthon filled the gap for entrepreneurs locked in a debt spiral – solving their problem in just under 10 days. It was designed specifically for paying off debt accumulated with the Tax Office (US) and Social Insurance Institution (ZUS). The reason why debt with one of these institutions was such an obstacle in doing business was that it automatically blocked access to any kind of external financing.

In March 2019 Wealthon conducted its first round of Equity Crowdfunding and raised 1.25 mln PLN. This early round of financing allowed to create Wealthon Core – a self-designed system based on AI technology. The solution's UX is fully automated – it guides users from registration, through an analysis of his/her financial standing, upselling of other products, cash payout, repayment, and monitoring of current "financial health". In July 2020 Wealthon entered the installment loan market and became available to a larger audience. This was a significant milestone for the company which helped to attract new investors and boosted growth. This resulted in a private placement stock sale that raised 3 mln PLN.

2021 was a remarkable year for Wealthon. Not only did the company raise additional 17.3 mln PLN in funding, but also it received the license of a Small Payment Institution (MIP). Soon after it was recognized as the LendingTech of the year during the Fintech Awards Gala. Moreover, in November 2021, Wealthon became Mastercard Affiliate Member.

From that point Wealthon has been experiencing dynamic growth and is currently preparing to obtain the license of a National Payment Institution (KIP). Recently, the company introduced POSCASH – innovative financing of up to 200 000 PLN for all businesses accepting payments on the terminal, which repays automatically on the basis of a daily fee. Soon the company will also introduce a mobile app that makes it possible to manage company's finances in real time (Wealthon WALLET) and its own point-of-sale and payment terminal (Wealthon SOFTPOS).

Although Wealthon's story is already quite impressive, this was just a warmup. The numbers speak for themselves: shareholders want to invest an additional 4 mln EUR, PE funds are eager to enter, whereas submitted applications for financing from Wealthon have been increasing 180% y/y. Those lay foundations for international expansion, envisaged from the very inception. Hence, all operations were adapted to the European Union requirements and 2023 will see a decisive shift to global operations.

What happens next? Find out at: www.wealthon.com



ZEN.COM is an innovative fintech company that has gained recognition both in the industry and among customers thanks to its excellent service quality and technology. It's no wonder it received prestigious awards in 2020, such as the Best E-commerce Brand in the Cashless Pay Awards and the Mobile Trends Awards 2020 in the Banking and Finance category.

ZEN.COM has a strategic partnership with Mastercard and direct relationships with many other payment organizations. It offers a wide range of financial services for various customer groups, including both business and individual clients.

One of ZEN.COM's flagship products is the multi-currency IBAN account. This solution enables easy money transfers in 29 different currencies, including euros, dollars, and pounds. Moreover, since the account can be recharged using various payment methods and transfers can be made through SEPA, SWIFT, local transfers, and card transfers, customers have full freedom in managing their finances. ZEN.COM also allows you to top up your account with cash at selected cash deposit machines and points of sale, and thanks to the mobile application (available for iOS and Android systems), customers have access to their account anytime, anywhere.

Another service offered by ZEN.COM is the ZEN Mastercard® cards. Payments made with this card give access to many benefits, such as instant cashback of up to 15%, purchase protection with ZEN Care, or extended warranty for electronics. Adding to the convenience, ZEN Mastercard® cards can be easily added to Apple Pay and Google Pay wallets, making payments even faster and more seamless.

Additionally, ZEN Mastercard® cards are linked to four basic accounts in euros, dollars, pounds, and zlotys, which means that you can easily transfer money between different currencies without the need for manual calculations. Moreover, automatic currency exchange is set to the best exchange rates, allowing customers to benefit from the best prices. This enables you to save money and increase the value of your transactions. All these features make it easier to manage your finances and make payments in different currencies without stress or difficulty.

ZEN.COM also offers a one-year warranty extension for all electronic products covered by the original manufacturer's warranty and purchased using the ZEN Mastercard® card. This solution gives customers peace of mind and assurance that their purchase is protected. ZEN Care, on the other hand, is a service that offers a simple return and refund policy and an immediate solution when something goes wrong with a purchase.

ZEN.COM is also a payment gateway connected to a multi-currency account that allows companies to accept payments from customers worldwide thanks to access to multiple payment methods. This solution enables the acceptance of many different currencies, including credit and debit cards, Skrill, Paysafecard, BLIK, UnionPay, Trustly, WeChat.

All these services are available in the ZEN.COM mobile application, which features a unique and innovative design whose innovativeness goes hand in hand with intuitiveness, setting trends in this area.



Expert's comments

„Well-educated society and open to new technologies – that's a great foundation for creating a next generation financial center.

One of the main pillars needed to create a new generation financial center is the availability of financial-industry experts that can implement new – mostly digital – technologies. As a high level of digital-inclusion and skills in general is usually favored in modern society.

In these kinds of conditions, innovative solutions, also those that have to do with financial services, are accepted faster by a larger group of users.

From that point of view, Poland has quite a favorable environment. The latest Mastercard report “New Payments Index 2022”, for example, showed that 88% of Poles used at least one digital payment method during the last year (mobile wallet, online payment, virtual card, or biometric verification). Potential interest in using this solution was expressed by an additional 8% of those surveys, which adds up to a total of 96%.

Another advantage is the strong position of Poland in terms of the amount of service centers which international financial institutions have in the country.

Under these circumstances the proper support of the education system is gaining importance – it has a huge impact on the number of experts in the field of innovative financial services and – in turn – on the growth of this industry. This not only applies to IT specialists (although they play a key role), but also people with an appropriate level of knowledge and skills in the legal, financial, communication, accounting, intercultural management industries. The level of the higher education system and the quality of academic staff undoubtedly also help in acquiring a competitive advantage. When it comes to the intertwining of the fields of technology and finance, we're observing an increase in interest in them among both researchers and professors. Proof of this can be found – for example – in the various postgraduate programs focused on the FinTech sector that have been launched at numerous universities.

The Warsaw School of Economics (SGH) is one of the pioneers in this department. We started a postgraduate program titled: “FinTech – new phenomena and technologies on the financial market”. It's important to note that this program is not purely theatrical and academic – it includes a lot of practical, hands-on knowledge passed along by active leaders of the Fintech industry. The lectures include representatives of companies and supervisory authorities.

The best example of this approach in action is EduSprint workshop which is designed to involve students in the creation of product concepts and business plans for a Startup. It is conducted in cooperation with the Innovation Hub program launched by the Polish Credit Information Bureau (KIR). The benchmark for this program is TechSprint which was implemented by the UK's Financial Conduct Authority.

