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FinTech In Global Financial Centres

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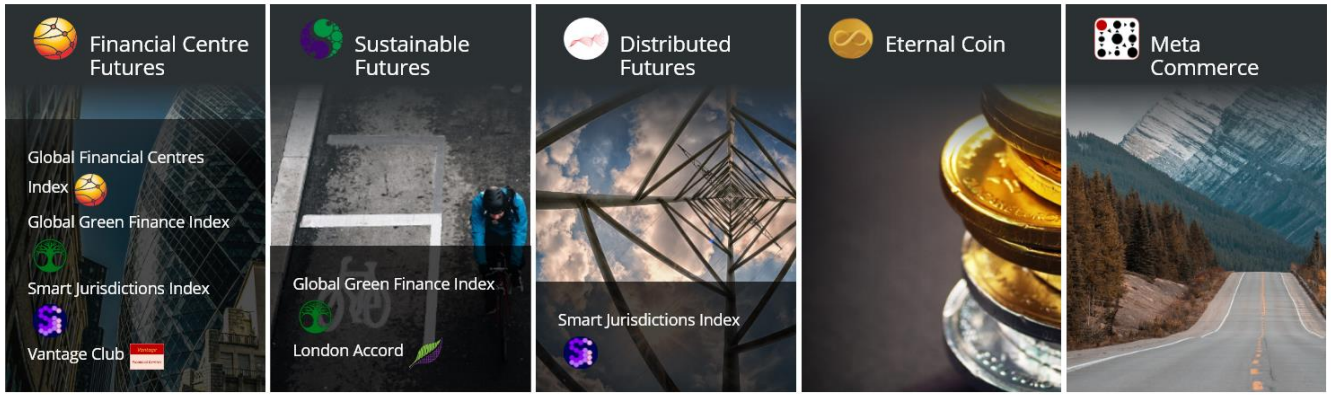
Long Finance

“When Would We Know Our Financial System Is Working?”

This is the question underlying Long Finance’s goal to improve society’s understanding and use of finance over the long-term. In contrast to the short-termism that defines today’s economic view, the Long Finance time-frame is roughly 100 years.



Financial Centre Research

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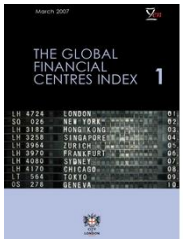

