

Navigating Regulatory Complexities

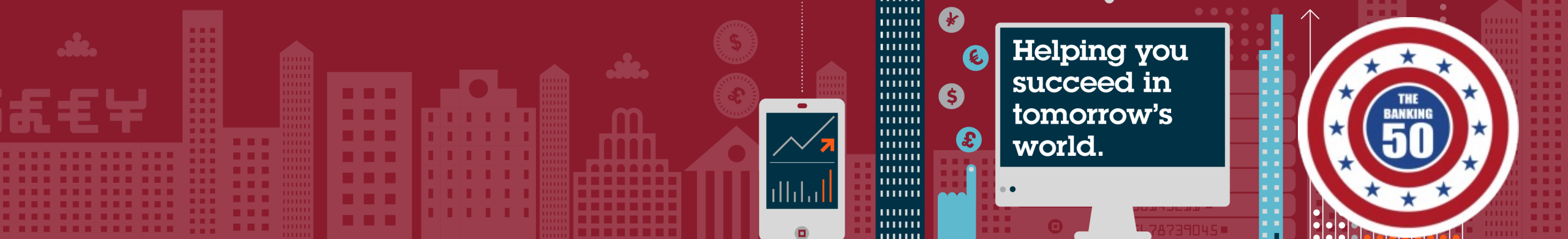
Embedded Solutions, White Label Payments, and FinTech Partnerships in Banking