The project that won the 1st edition of "EduSprint" – an electromobility solution – is in fact, being used in real life. Elements related to innovation and new technologies are also gradually being introduced into existing, traditional graduate and postgraduate programs.

It should also be added that the gross enrolment rate, i.e., the ratio (expressed as a percentage) of the number of people studying in the higher education system in Poland in relation to the entire population of the country aged 19-24, is 40% – one of the highest in the world. It is in fact higher than in any Western European country. In Poland a graduate level university education has become very common. This is in fact partially the result of Poland's post-communist transformation and the country's accession to the European Union – towards which the attitudes of Poles are among the highest in Europe.

In summary – it's clear that Poland's foundations for building a next generation financial center are strong."



*Dr hab. Lech Kurkliński,
FINTECH Digital Finance Department
Institute of Corporate Finance and Investments
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SGH Warsaw School of Economics*

CHAPTER 8

Moving forward in 2023

Challenges and opportunities

Financial market regulations are becoming the focus of the EU in terms of upcoming legislation, as evidenced by both the statements of the European Commission (“EC”) and the action plans published by the EBA, ESMA and EIOPA.

For example, in its work program, the EBA indicated the need to work on a proposal for Regulation of the European Parliament and of the Council on markets in crypto-assets and amending Directive (EU) 2019/1937 (MiCA) and on a proposal for Regulation of the European Parliament and of the Council on digital operational resilience for the financial sector and amending Regulations (EC) 648/2009, (EU) 648/2012, (EU) 600/2014 and (EU) 909/2014 (DORA). The EU Authority also declared it would continue efforts dedicated to anti-money laundering and countering the financing of terrorism (AML/CFT)¹⁷¹⁸. Similarly, both the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA) indicated the need to increase market presence in areas related to digital finance and operational resilience¹⁹.

ESG legal developments – especially those related to SFDR, Taxonomy Regulation, CSRD and CSDD – should remain of interest to both regulated entities and FinTechs. For more on this see chapter 8.

The directions of development indicated by the European and Polish supervisory authorities could be summarized as an attempt to create “a Europe fit for the digital age” – a path also taken by the EC²⁰. In practice this comes down to creating a regulatory framework to govern processes related to digitization, remote work, the use of artificial intelligence (AI) and modern payment method.



Changes are coming and they will not only impact the FinTech industry, but also Poland’s whole market of financial services and its course of action.

¹⁷ Source: EBA’s Work Programme 2023, September 2022, EBA/REP/2022/20 https://www.eba.europa.eu/sites/default/documents/files/document_library/Publications/Reports/2022/1039834/2023%20EBA%20Work%20Programme.pdf

¹⁸ What’s interesting, only the banking authority clearly indicated AML and CFT as the financial regulatory priority.

¹⁹ Source: ESMA’s Work Programme 2023, September 2022, JC 2022 28 https://www.esma.europa.eu/sites/default/files/library/joint_committee_work_programme_2023.pdf, EIOPA Strategy 2023 – 2026

²⁰ Source: European Commission’s Work Programme for 2023 https://ec.europa.eu/commission/presscorner/detail/en/IP_22_6224



Expert's comments

„The year 2023 will bring a lot of news for the financial market, both from a regulatory and technological and business perspective. In accordance with the slogan of the new strategy “Prepared for challenges, focused on the future”, PKO Bank Polski is ready for these changes and intends to make even better use of its competitive advantages: the scale of operations, digital and technological advancement, as well as security and stability.

While our new strategy is focused on people – employees and customers – innovations and modern technological solutions are also one of its essential pillars. In the coming years, we want to significantly increase the base of young customers, with radical digitization of service processes playing a large role. We want all our services to be available in remote channels in 2025, when it will be solely up to the customers to decide if they wish to visit a branch. At the same time, we will devote a lot of attention to cybersecurity matters.

By implementing strategic activities, we want to use the full scale of the data we have and build the most advanced analytical solutions on the market. We will also focus on exploiting the potential of the cloud and building technological solutions that will increase our ability to implement new solutions faster on the market and to create even better services for our clients. Our intention is to again implement solutions provided by the Polish FinTech sector, whenever possible and business-justified.”



*Katarzyna Dziwulska,
Director of the Strategy and Digital Transformation Division,
PKO Bank Polski*

AI and automation in the Polish financial industry

The use of AI in the financial services sector has always been of interest to those wanting to revolutionize the way these solutions are distributed – that's especially true of any company involved in the FinTech segment of the financial industry.

AI, in general, can be used in an unprecedented number of ways in the world of FinTech. Machine learning techniques (allowing companies to gain detailed insights, data, and the ability to predict customer behavior) can be effectively utilized by banks, payment institutions and other capital markets participants.

AI has the potential to serve as the foundation for the automation of the banking industry.

AI-based system can be used – for example – to:



file and process
customer complaints,



achieve better interaction
between customers
and financial institutions
(i.e., better chatbots),



sell products,
provide financial services
and more.

It is important to note, however, that differences in approach to AI by the US, EU and Asian countries have forced the European Commission to take legislative action, tightening the regulatory framework related to AI-based financial products and services.

In April 2021 the European Commission presented its package page of AI-related activities which included the:

1. Communication on Fostering a European approach to AI²¹,
2. Review of the Coordinated Plan on AI²²,
3. Proposal on harmonized rules on AI and relevant impact assessment (AI Regulation)²³.

The third of these was by far the most controversial.

²¹Source: <https://digital-strategy.ec.europa.eu/en/library/communication-fostering-european-approach-artificial-intelligence>

²²Source: <https://digital-strategy.ec.europa.eu/en/policies/plan-ai#:~:text=The%20key%20aims%20of%20the,AI%20policy%20to%20avoid%20fragmentation.&text=The%20Coordinated%20Plan%20on%20Artificial%20Intelligence%202021%20Review%20is%20the,global%20leadership%20in%20trustworthy%20AI.>

²³Source: <https://digital-strategy.ec.europa.eu/en/library/proposal-regulation-laying-down-harmonised-rules-artificial-intelligence>

Work was also announced on a proposal for a directive on adapting non-contractual civil liability laws to AI. The purpose of said directive is to improve the functioning of the internal market by establishing a universal set rule related to certain aspects of non-contractual civil liability when dealing with damages caused by AI involvement²⁴.

These new AI regulations have introduced many requirements that need to be considered by FinTech companies in the early stages of product/service development.