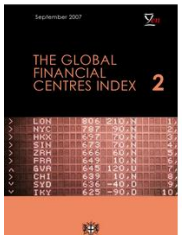

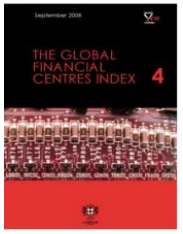

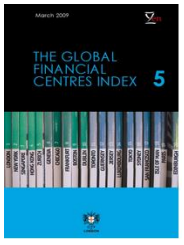

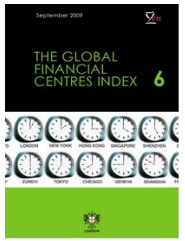

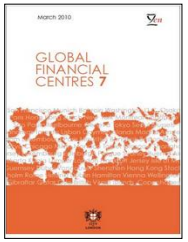

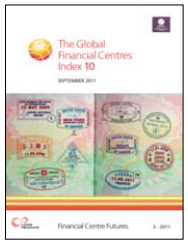

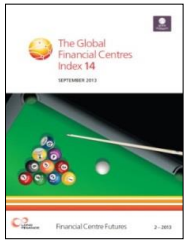

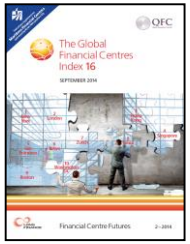

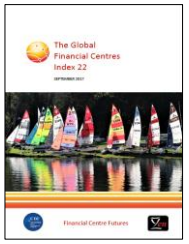

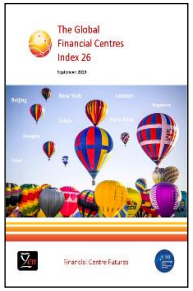

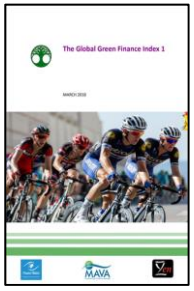

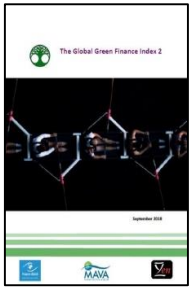

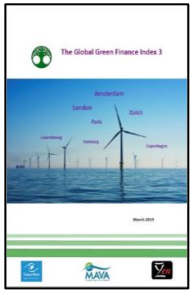

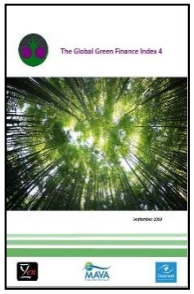

Global Financial Centres Index

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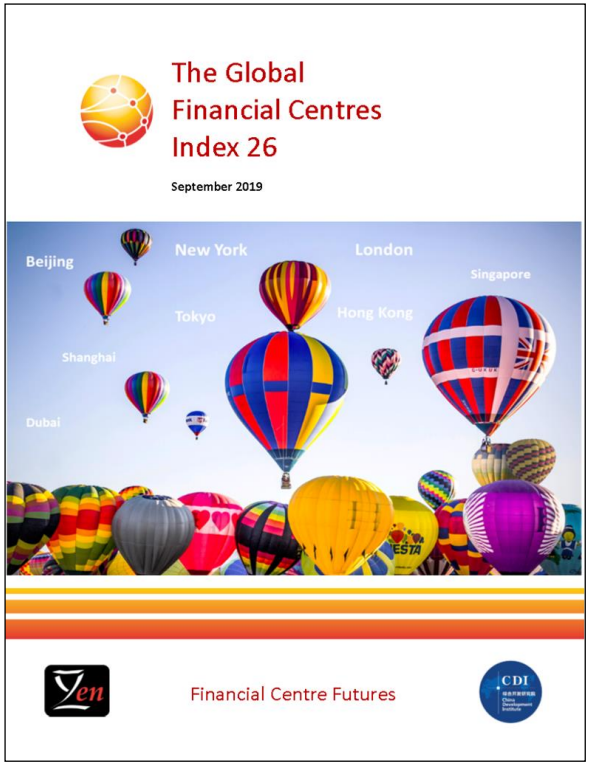
- Factor Assessment Index – combines quantitative data with survey assessments
- Measuring financial centre competitiveness since 2007
- GFCI 26 (September 2019) includes the first index ranking for FinTech



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FinTech Rankings

Centre	Rank	Rating
Beijing	1	776
Shanghai	2	762
New York	3	759
Guangzhou	4	753
Shenzhen	5	752
London	6	741
Hong Kong	7	740
Singapore	8	738
San Francisco	9	730
Chicago	10	729
Sydney	11	728
Tokyo	12	726
Los Angeles	13	725
Washington DC	14	723
Stuttgart	15	716
Melbourne	16	713
Boston	17	711
Chengdu	18	707
Toronto	19	700
Frankfurt	20	698
Seoul	21	695

Correlation With Instrumental Factors

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Instrumental Factor	R-squared Correlation
Global Cities Index	0.437
Innovation Cities Global Index	0.362
Educational Attainment	0.334
Office Occupancy Cost	0.289
Household Net Adjusted Disposable Income	0.259
Global Power City Index	0.242
Household Net Financial Wealth	0.242
4G Availability	0.234
IESE Cities In Motion Index	0.215
Metro Network Length	0.165
Global Competitiveness Index	0.161
Global Cybersecurity Index	0.151
Networked Readiness Index	0.145
Economic Freedom Of The World	0.125
Air Quality Data	0.124

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FinTech Reputational Advantage

Centre	GFCI 26 FinTech Assessment	GFCI 26 FinTech Rating	FinTech Reputational Advantage
Stuttgart	888	716	172
Melbourne	810	713	97
Sydney	821	728	93
Shenzhen	840	752	88
Singapore	821	738	83
San Francisco	805	730	75
Guangzhou	820	753	67
New York	820	759	61
Beijing	835	776	59
Shanghai	821	762	59
Tokyo	782	726	56
London	795	741	54
Hong Kong	793	740	53
Rome	675	625	50
Montreal	724	685	39
Seoul	678	695	-17

