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## FINANCIAL TECHNOLOGIES: CONCEPT AND TYPES

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**Abstract.** The article is devoted to the study of the impact of the digital economy on financial law. It is determined that in the conditions of digitalization of the economy, new technologies, on the one hand, lead to the expansion of the subject of legal regulation, and on the other hand, they are a tool that promotes regulation, administration, financial control and supervision. The paper discusses various types of financial technologies, primarily regulatory (RegTech) and supervisory (SupTech). Based on the results of the study, the author concludes that the term "regulatory technologies" is generally unsuccessful. In addition, it should be said that, in a narrow sense, financial technologies are a set of tools and methods used exclusively in financial markets, in a broad sense — used in all areas related to financial regulation, control and supervision.

**Keywords:** financial technologies, regulatory technologies, supervisory technologies, financial law

Modern society is only at the very beginning of the formation of the digital economy. A feature of the current stage of development of the digital economy is not only the introduction of existing ones, but also the awareness of the potential of new technologies (for example, Big Data technologies, neurotechnologies, blockchain technology, robotics, etc.). Thus, it can be predicted that in the near future public relations related to the use of digital technologies, will receive their further development. This, in turn, gives rise to new, often intractable challenges for law as a tool for regulating social relations of a new type and for legal science, designed to perform a predictive function related to assessing the risks of introducing new technologies and developing effective approaches to their legal regulation.

According to the traditional understanding, finance as an economic category is a set of economic relations related to accumulation in monetary transactions, including during initial acceptance for service, as well as subsequent identification in the process of performing these operations in order to counteract the legalization (laundering) of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction;

— transaction monitoring technologies — are aimed at identifying deviations and violations in the processes related to the transfer of funds, currency transactions, as well as transactions with financial instruments;

— risk management technologies — aimed at automating risk management (market and operational). With regard to market risks, these technologies involve automating the evaluation of financial instruments, cash transactions, control of established



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limits, etc., and with regard to operational risks, they allow improving the efficiency of internal procedures, providing protection against fraudulent actions, etc.;

— technologies related to reporting

Thus, economic entities are primarily interested in the development, implementation and development of RegTech, since these technologies allow, on the one hand, to reduce costs (by reducing the costs of information system administration, reducing staff, as well as speeding up control procedures), and on the other hand, to ensure compliance with the requirements imposed by the state. Based on this, we can conclude that the market is the driving force behind the development of RegTech. The success of one or another regulatory technology depends on the quality and cost of the proposed solutions.

2. Supervisory technologies (SupTech) — are introduced into the practice of regulatory and supervisory authorities in financial markets to improve the efficiency of this activity. Such technologies are associated with automatic processing of reports and other information received from financial market entities, monitoring and analysis of market and operational risks, digitalization of regulatory requirements (development of services that allow.

From all of the above, a number of conclusions can be drawn:

— firstly, division and SupTech profit proceeds depending on the entities that implement the relevant technologies in their activities: financial market participants or the regulator (Bank of Russia). At the same time, they are essentially aimed at the same thing — ensuring the rule of law in the financial markets. The very term "regulatory technologies" should be considered unsuccessful: such technologies are not regulatory in nature. Regulation is a process of purposeful influence on public relations. they do not affect public relations, their application, as already mentioned, aims to ensure compliance with regulatory requirements. Thus, what is now commonly called "regulatory technologies", in fact, are also supervisory technologies, but implemented by economic entities;

— Secondly, the Bank of Russia allocates RegTech and SupTech only in relation to the financial market sector. At the same time, in our opinion, this approach is extremely narrow. Practice shows that innovative digital technologies are used in all areas of financial law. For example, various digital services have recently been introduced within the framework of tax control (taxpayer's personal account, counterparty verification services, etc.), automated information systems (for example, the automated control system (ASK) "VAT"), etc. Digital technologies are widely used in the framework of budgetary legal relations: an information system has been put into operation public Finance Management "Electronic Budget", State Information System on State and Municipal payments<sup>6</sup>, State Automated Information System "Management", Remote Financial Document System.



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