The impact of AI regulations on the Polish FinTech industry has recently been the focus of a working group on Artificial Intelligence established at the Polish Ministry of Finance²⁵.

The group's efforts identified several FinTech industry market barriers. They were the result of, among others, an insufficient amount of clearly defined principles of Polish and EU financial regulators related to – for example – AML/CFT, outsourcing etc.

Impact on the Polish FinTech industry:

Ad 1

The current draft of the AI Regulation will require FinTech companies to define the level of risk related to product/service containing an AI system. This requirement is caused by the need to define the regulatory obligations that end users of this solution will have to comply with. That might require the implementation of additional procedures, hiring new compliance and risk analysis experts and establishing rules for conducting this kind of classification process, etc.

Ad 2

When it comes to transparency requirements, providers of an AI system designed to interact with humans will have to ensure users are aware they are interacting with an AI system – unless this is obvious. This rule will apply to chatbots and a potentially wide range of other software products (for example software used to input data or access content)²⁶.

Ad 3

The implementation of an AI system by a financial market participant will require conducting relevant analyses (by both parties – i.e., FinTech service provider and financial institution). This will resemble the process conducted in the case of implementing a cloud solution (classification and assessment of information, risk, etc.). Currently used software will also have to be reviewed to make sure that it meets the requirements of the new AI Regulation – creating an opportunity for Polish FinTech service providers.

²⁴ Source: https://ec.europa.eu/info/business-economy-euro/doing-business-eu/contract-rules/digital-contracts/liability-rules-artificial-intelligence_en

²⁵ Source: <https://www.gov.pl/web/ai/rekomendacje-w-zakresie-sztucznej-inteligencji-w-sektorze-finansowym>

²⁶ Source: Impact of the new EU AI Regulation on financial sector firms, Clifford & Chance, <https://www.cliffordchance.com/content/dam/cliffordchance/briefings/2021/09/impact-of-the-new-eu-ai-regulation-on-financial-sector-firms.pdf>

Ad 4

The Polish FinTech industry needs to examine the new AI regulatory requirements in terms of the barriers they may cause for AI-based tech development – for example, a lack of guidelines on the application of the proportionality principle and risk-based approach, the implementation of AI systems when used for AML/CFT purposes or the use of data in the financial industry by AI systems.

Ad 5

FinTech companies should expect regulated entities to prepare comprehensive management programs which, in turn, will require them to revise agreement templates and the scope of information provided to customers on how their services work.

Ad 6

The new Regulation clearly emphasizes the need for an ethical approach to the use of AI solutions. Services provided by the FinTech industry – including marketing content and sales strategies – will have to be perceived as trustworthy. This point is particularly important in terms of the huge potential fines that can result from its violation.

Ad 7

The development of the AI industry is extremely important to the European Commission, as demonstrated by the launch of numerous new testing and innovation hubs (sandboxes) and the Coordinated Plan on Artificial Intelligence initially published in 2018.

Although the AI Regulation is designed to impose new requirements on the industry, it can also serve as an opportunity to receive additional funding for projects and to promote socially important aspects of AI.

Revision of PSD2 and open banking

The need to revise the Second Payment Services Directive (PSD2) is one of the biggest challenges faced by the European Commission in 2023. The review is intended to assess whether current legislation is still working the way it should with the emergence of new payment services and risks. A call for evidence was announced and public consultations in three different streams took place from May 10th, 2022, to August 2nd, 2022. Its main purpose was to gather input from a broad range of stakeholders – from individuals and trade associations through PSPs and national and EU-level authorities and regulators²⁷. Reports summarizing these consultations (and, if appropriate, a legislative proposal for amendments) has not yet been published. A factual summary of the points made during one of the streams was, however, issued²⁸.

As part of the discussion on the revision of PSD2, on June 23rd, 2022 the EBA published its opinion covering issues related to the implementation of PSD2 and suggesting ways of addressing them – possibly in a new Directive (PSD3)²⁹. The key findings of the Opinion relate to:

A.

merging PSD2 and the second Electronic Money Directive (EMD2) (which in principle will make it possible to avoid regulatory arbitrage and ensure technological and business model neutrality),

B.

clarifying uncertainty regarding the territorial scope of PSD2 (with respect to payment services provided online),

C.

clarifying the scope and common understanding of some significant terms under PSD2 such as “payment account”, “payment instrument” and “electronic payment transaction”, as well as crucial processes like payment transaction initiation, etc.,

D.

an appropriate approach to buy-now-pay-later (BNPL) business models, especially in terms of how the interaction of BNPL services and the provision of payment services should be treated,

E.

providing further clarifications related to possible exclusions from PSD2 such as Limited Network Exclusion (LNE), Commercial Agent Exclusion (CAE) or resellers.

²⁷ Source: Targeted consultation on the review of the revised payment services Directive (PSD2)

Payment services – review of EU rules which purpose is to gather evidence on the application and impact of the revised Payment Services Directive (PSD2), and to inform the Commission's work on open finance

²⁸ Source: Summary report available in Consultation outcome section

²⁹ Source: Opinion of the European Banking Authority on its technical advice on the review of Directive (EU) 2015/2366 on payment services in the internal market (PSD2)

Insights specific to the Polish market have also been identified by Polish Confederation Lewiatan³⁰ and submitted to the European Commission as a contribution to the above-described consultations. That organization has expressed the following concerns:

A.

no or limited use of PSD2 SCA exemptions (SCA - Strong Customer Authentication) which limits the competitiveness and innovation of services based on PIS (Payment Initiation Services) and negatively impacts SCA implementation in the user experience during the payment process,

B.

significant difficulties in applying the 'Trusted Beneficiary Exemption' since most issuers of payment instruments do not allow for defining a Trusted Beneficiary,

C.

possibility of sharing the result of transaction's risk assessment and, if available, customer authentication information, between the retailer and the payment instrument issuer – this of course can result in "double" customer authentication.

Impact on the Polish FinTech industry:

The revision of PSD2 and the possible introduction of PSD3 could be a perfect opportunity for FinTech players to increase innovativeness, reach new markets and - where necessary - validate and adjust their business models. Current problems faced by innovative entities, including demanding implementation of SCA, technical barriers or lack of openness and readiness on the PSP side, could be alleviated by a revision of PSD2. It is likely that, given the prospective legislative changes above, the barriers in question will be eliminated or at least minimized and made more FinTech-friendly.