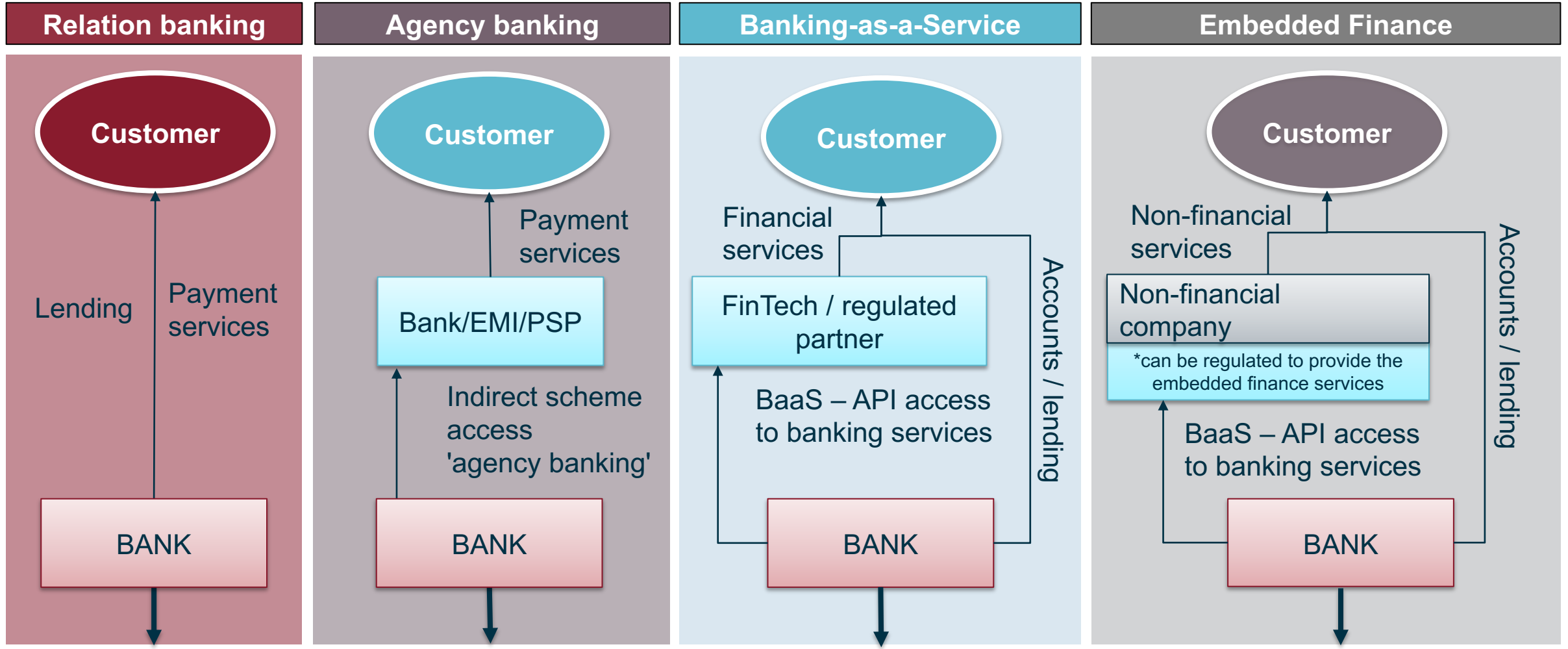
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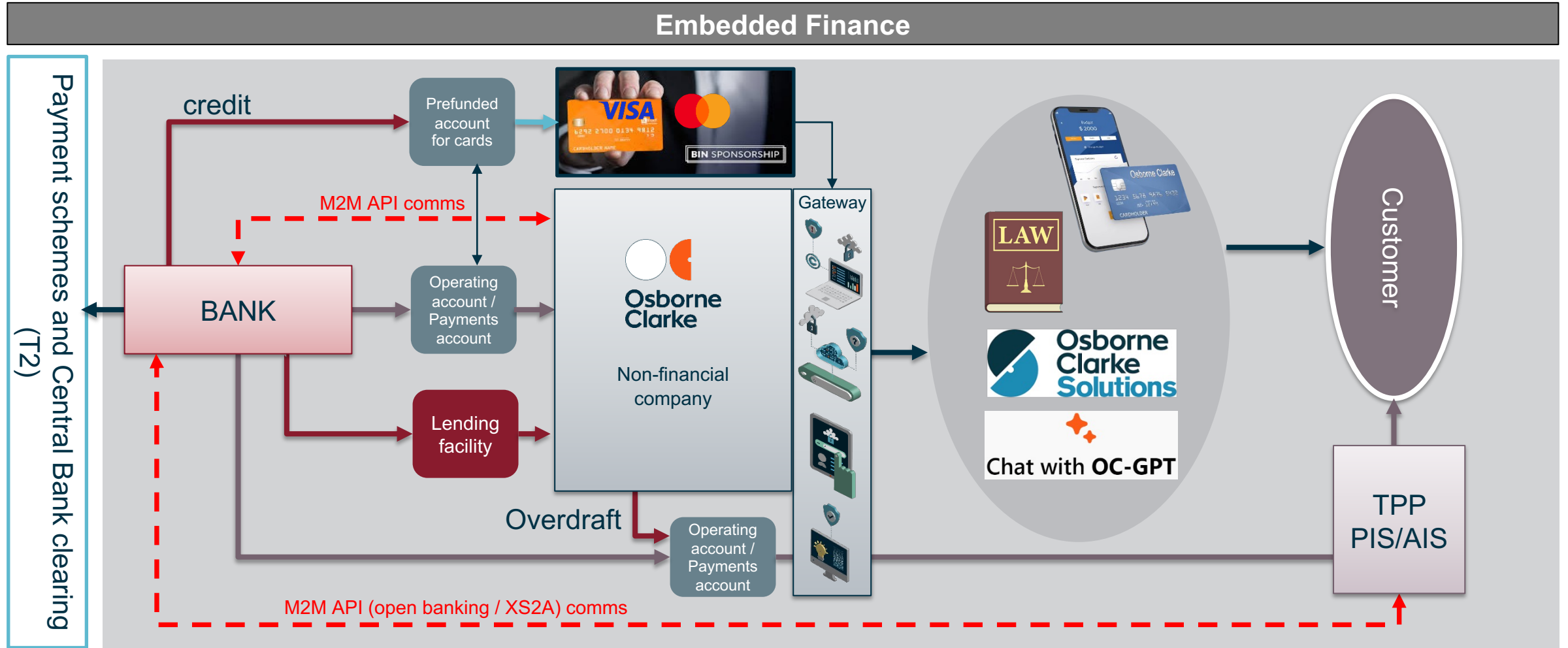


