

# BANK OF ENGLAND LAUNCHES FINTECH COMMUNITY AND FCA PUBLISHES DISCUSSION PAPER ON DISTRIBUTED LEDGER TECHNOLOGY

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Legal Briefings - By **Nick Pantlin, David Coulling and Claire Wiseman**

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In March 2017, the Bank of England FinTech Accelerator launched a new fintech community.

The new community has three main objectives:

- to share developments, trends and insights to facilitate learning within the Bank and across the sector;
- to ensure the Bank is engaging with a range of fintech firms; and
- to increase networking across fintech-related organisations.

The Accelerator was launched in June 2016 and works in partnership with firms, working with new technology to explore how fintech innovations could be used in central banking. The Accelerator also provides those firms with a chance to demonstrate their solutions for real issues, gain knowledge from Bank experts and obtain a valuable client reference.

Membership of the community is currently limited to “those firms most relevant to the Bank’s remit and fintech objectives, and who have contacted the Bank for knowledge sharing purposes”. Firms that have completed a proof of concept with the Bank are automatically invited to join the community, for example:

- BMLL (who have created a machine learning platform that provides access to historic limited order book data to analyse and check anomalies in data);
- BitSight (who have created a tool that assesses a firm’s cyber resilience based on publically available data); and
- PWC (the Bank worked with PWC on a project looking at possible applications of block chain and distributed ledger technology).

The current 18 members also include BT, the Department for Business, Energy and Industrial Strategy, Deloitte LLP, Thomas Reuters and the Financial Conduct Authority (the “**FCA**”).

The members will meet individually with the Bank two to four times a year to discuss market trends and developments, and will also meet together with the Accelerator to discuss specific topics of interest on a quarterly basis.

In parallel, and in light of recent high levels of innovation and interest in developing financial services further through technology, in April 2017, the FCA published a [discussion paper](#) on the potential of distributed ledger technology (“**DLT**”) in financial services. A distributed ledger is a system for recording transactions via a peer-to-peer network, rather than a central database. While the FCA usually takes a “technology neutral” approach (i.e. it does not regulate specific types of technologies, but rather activities and firms), it is particularly interested to receive comments on whether the current regulatory framework limits the potential advantages of DLT products and business models. The FCA has called on users and providers of DLT solutions operating in the sectors that it regulates to submit responses by 17 July 2017, following which the FCA will either provide a Summary of Responses or (if further discussion is required), a Consultation Paper.

Click [here](#) to view the Bank of England news release.

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## KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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