³⁰ Source: Polish Confederation Lewiatan opinion, https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13331-Us%C5%82ugi-p%C5%82atnicze-przegl%C4%85d-przepisow-UE/F3332213_pl

MiCA and the Polish financial industry

MiCA is the first attempt to comprehensively regulate the functioning of crypto-asset trading.

Although work on MiCA has only just begun it is sure to be a piece of legislation that defines the requirements for operating on the crypto-asset market for a long time to come.

MiCA divides crypto-assets into the following three categories:

A.

asset-referenced tokens: defined as crypto-assets intended to maintain a stable value by being linked to the value of several fiat currencies that are legal tender, one or more commodities, one or more crypto-assets, or a combination of such assets,

B.

electronic money/e-money tokens: defined as crypto-assets used primarily as a medium of exchange and intended to maintain a stable value by being linked to fiat currency which is legal tender,

C.

crypto-assets other than asset-referenced tokens or e-money tokens including utility tokens.

The draft proposal of MiCA includes several requirements that must be met by entities participating in the issuance of crypto-assets. The EU differentiates the requirements depending on the type of crypto-assets - taking a more rigorous approach to asset-referenced tokens and e-money tokens. The most important requirements deal with:

A.

obtaining permission to offer tokens to the public and apply for admission of assets to trading on a trading platform,

B.

publishing an information document on crypto-assets (white paper) and standards it must meet,

C.

introducing the significant tokens category,

D.

the consumer right to withdraw consent for the purchase of crypto-assets.

The European Commission also presented regulations related to crypto-asset service providers. They will be required to obtain a business license, and to do so will have to have a registered office in a Member State. In addition, the ESMA will be required to create and maintain a register of crypto-asset suppliers, which will also include information on their accepted and published white papers.

The most important risk related to the implementation of MiCA's new regulatory framework is the level of adaptation in existing national legislation related to crypto-assets and crypto-asset services in each EU Member State. Unlike EU directives, the draft proposal would not have to be transposed, but the sheer number of changes introduced by MiCA in areas such as capital markets, consumer law, public offerings or the provision of brokerage services would require modifications to several legal acts and possibly even the creation of a new type of supervisory authorities (PFSA, GIF). This will have crucial implications for all financial market participants, including FinTech service providers.

Impact on the Polish FinTech industry:

Ad 1

Conducting verification based on MiCA to determine if a given service provider should qualify as a VASP, including determining the type of token being issued/traded and determining the role that the given entity should play in accordance with MiCA.

Ad 2

The need to meet new organizational/operational requirements in the case of a public offering of tokens (new requirements related to the disclosure of information) or the need to obtain appropriate licenses.

Ad 3

Meeting new consumer and investor protection requirements in client documentation and in business relations with the client – such as clearly stating underlying risks and identifying the entity selling the crypto-assets.

Ad 4

Ensuring compliance with other relevant regulations that may be applicable to regulated financial market institutions (for example, to AML/CFT).

Ad 5

Players on the crypto-asset market will also have to provide information on their environmental and carbon footprint. ESMA plans to develop draft technical standards on content and methods for presenting information related to key negative environmental impacts³¹.

³¹Source: European regulation has huge impact on crypto assets <https://www.pwc.nl/en/insights-and-publications/services-and-industries/financial-sector/european-regulation-has-huge-impact-on-crypto-assets.html>

Ad 6

MiCA requirements are often equivalents to MiFID requirements and – as such – the service providers will have to comply with requirements like those for financial instruments. This includes execution of orders on behalf of clients, receiving and sending of orders etc.

Ad 7

MiCA might substantially reduce the market share of small service providers in a market that was often described as being more egalitarian than the traditional market. The solutions which need to be implemented under this regulation may turn out to be too much of a burden for some smaller FinTechs.

Ad 8

MiCA may have a substantial impact on the value of the crypto market – with no way to tell if the price of cryptocurrencies will increase or decrease significantly once the regulation is adopted by Member States. While it is designed to help deal with issues related to market manipulation, any additional burdens placed on service providers in terms of requirements, like those resulting from MiCA, might have a significant impact on the value of assets on that market.

DORA and Poland's digital transformation

The use of information and communication technology (ICT) is a routine part of doing business in various parts of the economy – and the financial industry is no exception. EU financial institutions are highly digitalized entities. As the use of ICT has expanded, so too has the need to regulate the associated risks. In response to these needs comes the EU draft DORA regulation.

DORA establishes requirements concerning the security of network and information systems supporting the business processes of financial entities. The objective here is to achieve a common, high level of operational digital resilience.

DORA would apply to a wide range of financial (mostly) and non-financial entities, including, among others, credit institutions, payment institutions, investment firms, crowdfunding service providers, ICT third-party service providers and data reporting service providers.

Key requirements regulated by DORA include:

- requirements applicable to financial entities, such as:
 - requirements related to ICT risk management (i.e., determining appropriate risk tolerance level, implementation of an ICT Disaster Recovery Plan, conducting regular ICT risk management framework audits),
 - reporting of major ICT-related incidents to the appropriate authorities,
 - digital operational resilience testing,
 - information and intelligence sharing in relation to cyber threats and vulnerabilities,
 - indicators which prove that ICT third-party risk is being managed soundly,
- requirements in related to the arrangements between ICT third-party service providers and financial entities,
- an oversight framework for critical ICT third-party providers when working with financial entities.

Impact on the Polish FinTech industry:

DORA would have an incredibly significant impact on ICT service providers, including cloud service providers offering ICT services to financial entities.

With that in mind, it is important to remember existing requirements governing cloud computing service providers in the financial industry. In the last 2 years, Polish FinTech companies have been required to implement the PFSA statement on the processing of information by supervised entities in public or hybrid cloud computing. Once DORA comes into force, FinTech companies will need to modify the procedures and processes developed to adhere to the statement.

³² Source: https://www.knf.gov.pl/knf/pl/komponenty/img/Komunikat_UKNF_Chmura_Obliczeniowa_68669.pdf

ESG Regulations

Based on the Action Plan on Financing for Sustainable Growth and the objectives of the European Green Deal, European authorities have developed a series of pieces of legislation regulating sustainability and ESG (Environmental, Social and Governance) in recent years. Due to the EU's comprehensive approach to ESG implementation, these regulations are applicable (both directly and indirectly) to a wide range of market participants, including FinTech companies.