How we look at Embedded Finance

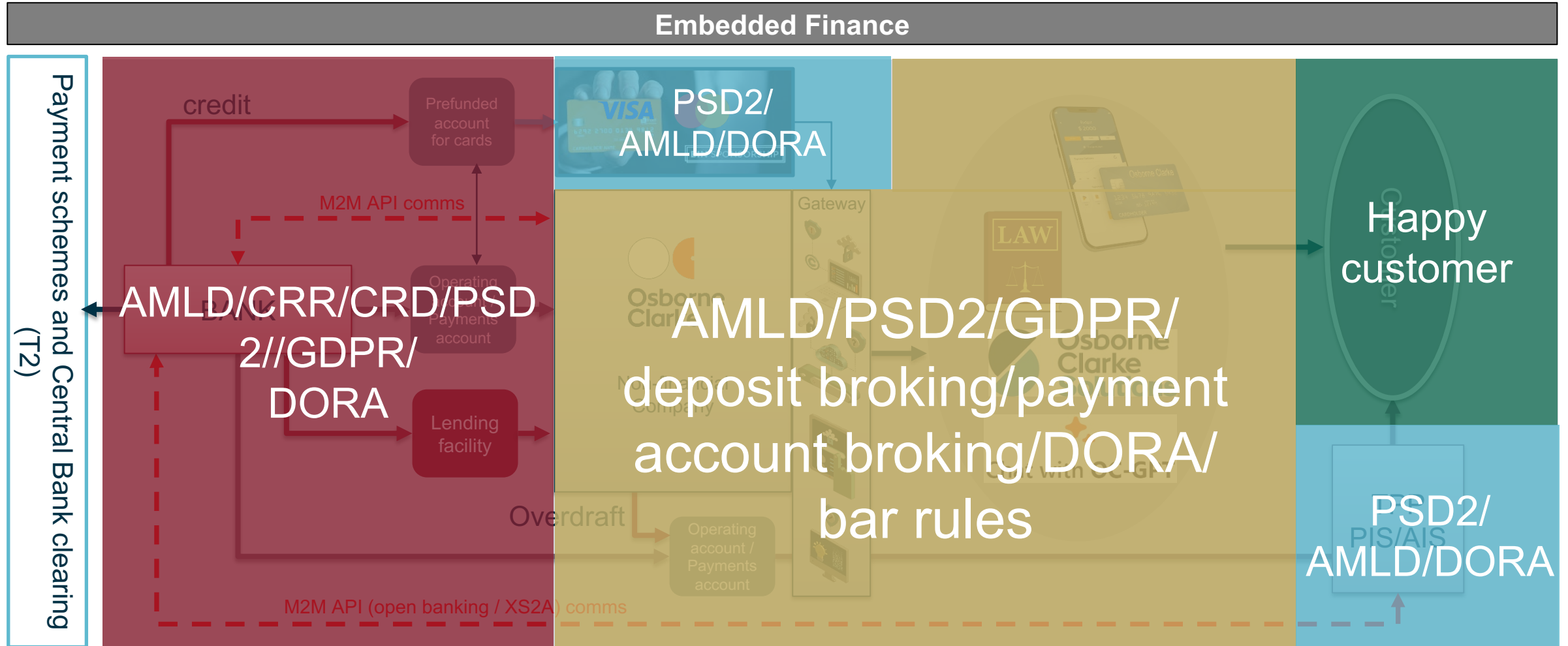


Payment schemes and Central Bank clearing (T2)

