

Cooperative Governance Path of Financial Technology Supervision

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Abstract: Financial technology changes the logic of financial interpretation through the use of digital and digital centric technologies, commercialization, big data analysis, machine learning and artificial intelligence. From financial institutions that use technology to provide financial services to technology companies that directly provide financial services, fintech companies play an important role in realizing financial brokerage and financial democratization and improving the availability and efficiency of financial services. Based on this, this paper focuses on the plight and path of cooperative governance of financial technology supervision, for the reference of relevant personnel.

Key words: Financial technology; Supervision; Cooperative Governance

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1 The practical dilemma of cooperative governance of financial technology supervision

1.1 Fiscal decentralization shows long-term non institutional

For a long time, China's financial decentralization is the result of the central government's emphasis on local economic growth and financial risk prevention and control, and on the other hand, the result of continuous competition between local economic interests and the central government. Decentralization mainly depends on the policy path. There is no clear

legal framework. In addition to accommodating some financial sectors officially approved by the central government, local governments continue to secretly merge some financial sectors from the central government through bottom-up financial reform and innovation. Therefore, China's financial decentralization is gradual, non institutional and decentralized. The division of financial supervision institutions in Central China is an important part of financial decentralization. The implementation of local financial supervision is usually driven by policies and illegal governance. Usually it is at a certain stage of economic development. The central financial supervision and regulation institution determines and implements financial supervision according to important meeting documents, and takes into account the risk and urgency of financial risks.

1.2 Unclear position of regulators

The central government has transferred the supervision of "7 + 4" institutions to local financial regulators, but several departments have not reached a conclusion on the quality of "7 + 4" institutions. Although many statements refer to microfinance companies and other "7 + 4" institutions as quasi financial formal institutions and quasi financial institutions, quasi financial institutions are not a clear concept at the legal or policy level. The status of "7 + 4" financial institutions is not clear, which is not conducive to enjoy the relevant preferential policies and financial assistance, and local financial supervision is also trying to achieve the goal of joint supervision and governance. The people's Bank of China, the China Banking Regulatory Commission and the China Securities Regulatory Commission usually recognize the identities of microfinance

companies and pawnshops in relevant documents and actual situations, but the industry, commerce, finance and taxation departments are actually engaged in financial business. I don't know the status of the institution and the positioning of financial institutions in "7 + 4" institutions. For example, micro credit companies are relatively mature industries responsible for regional supervision in "7 + 4" institutions, and they are relatively complete policy documents. However, it is about whether the microfinance companies are financial institutions or other departments.

1.3 Supervision is too limited and lacks incentive supervision

Traditionally, the financial regulatory model often uses prohibitive and restrictive "negative measures" for supervision, and these "strong supervision on prohibitive and restrictive" are easy to violate the basic logic of Finance and the basic trend of modern financial development. With the rise of public governance, modern rule of law should seek more advice and encourage regulated subjects to pay attention to risk prevention in competition voluntarily. Regulators tend to pay more attention to the impact of financial innovation on formal finance, but ignore the internal motivation to improve the governance function of the platform. Regulations such as intermediary locations, business model bans and lending limits are essential. This model of transferring risk to third-party consumers actually increases the possibility of platform promoting excessive risk-taking behavior. If the platform does not bear the deteriorating loan costs and the loss of profits, it will easily lack the unique motivation to prevent risk loans. This way of restricting the comprehensive governance ability of the platform actually hinders the formation of market-based investor protection mechanism, and damages the formation of endogenous system that always responds to the needs of market participants.

1.4 Depends on existing regulatory tools, but lacks data driven technical governance

Fintech relies on complex algorithms. With the increase of data usage, regulators must implement the intelligent supervision model from offline digitization to online digitization, improve the market access threshold, and establish a real-time dynamic supervision system to change the

supervision management mode and supervision logic, and innovate the financial supervision mode. Therefore, regulators should not only pay attention to the traditional risk factors related to scale, but also pay more attention to the "connection" and "speed" of systemic risks. Only relying on the access mechanism of supervision, often will lead to worse results, more fierce competition, not only lead to huge regulatory costs, but also hinder financial innovation. Recently, rules for implementation of its submission and registration management have been published elsewhere. Under the high threshold market access mechanism, there will inevitably be many zombie companies or licensed and unlicensed companies. In the financial industry, these companies will inevitably have a significant impact on the market exit.