Key ESG regulations that may be applicable to FinTech companies include:

- Regulation 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (**Taxonomy**), along with Taxonomy delegated acts,
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector (**SFDR**), along with the SFDR delegated act (**RTS**),
- Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (**CSRD**),
- Commission Delegated Regulation (EU) 2021/1255 of 21 April 2021 amending Delegated Regulation (EU) No 231/2013 as regards the sustainability risks and sustainability factors to be taken into account by Alternative Investment Fund Managers (**AIFMD**),
- Commission Delegated Regulation (EU) 2021/1257 of 21 April 2021 amending Delegated Regulations (EU) 2017/2358 and (EU) 2017/2359 as regards the integration of sustainability factors, risks and preferences into the product oversight and governance requirements for insurance undertakings and insurance distributors and into the rules on conduct of business and investment advice for insurance-based investment products (**IDD**),
- Commission Delegated Directive (EU) 2021/1269 of 21 April 2021 amending Delegated Directive (EU) 2017/593 as regards the integration of sustainability factors into the product governance obligations (**MiFID II target markets**),
- Commission Delegated Regulation (EU) 2021/1253 of 21 April 2021 amending Delegated Regulation (EU) 2017/565 as regards the integration of sustainability factors, risks and preferences into certain organisational requirements and operating conditions for investment firms (**MiFID II suitability assessment**),
- Proposal for a Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 (**CSDD**),
- Proposal for a Regulation of the European Parliament and of the Council on European green bonds (**EuGB**).

ESG regulations are subject to continuous development. As of now, FinTech companies should analyze the application of current regulations to identify ESG obligations and to monitor the further development of the ESG regulatory landscape.

Impact on the Polish FinTech industry:

1.

ESG obligations may apply to FinTech companies regardless of their business focus. Key eligibility criteria include the number of employees, revenue generated, type of authorisation currently held and whether the company applies for or receives funding from financial institutions.

2.

The indicated regulations share one common link - they oblige (directly or indirectly) FinTech companies to disclose ESG information. This involves, on the part of the companies, the obligation to collect and calculate data that was often not previously disclosed by the company.

3.

Another shared obligation is the necessity to include ESG risks and governance obligations in the standard course of business. Particular obligations are provided in specific investment-related situations (e.g., taking into account ESG preferences under MiFID II).

4.

Furthermore, FinTech companies may be required to introduce changes to internal documentation and processes, align the company's corporate governance area with ESG requirements, identify greenwashing and greenbleaching risks in organization, and examine the supply chain against environmental and human rights requirements.



CHAPTER 9

FinTech events



FinTech events

1. Kongres Pożyczkowy (Loan Congress)

31 January 2023, Warsaw/online

The Loan Congress took place on January 31, 2023. This event was organized by the Lendtech Foundation and the Polish Association of Loan Institutions. Experts, analysts, and lawyers discussed key trends in the loan industry and what its future will be – including consumer reactions to the latest restrictions imposed on lending. An extremely important topic of the event was receivable – an area whose treatment, according to recent government announcements, will undergo a significant transformation.

Issues discussed during the Loan Congress in 2023 included:

- new limits – is this the end of “first loan free”-like promotions?
- credit cards and the lending industry
- KNF supervision in practice
- new rules of repaying debit from consumer credit
- BNPL – deferred payments and legislative changes
- mandatory exchange of data between databases – theory and what it means in practice
- loans and CIT costs
- sources of capital for the lending industry
- a new kind of debt industry – will regulations change how it works?

2. Fintech & e-Commerce Linking Days

21 - 22 March 2023, Lodz

Poland's largest conference dedicated to technology in finance and the future of the e-commerce sector attracts industry representatives who discuss synergies at the forefront of a true technological revolution.

The event promotes interaction between representatives of all three industries focused on common issues, such as managing the cost of customer acquisition and retention, KYC, risk management and dealing with legislative and compliance challenges in the light of increasingly high expectations regarding customer experience.

The event is being organized by Fintek.pl and the City of Lodz. The British Embassy in Poland was the honorary patron of last year's edition. The conference was also attended by representatives of the FinTech ecosystem from Leeds.

By taking part in Fintech & E-commerce linking days, you will have the opportunity to participate in a unique event that integrates specialists from 3 industries (financial, technological and e-commerce). This is the only event of its kind in Poland.

3. IT w instytucjach finansowych (IT in financial institutions)

23 - 24 March 2023, Warsaw

The IT in financial institutions conference has been organized since 1995 as a meeting of financial and IT industry representatives. It offers a place where experts can freely discuss topics related not only to current cooperation problems between the two sectors but, above all, future challenges related to ensuring IT security of financial institutions and their clients, including ways that innovative technology can support business expansion.

During a special 2022 session, organizers focused on the most important issues and challenges related to technology in the financial industry.

4. Invest Cuffs

24 - 25 March 2023, Cracow

Invest Cuffs is an annual meeting where representatives of the investment industry come together – hot topics include the future of stocks, currencies, commodities, cryptocurrencies, and investment funds. This is one of the largest events of its kind in Europe. You're always sure to find the industry's most important experts – including institutional and retail investors – at Invest Cuffs.

If you decide to attend, there will be opportunities to participate in conferences, fairs, meetings with investment experts and startup pitches. That's not to mention the live interviews and hot-of-the-press reports. Invest Cuffs offers a huge dose of knowledge, emotions, and the best networking in the investment industry.

5. Mobile Trends Conference

28 - 29 March 2023, Cracow

Since 2012 the Mobile Trends Conference has been bringing together specialists and enthusiasts of mobility from all over Poland. The event takes place on several different stages. The main one is called #Inspirations. Here you can learn about the best practices of industry leaders. Listen to inspiring lectures, talk to guests, and meet experts in various fields. Gain a different perspective and ideas for future career or business development.

The #Fintech stage will also be open to participants. Gain knowledge and motivation you need to act in the world of digital finance. Here you can listen to lectures hosted by representatives of the largest Polish banks and FinTech industry leaders! Learn about the latest methods of product and service development in banks. See how the biggest players develop their technologies and discover the keys to success in the mobile banking industry.

6. Kongres Sektora Pożyczkowego (Loan Sector Congress)

29 - 30 March 2023, Warsaw

Organized since 2012 the Loan Sector Congress is the largest cyclical event targeting the non-bank loan industry. The Congress hosts open discussions about the current state and prospects for the industry in terms of development of the sector and its business practices. Topics include new Polish and European regulations, product innovations and ways of improving business processes.

The Congress is attended by top level managers and executives from loan institutions and financial intermediaries, legal experts, strategic consultants, as well as suppliers of products and services related to consumer credit products.