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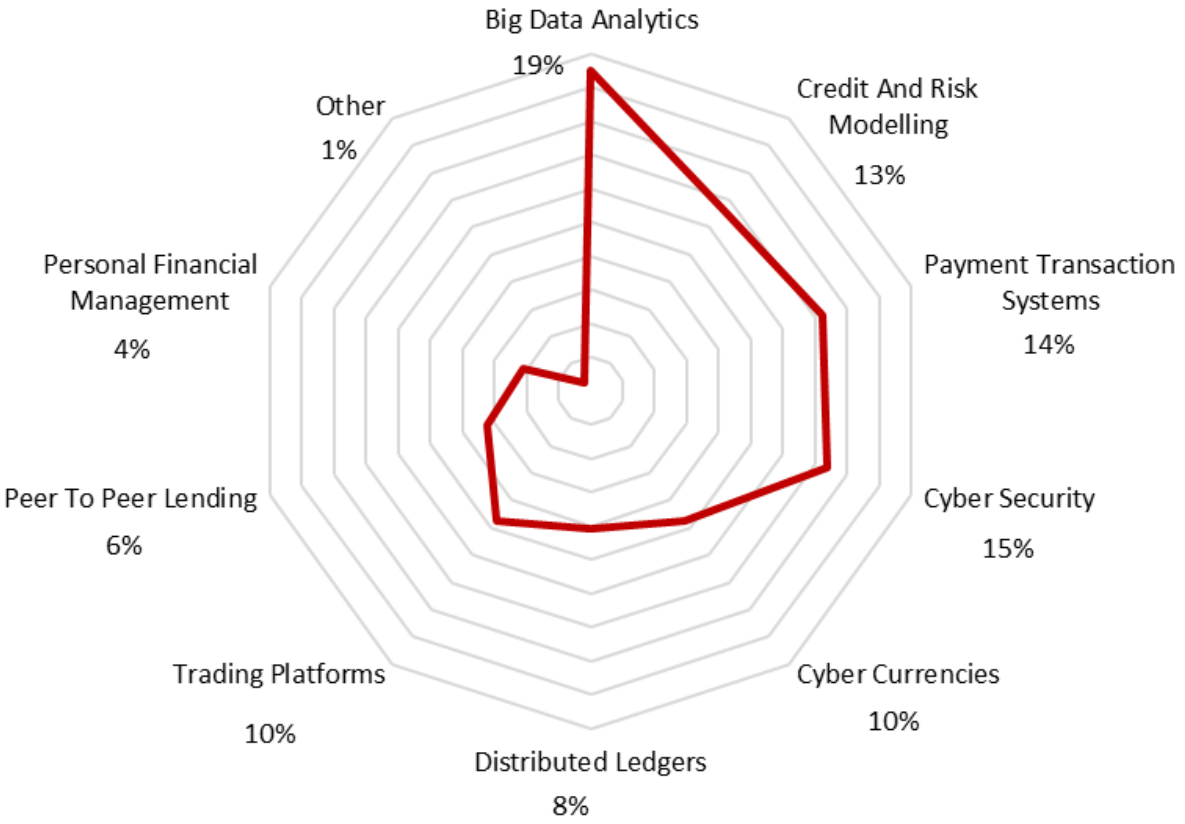
Most Important Areas Of FinTech



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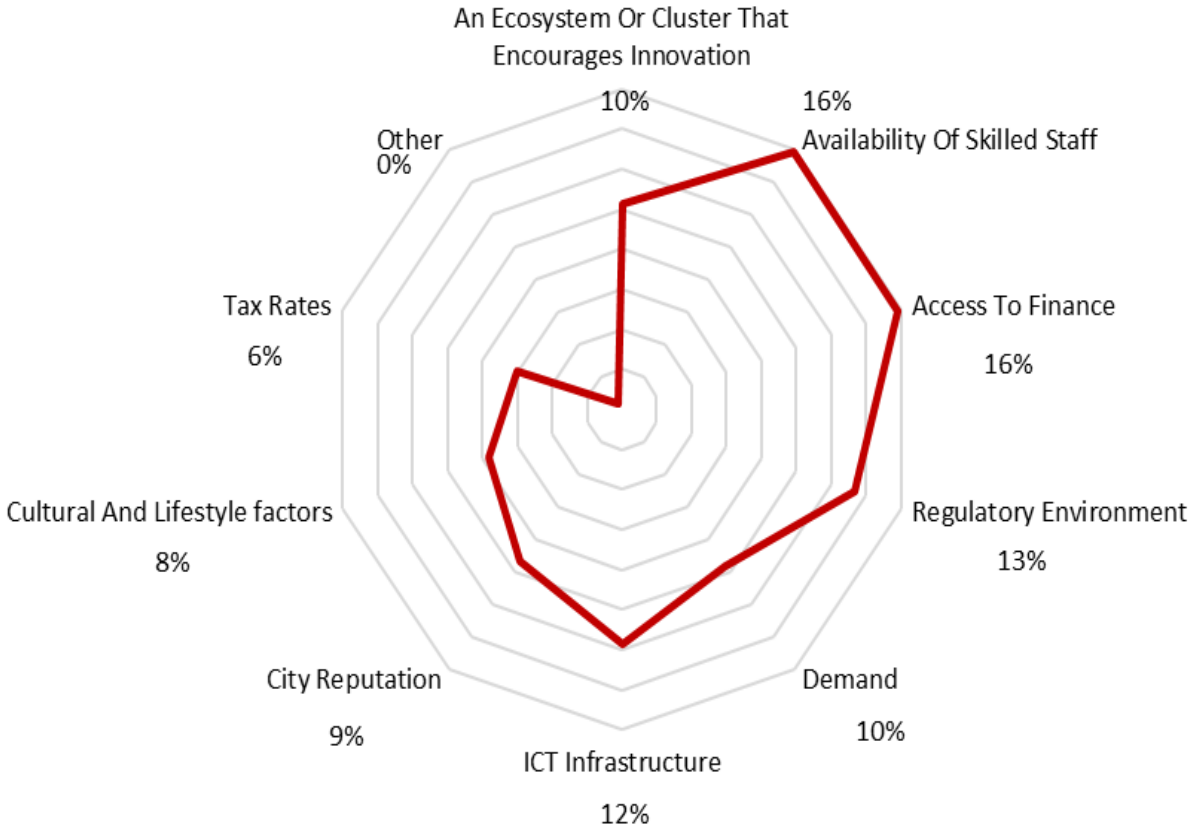
Creating A FinTech Environment



