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**France Invest's comments on the Commission's proposal
for a Regulation on the Digital Operational Resilience of the Financial Sector**

Established nearly 40 years ago, France Invest represents most venture capital and private equity teams based in France. The Association also welcomes French infrastructure and private debt teams, as well as service providers and financial institutions based in France which support and advise investors and entrepreneurs in the structuring and management of their partnerships. Our membership currently counts 340 management firms and 170 associate members.

France Invest's members represent one of the main growth drivers for the French and European economy and support a significant portion of employment in France and Europe. In 2019, our members raised 41 bn EUR to finance companies, both through equity and debt, and infrastructure projects, over the coming 5 years. French private equity is no1 in the EU27 in terms of funds raised, capital invested, and number of companies funded. About half of the funds raised by French private equity players come from abroad, and European companies, in particular SMEs and start-ups, are the main recipients of their investments. In 2018, companies backed by French private equity created 75,000 jobs.

From a general standpoint, **France Invest supports the objectives of the Commission's strategy for digital finance**: the creation of a single market for financial services, the introduction of a regulatory framework encouraging digital innovation, the development of an EU market for financial data and the treatment of the challenges of the digital transformation.

In particular, **we welcome the Commission's proposal for a regulation on the digital operational resilience of the financial sector**, which aims at addressing cyber risks in the financial sector. **We fully**

share the Commission's objective to enhance investor protection and ensure their trust in the financial sector.

We understand that, with this Regulation, the Commission aims at streamlining the regulatory framework applicable to financial entities in terms of digital resilience and we fully support this objective. It should be noted that **our members already comply with a number of rules**, may they be legislative or not, aiming at ensuring their digital resilience or the protection of investors and their data (e.g. GDPR), at international, European and national level. Besides, we understand that the Commission has launched or intends to undertake several legislative initiatives, including the NIS review. We would like to insist on **the need for a consistent articulation of all these different texts**.

The proposed Regulation includes heavy constraints for our members. Therefore, **we ask for the proportionality principle to apply fully**, for instance through the introduction of thresholds or lighter requirements for smaller players. **We would also suggest allowing enough time for market players to bring their processes in compliance with any new rules**, through an appropriate implementation date and/or a phased implementation.

France Invest would like to underline the **need for its members to keep access to a wide enough range of ICT providers**. For instance, they use software solutions to streamline and centralize their investment cycle, optimize processes, and enhance data and reporting. The new DORA requirements should not restrict access to quality providers or impose overly burdensome and costly obligations on them.

Finally, it should be noted that **France Invest's members are impacted by the DORA requirements not only at their own level, as management companies, but also at the level of the companies/digital service providers they support**. Indeed, many venture capital and private equity funds invest in fintech and regtech startups and companies. For instance, in 2018, French venture capital invested in about 400 IT companies (over a total of 900 companies), representing over EUR 800 million (over a total of EUR 1,600 million)¹.

For further information, please feel free to contact Carine Delfrayssi, European and Regulatory Affairs at France Invest, at c.delfrayssi@franceinvest.eu or +33(0)1 47 20 99 79.

¹ [https://www.franceinvest.eu/wp-content/uploads/Etudes/M%C3%A9tier/Innovation/France-Invest-Etudes Etudes-par-metier Innovation 2018.pdf](https://www.franceinvest.eu/wp-content/uploads/Etudes/M%C3%A9tier/Innovation/France-Invest-Etudes-Etudes-par-metier-Innovation-2018.pdf)