7. Europejski Kongres Gospodarczy (European Economic Congress)

24 - 26 April 2023, Katowice/online

The EEC is one of the biggest business events in Central Europe. The 15th European Economic Congress will focus on the most important current trends related to the future of society, politics, and the economy.

The organizers will address i.e., the impact of economic growth on climate change, green energy and an eco-friendly industry, the war in Europe and clash of global powers as well as fallouts from the pandemic, shortages in natural resources and energy crisis.

All these issues will be addressed in a series of events and panel discussions leading up to the ECC – their conclusions will be presented in Katowice. Make sure to stay updated on the latest in-depth stories, exclusive interviews, as well as reports and analysis published before the event.

8. Impact'23

10 - 11 May 2023, Poznan/in-person and streaming online

Impact'23 is one of the most prestigious economic and technological events in Central and Eastern Europe. Here you can network with top managers from the most important global companies, policy makers, regulators, world-class experts, as well as outstanding speakers.

Impact'23 is about discussions and workshops which focus on the analysis of current as well as future social and economic changes – this is where you will discover the most important conclusions from the latest reports and market analyzes conducted by research institutions from Poland and around the world.

Impact'23 is also providing ideal opportunities to acquire new business contacts – there is a range of side events during which participants can exchange insights and ideas on how to work together in response to the things happening here and now.

9. Fintech & Insurtech Digital Congress

17 - 18 May 2023, Warsaw/online

If you want to know about trends and technologies transforming the financial and insurance industries, then FinTech & InsurTech Digital Congress is the event that you can't miss.

Digitalization, new technologies, the changing demands of digital consumers, innovative business models, regulatory changes, market consolidation – all these things are causing rapid growth in FinTech and increasingly affecting the rules of the game in the entire financial industry.

This is an elite forum for exchanging insights and creating strategic partnerships based on international experience. The autumn edition of the event attracted a lot of attention due to covered topics, including Fintech 2.0 and valuation, challenges related to building FinTechs for the new era, the condition of Polish FinTechs, new business models for banks, the development of embedded finance & insurance, investing in InsureTechs, insurance-as-a-service, and the evolution of interaction with consumers using a hybrid and digital interface.

10. Infoshare

24 - 25 May 2023, Gdańsk/online

Infoshare believes that technology is changing not only the world, but also every aspect of our day-to-day lives. The event promotes this philosophy hoping that it will inspire people to introduce their very own innovations.

Infoshare is also about networking – connecting people, startups, and companies to help them grow stronger, together. Participants are considered members of a trustworthy community that connects tech-oriented people.

Infoshare 2022 was held on 6 stages where, during the two days of the event, experts from around the world discussed issues related to innovation in business and management, Web 3.0, Tech4Good and programming. There were also discussions about Tech4UA and the startup ecosystem in Ukraine. Last year's edition offered comprehensive information about investing, effective ways to increase sales, case studies of implementations by tech giants and the various groundbreaking solutions offered by innovative startups from around the world.

In addition to keynote speeches, participants could also look at the latest technological solutions presented by startups and other exhibitors as part of the Expo zone.

11. Cashless Congress

30 - 31 May 2023, Warsaw/online

The Cashless Congress is one of the largest events targeting the payment industry in Poland. Towards the end of May and in the beginning of June 2022, the best experts in the financial industry met in Warsaw to discuss topics related to new technologies and trends in the cashless payment industry.

The Cashless Congress is a meeting place for representatives of the worlds of science, business, and public administration, where they can exchange views on legislative changes, new trends and innovative solutions in the payment industry. The event is organized by the Cashless Poland Foundation.

There is a new chapter ahead: The Digital Era. During the upcoming edition of the event the organizers want to focus on learning about digital solutions. New tech has become an integral part of the cashless payment industry. This trend was highly noticeable during the previous, tenth edition of the Cashless Congress, with 24% of participants representing companies working on creating innovative tech solutions designed for the financial industry.

12. Kongres Sektora Fintech (Fintech Industry Congress)

3 June 2023, Gdansk

The FinTech sector has a significant impact on Poland's financial industry – not only revolutionizing the way services operate, but also changing how financial markets work in numerous other ways. The Fintech Congress is a place where current trends and prospects for the industry are openly discussed. The Congress brings together CEOs and top managers from FinTechs, banks, loan providers, insurance companies, entities offering financial advice and intermediaries as well as suppliers of products and services related to consumer credit products.

An important part of the Congress are the discussions that take place on issues related to risk management and cybersecurity. The organizers of the next edition will also focus on how legislative changes are affecting innovation in the financial industry. Participants will also deal with subjects related to blockchain technology and other new solutions on the payments market.

13. Europejski Kongres Finansowy (European Financial Congress)

5 - 7 June 2023, Sopot/online

The European Financial Congress was born out of an urgent need to find a way out of the financial crisis that marked the end of the first decade in the 21st century – including a desire to prevent similar crises in the future. In the years that followed EFC has focused on debating issues related to innovation and stability in the financial industry as well as ways to accelerate the sustainable development of the economy.

10 years after the launch, the pandemic again forced discussions at EFC to shift towards the financial industry's role in otherwise unstable times. This year, in the face of Russia's military aggression taking place on the EU's doorstep, talks centered around the financial industry's role in the fight for democracy, values, freedom and solidarity on an international level.

Topics related to the risk of war, consequences of sanctions and the need to rebuild Ukraine's economy following the war naturally dominated many sessions, from the perspective of the future cybersecurity, innovative financial services, ESG issues and challenges, and rising inflation. The congress hosted representatives of the financial authorities from Ukraine as well as leaders of institutions from the worlds of finance and economic development from the free world.

On the last day of the Congress three traditional roundtable debates were held dealing with:

- macroeconomic challenges and forecasts for the financial industry,
- risks and challenges facing the banking industry,
- technological challenges facing the financial industry – including a debate featuring CEOs of Poland's largest banks.

14. Forum Ekonomiczne (Economic Forum)

September 2023, Karpacz/online

The Economic Forum is one of the largest and most important conferences in Central and Eastern Europe. The Forum has been gathering political, economic, and social leaders from over 60 countries around the world for the past 30 years. It serves as a platform for the most important figures of Europe's political scene and economy to exchange views. Important declarations are always made during the Forum. That's why this event attracts representatives of the media from all over the world. The things that happen here are talked about long after the Economic Forum has ended.

