

Research on the Coordinated Development of Fintech Development and Risk Regulation Strategy

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Abstract: With the rapid development of science and technology in our country, the social form has undergone changes. In the new period, science and technology have permeated every field of people's life, becoming an essential important component of people's life. Among them, the application of internet-based information technology in the financial field has brought great convenience to people's life and work. Development and risks coexist. While the development of fintech brings convenience to human beings, it also brings hidden dangers to people's property security. So, in real life, what measures can regulation departments take to maximize the avoidance of potential risks brought by the development of fintech? In this paper, we will conduct a brief analysis on the collaborative development of fintech development and risk regulation strategy from several aspects in order to provide a theoretical basis for the collaborative development of fintech development and risk regulation strategy and related studies.

Introduction: Supervision on financial risk, as indicated by its name, is achieved by scientific and systematic management for financial risks in form of effective measures. The existence of risk regulation is of great significance. It can minimize financial risks according to risk identification, risk measurement and risk control, so as to ensure adequate financial security at a minimum opportunity cost. In recent years, with the penetration of big data, cloud computing, artificial intelligence and other science and technology, fintech has gradually entered the public's vision and played an important role in daily transactions and financial management [1]. For example, WeChat payment, Alipay, credit, registration and settlement, and asset management. Based on this, in order to ensure the safety of funds in the development of fintech, fintech development and risk regulation strategies are bound to be developed in a coordinated manner.

1. The Relationship between the Development of Fintech and Risk Regulation

Knowing yourself and your enemy and you will win a hundred battles. In the coordinated development of fintech and risk regulation, the financial risks brought by fintech should be maximally reduced to ensure the organic integration of the two parts. At the outset, we need to have a clear understanding of the two and their relationship [2]. Continuous development and innovation is achieved with the improvement of the mechanism behind it one after another. In today's 21st century, with the continuous development of science and technology, information technology relying on computer technology and electronic technology has penetrated into every aspect of people's life. In the financial field, the development of fintech has quietly replaced many real enterprises. As far as people's life is concerned, cash based transactions have been replaced with the development of fintech, and thus wallets. From the perspective of management on bank assets, the emergence of electronic banking, online banking and shield also makes many cards to be hidden in the cupboard [3]. From the perspective of management on bank finance, the development of fintech enables computers to replace manual bookkeeping. The development of fintech has brought financial development to a new height, greatly improving people's living and working efficiency and enhancing their financial service capabilities.

But at the same time, with the development of fintech, financial risks are also on the rise. Fintech

relies on science and technology, network, information technology, big data and electronic office system. Therefore, the traditional financial supervision system has been unable to control the risks brought by the development of fintech [4]. In modern society, with the development of science and technology, financial risks continue to escalate. Hackers, Trojans and viruses are words we can frequently hear in the information age. Hackers are qualified with excellent computer technology. They can use their super computer technology to change the programs of other computers, so as to steal the confidential documents of other devices, and thus bringing great risks to the financial system [5]. In addition, with the development of fintech, the financial system constantly derives new businesses and products. At the same time, new business is no longer subject to limitations in geography, time, industry, market. Traditional risk regulation strategies have shown their limitations and risk regulation is facing new challenges.

2. Research on the Coordinated Development of Fintech Development and Risk Regulation Strategies

2.1. Establishment of a Supervision Mechanism for Fintech

Due to the bottlenecks in fintech development and traditional regulation, it is urgent for to build a regulation mechanism that keeps pace with the times for fintech, so as to promote the coordinated development of fintech development and risk regulation strategy. Fintech products are the main carrier of fintech development and the hidden body of risks [6]. Therefore, in the construction of supervision mechanism for innovative fintech, the top priority should be given to the technology and finance based products and the innovative technological and financial products. Through in-depth evaluation of the fintech products, the potential risks of the fintech products, the content of the innovation products and the institutional characteristics should be taken into consideration [7]. Secondly, in terms of regulatory risks, we should vigorously advocate and encourage low-risk investment and continuous optimization of risk management and supervision. At the same time, we should strictly supervise technological and financial innovation activities to find out fake innovation and eliminate fake innovation as much as possible. The beneficiaries of the development of fintech are the whole social system. Therefore, for the impact of fintech development, we can call on the relevant social departments to take joint actions to comprehensively encirect it so as to realize the joint supervision of all departments, and the risk will be controlled to the minimum level.

2.2 Improvement of the Supervisory Platform for Finance

The difference between the development of fintech and traditional finance lies in its emphasis on science and technology. The development of fintech directly depends on science and technology, which reflects the practical application of science and technology. For example, information platform, cloud platform, financial software, internal financial system, as well as the technology financial system of major technology based investment banks worldwide, including Goldman Sachs, Citigroup, Morgan Stanley, etc.[8]. Fintech has embraced the financial system in China and the world. Therefore, the regulation departments for finance and the financial institutions should give enough emphasis on the construction of fintech platform. The national judicial department should have its involvement to achieve information sharing to serve the protective lock in financial transaction by comprehensive supervision. Secondly, regardless of supervision on financial risk, the core of financial risk supervision lies in human beings who design the supervision platform and conduct risk supervision and audit. Based on this, we should focus on improving the professional skills of risk supervision personnel related to science and finance, so as to ensure the real effectiveness of supervision on science and finance [9]. As mentioned above, with the development of technology and finance, hackers and viruses are also one of the financial risks. Therefore, while improving the quality of financial regulators, professionals in information technology are also required to maintain and protect financial data.

2.3 Further Supervision on Innovation of Fintech

Thorough tracing to the source. With the development of fintech, all information has rules to follow. In the development of science and technology based finance, science and technology can also record the cause and effect of financial business one by one. Therefore, with the development of fintech, the combination of fintech development and risk supervision strategy can be achieved and in-depth supervision of financial high-tech innovation are also effective means to avoid risks. We need to have a clear understanding of the business of science and finance, and we should make it clear where funds come from, where they are going, and what links have been dealt with in the process. Fintech related business should be screened in essence to get rid of the false and seek the truth [10]. Through penetrating and in-depth supervision, the nature, service regulation and legal properties of fintech and its innovative products can also be comprehended as a whole, and the responsibilities and division of labor of supervision for fintech can be clarified, so as to avoid the occurrence of undesirable phenomena such as supervision failure and regulatory arbitrage.

3. Conclusion

In conclusion, the research on the coordinated development of fintech development and risk regulation strategy is a topic of practical significance, which deserves the great attention of financial practitioners, relevant financial regulatory authorities and national judicial authorities. In the coordinated development of fintech development and risk regulation strategy, effective regulatory measures should be taken to improve the efficiency of fintech supervision and minimize the risks of fintech finance.

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