2 Cooperative governance path of financial technology supervision

2.1 Promoting local financial regulations

At present, only the main direction of local financial supervision is put forward at the national level, and the legal system of local financial supervision should be improved as soon as possible. First, we should speed up the adoption of the regulations on local financial supervision and administration at the central government level, establish a central and local financial supervision system according to law, and clearly define the functions, powers and responsibilities of local financial supervision institutions, so as to ensure the effectiveness of local financial supervision. Clarify the supervision powers and responsibilities of provincial, municipal and county level local financial supervision departments, so that all departments can carry out business in accordance with laws and regulations, enable all departments to carry out work according to law, gradually integrate local financial forms and promote centralized management. Second, accelerate the promulgation "7 + 4" regional financial industry regulation. It clarifies the access standards, operating rules, regulatory measures and regulatory rules for the forced withdrawal of various regional financial industries. According to the legislative power of the local government, we should help to improve the laws and regulations in the field of financial supervision vacancy, and improve the autonomy and efficiency of local financial governance.

2.2 Using regulatory technology to improve local financial regulatory functions

Local financial supervision departments should strengthen cooperation with science and technology enterprises, accelerate the construction of financial infrastructure such as financial big data platform and local financial comprehensive supervision platform, and improve the ability of financial risk prevention and control by actively developing supervision technology. By establishing a financial big data platform, local financial regulators can, on the one hand, conduct comprehensive data collection on "7 + 4" institutions; On the other hand, external functions such as public security bureau, industrial and commercial bureau and court can be introduced. The information and data of departments can be shared. According to the requirements of local financial regulators for regulatory technology and the comparative advantages of large technology companies in the technology field, local governments cooperate with leading Internet companies and financial technology companies to develop government enterprise cooperation, and conduct supervision with the support of advanced technology. You can make the most of your own technology. Establish local financial risk monitoring and early warning system, local financial big data platform, and promote the orderly development of local financial laws and regulations through real-time information monitoring, accurate risk early warning and effective risk management.

2.3 Properly handle the relationship between entities involved in regulatory technology and balance regulatory and compliance requirements

At present, the main contributors of China's regulatory technology are regulators, financial institutions and financial technology companies. The three types of entities are not consistent with their location, skill development level and organizational operational objectives. Using regulatory techniques on these themes, one of the Department's priorities is how to balance these three relationships without impeding financial innovation. First of all, regulatory technology should help financial institutions and financial regulators. The research and development of regulatory technology should deal with the relationship between financial institutions and financial regulators. Second, the growing demand

for regulation and compliance is the driving force behind the creation, application and development of regulatory technologies that are not conducive to the sustainable development of financial institutions. Financial regulators are strengthening supervision, and the science and technology system is still faced with various constraints, such as system, technology and capital. Regulatory technology competition is technology competition, and technology competition will eventually end in talent competition, which will continue to lead to compliance and supervision costs.

2.4 Improve the risk prevention level of artificial intelligence and establish data sharing mechanism based on information

Security is very important to the financial industry. Financial supervision of artificial intelligence should emphasize safety. Safety risk prevention and control measures should be established in financial supervision. For application software that uses face recognition, it must be unlocked by other means, such as fingerprints. Combined with other people, it can improve the safety of financial supervision. Data is the core of financial supervision. The progress of artificial intelligence technology makes financial supervision more open, transparent and intelligent. With artificial intelligence, both supervisors and regulated entities can share data. When using artificial intelligence technology for supervision, supervisors will be more effective.

3 Summary

In our country, we should fully realize the problems existing in the process of financial technology supervision, and put forward corresponding solutions according to the existing problems, introduce intelligent supervision mode, and learn advanced financial technology supervision mode of other countries, so as to establish a financial science and technology supervision mode with Chinese characteristics, so as to make the national financial science and technology develop in a better direction.

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