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FinTech Approaches

Broad Areas	Active Approaches For Public Authorities
Economic	• Special economic zones/clusters • Taxation – withholding, profit, wealth, inheritance etc
Social	• Education & training investment • Research spend • Setting standards
Institutional	• Sandbox approach to regulation • Innovation centres/clusters • Start-up support • Co-investment • Achievement funding

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Regulation For Innovation

Potential Positive Effect On Innovation	Type Of Regulation	Potential Negative Effect On Innovation
• Increased incentives for innovation • Allows efficient competition and takeovers • Provides incentives to improve productivity	**Economic Regulation** • Price & competition • Market Entry • Mergers & acquisitions • Monopolies & antitrust	• Reduced incentives for R&D spend and co-operation • Restrictions on market entry • Reduced competitive pressure to innovate
• Promotes eco-friendly alternatives • Improves salaries • Increases acceptance of new products	**Social Regulation** • Environmental • Health & safety • Product & Consumer safety	• Restricts innovation • Increased compliance cost
• Job security • Promotes investment in innovation and R&D	**Institutional Regulation** • Liability • Employment Protection • Bankruptcy • Intellectual Property	• Reduced incentive to innovate • High adjustment costs • Restricted availability of finance

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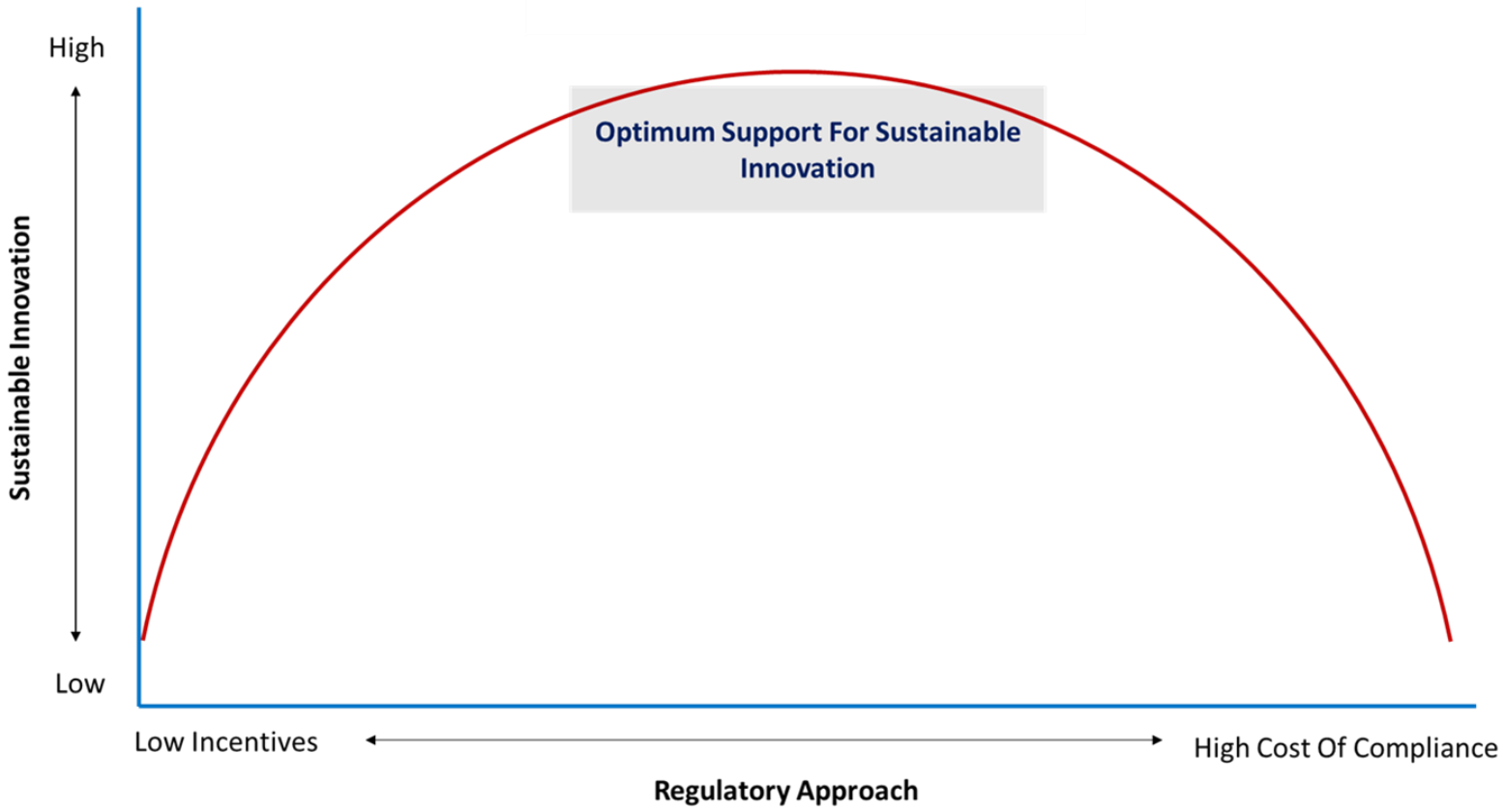
Regulatory Inverse U-Curve



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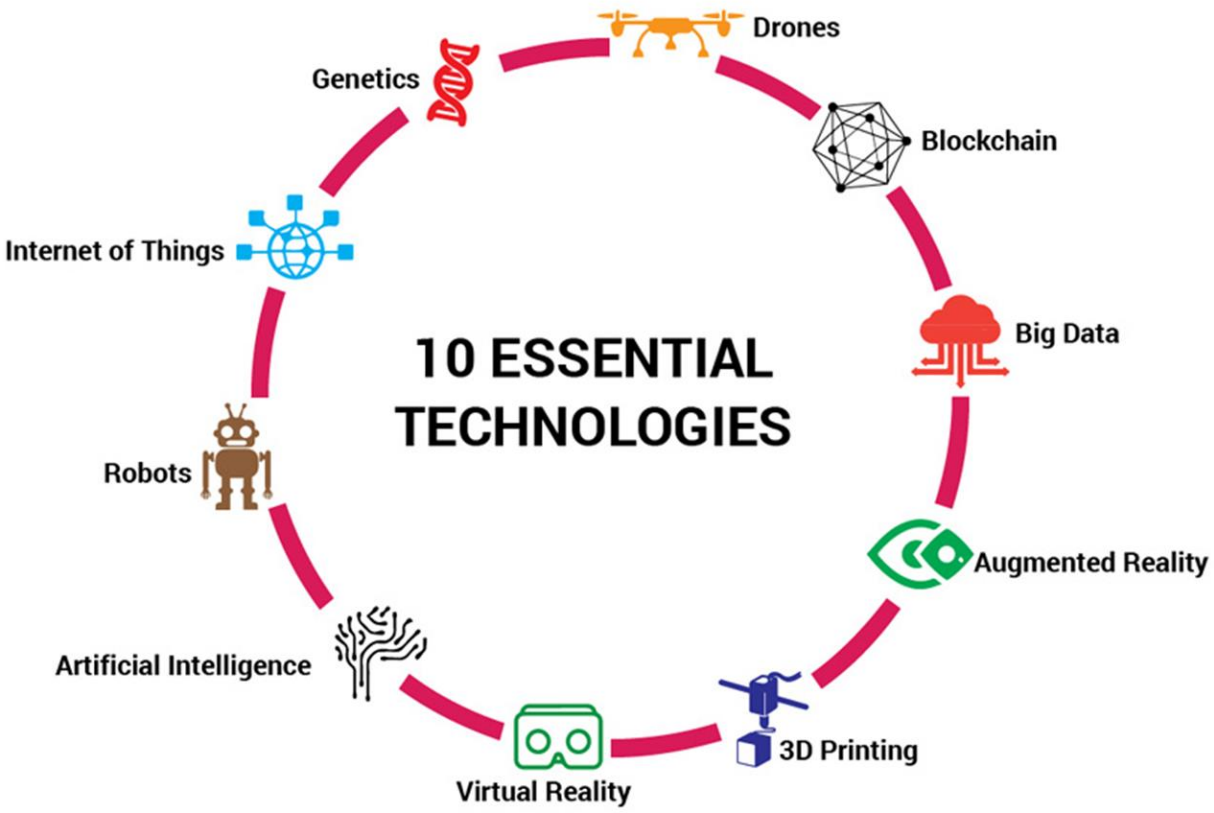
Smart Technology Future



