

FinTech

Case Study 4. Forging the future of FinTech

Luping Yu (俞路平)

Xiamen University

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Overview

1. **The role of government**
2. Academic reading
3. The future of FinTech

Impact of government regulation on FinTech I

- ▶ **Lufax: FinTech and Transformation of Wealth Management in China**
 - ▶ Lufax (陆金所): A large wealth management and lending platform
 - ▶ Founded in 2011 as an affiliate of the Ping An Group
 - ▶ By 2017, Lufax offered more than 5,000 customized financial products
 - ▶ Lufax uses big data and AI to:
 - ▶ Anticipate the needs of consumers
 - ▶ Conduct credit and risk analyses
- ▶ Growing concern to regulators
 - ▶ Lack the necessary infrastructure to accommodate growing numbers of consumers

Impact of government regulation on FinTech II

- ▶ Read through the case study and consider the following:
 - ▶ How does Lufax use technology to connect users with a range of investment products via its integrated online platforms?
 - ▶ How do Lufax's systems help the company categorize and manage risk?
 - ▶ How might government regulation affect online marketplaces like Lufax?
- ▶ Explore further:
 - ▶ Next big thing: **RegTech** (regulatory technology)
 - ▶ Use of information technology to solve regulatory problems
 - ▶ What is regtech? A must have guide for 2020 [[link](#)]
 - ▶ What is regtech? 12 regtech companies will help you understand [[link](#)]

Impact of government regulation on FinTech III

- ▶ Video 4-4

- ▶ Speaker: Gregory Gibb, the CEO of Lufax
- ▶ How FinTech companies deal with impending government regulation?

- ▶ Video 4-5

- ▶ How government regulation impacts financial innovation?

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Academic reading

- ▶ RegTech: Technology-Driven Compliance and its Effects on Profitability, Operations, and Market Structure
 - ▶ JFE Forthcoming
- ▶ The Promises and Pitfalls of Robo-Advising
 - ▶ RFS 2019
- ▶ How Valuable Is FinTech Innovation?
 - ▶ RFS 2019

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The future of FinTech

- ▶ Next big thing
 - ▶ New technologies may start small, but once they gain traction and widespread adoption, they become the "next big thing"
- ▶ Discussion:
 - ▶ Share your prediction of the most promising upcoming FinTech innovation
 - ▶ What is the application for the technology you have identified?
 - ▶ Are you aware of any startups or firms that are attempting to adopt it?
- ▶ Video 4-6
 - ▶ Takeaways from forging the future of FinTech