The theme of last year's edition was "New challenges faced by Europe". The agenda of this event is always filled to the brim and – with over 200 events for participants – this year was no exception. During 3 days of the event Karpacz was visited by the most important people in Poland and CEE: political leaders on a national and local level, economics experts, trendsetters in arts and culture as well as scientists responsible for breakthrough discoveries. The EF received a wide range of coverage from media outlets across Europe.

15. Fintech Summit Poland 2023

October 2023, Warsaw

This is the third edition of Fintech Summit Poland by Fintek.pl. It will come in the Fintech Brunch format (which was featured in previous editions of the event) with other activities designed to summarize the industry's activities and show its achievements.

By taking part in Fintech Summit Poland 2022 by Fintek.pl you can participate in an event that brings together FinTech specialists from all over Poland. This is a place where you can listen to interesting lectures, learn about new solutions and acquire new contacts.

In 2022 the FinTech Summit Poland combined the seventh edition of Fintech Brunch, Fintech Brunch Talks discussion panels and the Fintech Awards Gala. In short - inspiring lectures, heated debate, and excellent networking.

The Fintech Awards were presented in 10 categories by the Fintech Summit Poland 2022 Program Council which includes over 30 market experts and practitioners. The awards ceremony took place as part of a gala dinner in the legendary Stefan Starzyński Hall at the Palace of Culture and Science in Warsaw.

16. Kongres Bankowości Detalicznej (Consumer Banking Congress)

November 2023, Warsaw/online

The Retail Banking Congress was held for the first time in 2007. Two years later it was transformed from what was simply a conference for industry representatives into a platform for fact-based debates related to the most important challenges facing the retail banking industry, as well as a source of organizational and legislative recommendations aimed at supporting the development of the financial industry.

The Retail Banking Congress, through the voices of cooperating experts, also participates in the international public debate on the future of security in the financial industry. 2022 marked the 14th edition of the congress.

17. Future Finance Week

November 2023, Warsaw/online

Future Finance Week is a 4-day celebration of the finance sector, consisting of the Future Finance Summit and a number of side events: workshops, roundtables, networking meetings and evening cocktails. Main Future Finance Week goal is to build global recognition of the Polish financial center.

Future Finance Week is an opportunity to meet representatives of foreign financial centers and the Polish financial community. The event shows Poland as a thriving market of financial innovations with great investment potential. We will present the key initiatives and achievements of the Polish financial sector. Expect networking with domestic and foreign experts and representatives of public institutions, build partnerships and create new value in the financial market.

18. Kongres Consumer Finance (Consumer Finance Congress)

December 2023, Warsaw

The Consumer Finance Congress is one of the largest annual meetings of representatives from the consumer finance industry as well as entities focused on addressing the most important challenges currently facing that market. The main objective of the event is to engage each one of its participants in an open and productive debate – to exchange insights and develop recommendations that will make the consumer finance landscape more profitable for business and safer for consumers.

The consumer finance market is currently experiencing extremely hard times as a result of an unfavorable macroeconomic climate and regulatory changes. Consumers are afraid to take loans while banks and other lenders are even more cautious when granting them. Participants of last year's edition of the event asked themselves – are there any opportunities for growth in consumer finance during such uncertain times?

The Consumer Finance Congress community consists of representatives from:

- management boards and supervisory boards of banks, insurance institutions and other financial institutions,
- regulatory and supervisory institutions,
- management boards of consulting and auditing companies and law firms,
- management boards of institutions cooperating with the financial industry,
- academia.

19. Lendtech Congress

This event is targeted at innovative lenders as well as other entities that form the digital lending ecosystem. Its objective is to form a platform for exchanging ideas between companies focused on delivering loans to customers in an innovative, fast, and secure way.

Buy Now Pay Later is currently the hottest trend in FinTech. Here you can learn to successfully combine digital lending, payments, and e-commerce solutions – with the help of the best FinTech-based technologies. What do consumer needs on this market look like? How can BNPL solution help you make money? Does this market have a future?

Legal and regulatory frameworks play an important part in shaping the future of the consumer finance market in Poland. What is the future of the Consumer Credit Directive? How will the macroeconomic environment affect business development? There will be no shortage of topics related to legislation or representatives of the supervisory instructions – because it is their actions that have the greatest potential impact on the future of lendtech.

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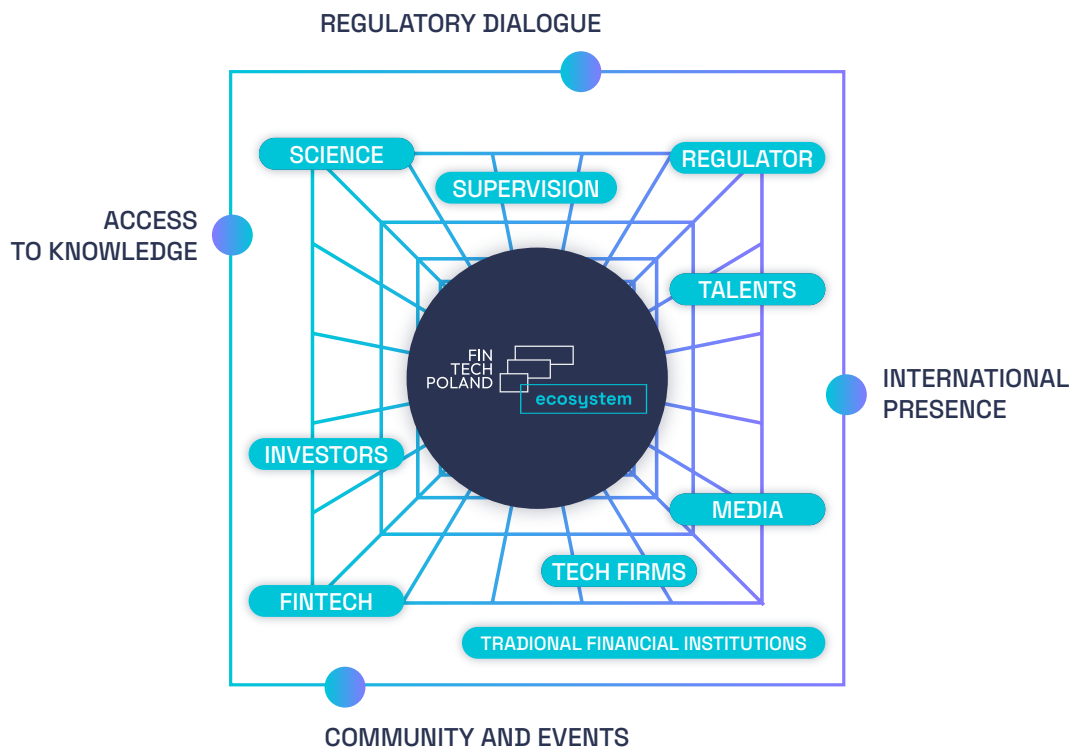


digital finance think tank+ecosystem

Through dialogue, collaboration, knowledge sharing and acceleration Fintech Poland works to improve quick development of the digital finance sector in Poland and promote Polish fintechs abroad.