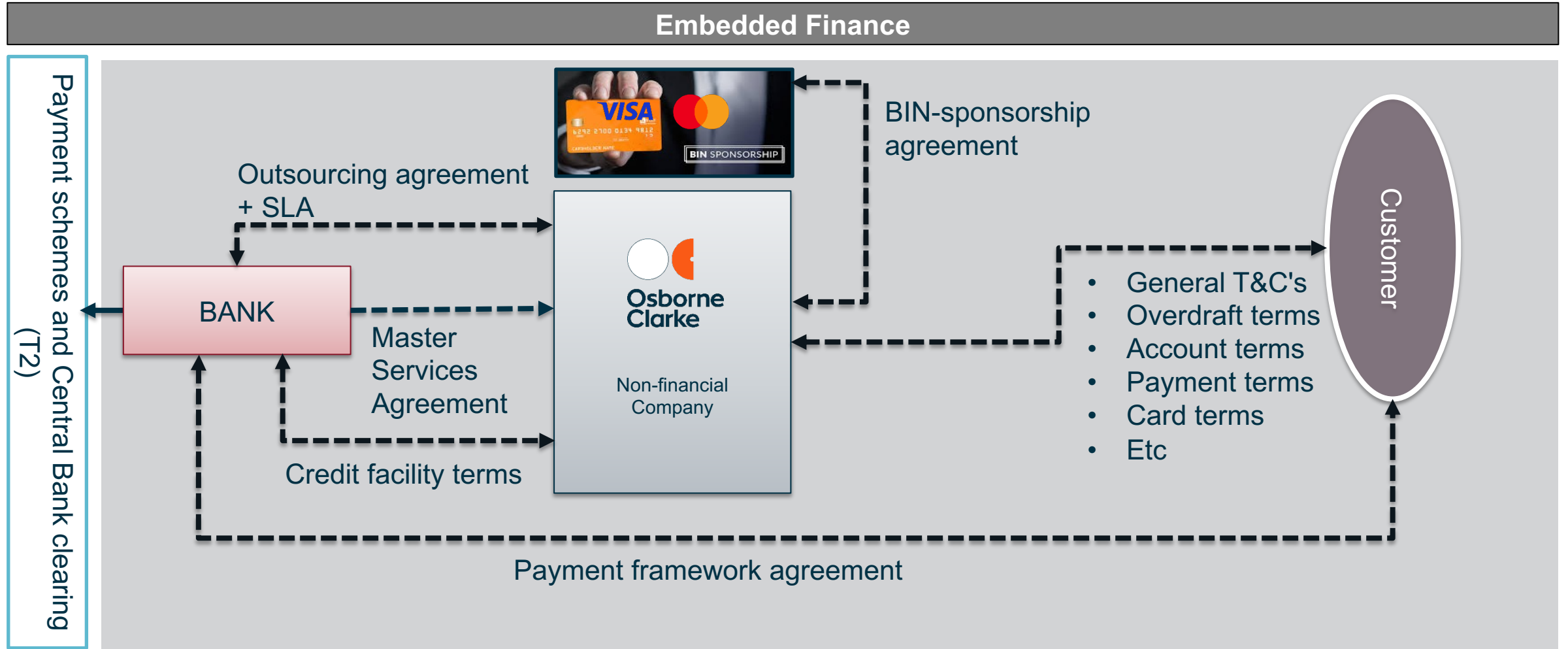
Case study – embedding banking service in a law firm?



Applicable regulations



Simplified contract flow



15 lessons learned in 15 minutes

Regulatory Considerations

1. Involve the **legal** and **compliance** teams and **your advisors** in the very early stage
2. Be ready to **educate your embedded finance partner**
3. Launch **country by country**, not EU wide all at once
4. Your **tech** may be proven but **not compliant** elsewhere
5. Watch out for local regulatory deviations and **exemptions**

Terms and Outsourcing

6. Heavy **outsourcing arrangements** take time
7. Your embedded banking partner may take the view that **it outsources to you too**
8. Critical or important outsourcing is subject to **prior approval** in some countries
9. **Dedicated terms** tailored to the proposition are often cheaper in the long run and faster to amend
10. Your **control framework** is different from direct banking

The regulators

11. Your embedded finance **partner is regulated too**
12. The **regulators** do not always follow the legal contract flow and thus may arrive at **different conclusions** around your offering
13. **Indirect supervision of a regulator in another jurisdiction** that you do not have experience with
14. Take time to **get the regulator on board**

15. Embedding is a **business case**, not a **side project** based on proven tech



Compliance by design is essential for success

Osborne Clarke International




Europe:

-  Belgium: Brussels
-  France: Paris
-  Germany: Berlin, Cologne, Hamburg, Munich
-  Italy: Busto Arsizio, Milan, Rome
-  The Netherlands: Amsterdam
-  Poland: Warsaw
-  Spain: Barcelona, Madrid, Zaragoza
-  Sweden: Stockholm
-  UK: Bristol, London, Reading

USA:

-  New York
-  San Francisco, Silicon Valley

Asia:

-  China: Shanghai
-  India*: Bangalore, Mumbai, New Delhi
-  Singapore