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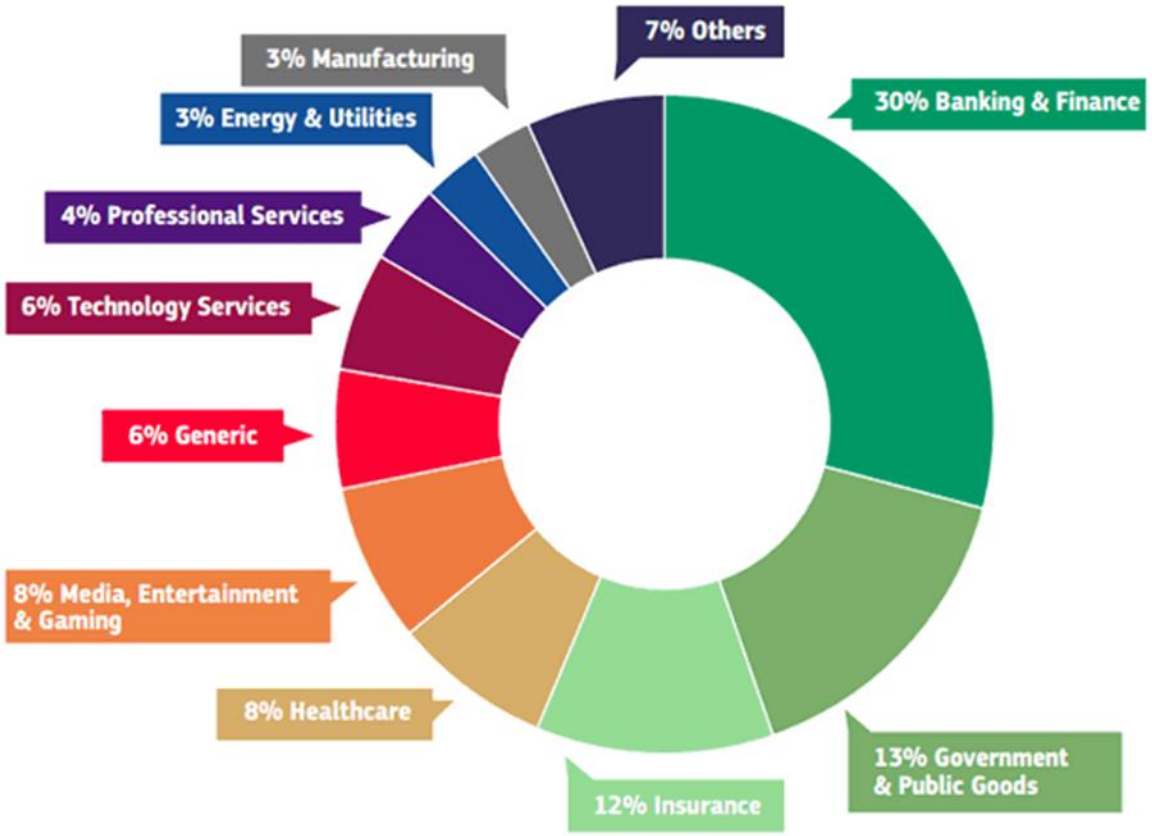
Smart Ledgers & FinTech

Sectors Currently Exploring Blockchain



Source: www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/global-blockchain/#.Wms8ZrPtypo

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Smart Centres Index

- Research to explore:
  - Quality of regulatory systems for new technology
  - Depth to which new technology is embedded in economic activity and service delivery
  - Quality of new technology application and development in the centre

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