The objective of the FinTech Poland Ecosystem is to make the market for financial innovation in Poland more complete and international. This is achieved through various joint initiatives – also those related to identifying development barriers, creating standards, and conducting regulatory dialogue at the national and European levels. By organizing seminars, conferences, meetups and working groups the community facilitates interaction between market participants. The FinTech Poland Ecosystem was launched in September 2022 and already has almost 40 members.

Take part in meetups, working groups, international trips and develop the financial innovation industry with us!

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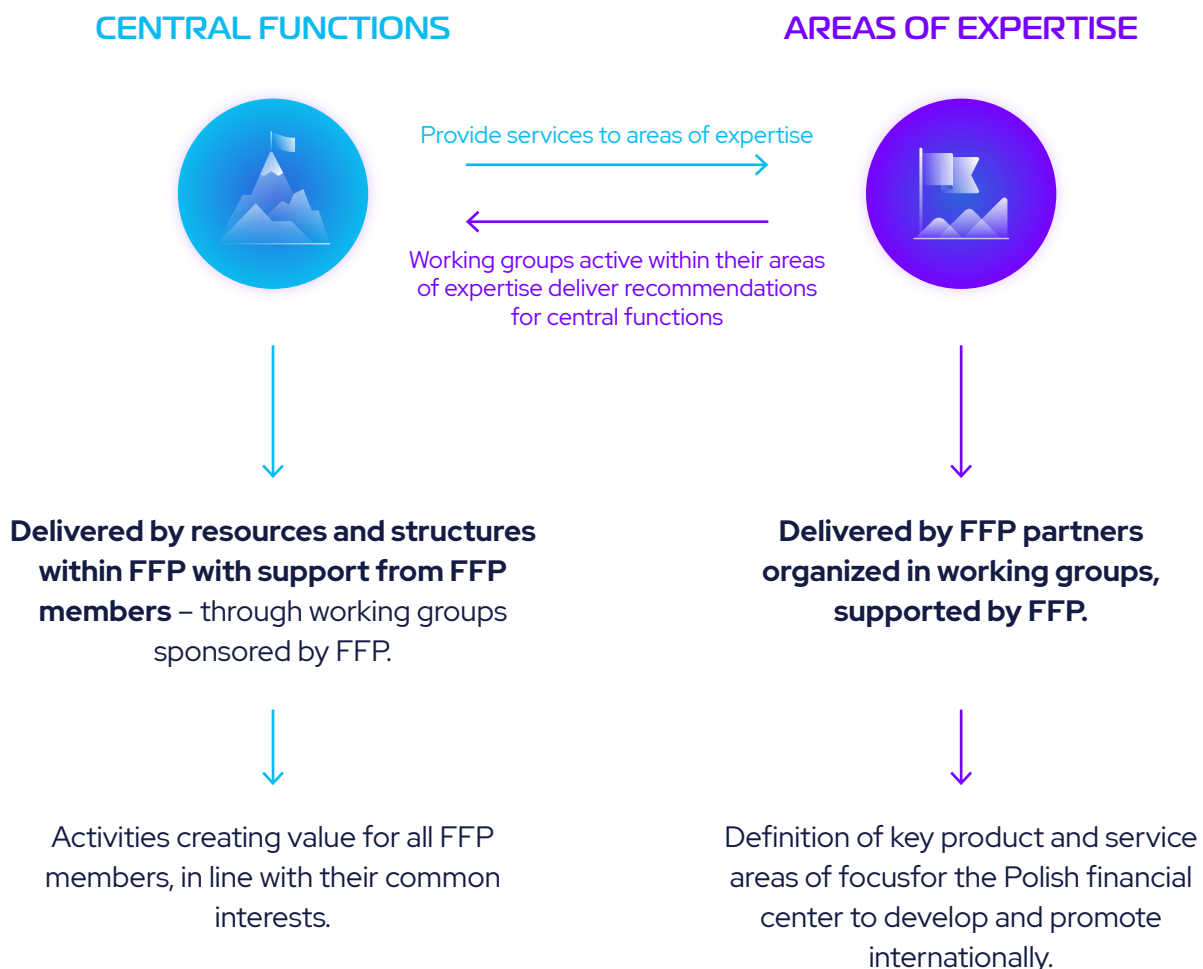
Future Finance Poland



Within 5 years, Poland may become one of the 30 most competitive financial centers in the world!

The Future Finance Poland initiative aims to create coordination and cooperation mechanisms within the financial sector and develop practical tools to support the development of Poland as a next-generation financial center at the regulatory, technological, business and marketing levels.

FINANCIAL CENTER ACTIVITIES WILL BE CENTERED AROUND TWO INTERDEPENDENT PILLARS.



Future Finance Poland

**FUTURE FINANCE POLAND WILL SUPPORT
DELIVERY OF ACTIVITIES AND GOALS
BY AREAS OF EXPERTISE AND WILL GENERATE
TANGIBLE BENEFITS FOR FFP.**

FFP ORGANIZATION

Gather key actors from public and private sectors around the common goal of implementing the FFP strategy, as well as coordinate and monitor the activities of the working groups.

THINK TANK: KNOWLEDGE & ANALYTICS

Provide knowledge and data to streamline decision-making and activities within FFP. Identify key trends and generate new ideas by engaging local and global experts.

INNOVATION ACCELERATION

Accelerate the implementation of financial innovation and position Poland as a leader in financial innovation creation and testing.

REGULATORY DIALOGUE

Create platform for dialogue with the regulators, supervisors and other government agents to support further growth of financial sector in Poland.

DIALOGUE IN FIELDS OF TALENT AND EDUCATION

Deliver educational programs supporting growth of the center. Identify additional opportunities to advance local labour market.

INTERNATIONAL PROMOTION, COOPERATION AND EXPANSION

Reinforce position and strengths of Poland as a financial center in the European and global arena. Facilitate the implementation of international projects in Poland, as well as foreign expansion of Polish companies.

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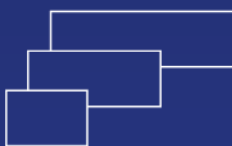
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