

Cluster organization development strategy

Current status / Analytical part

Global industry development

The Fintech sector has been growing exponentially over the last 5 years. In the last period of 2021/2022, our Fintech, Insurtech, Blockchain and Crypto industries literally exploded

Regional perspective (V4 region)

Within our goal Bratislava (Slovakia) is gradually becoming attractive for foreign investors, but also innovators from neighboring countries (eg Hungary, Poland), as well as countries from the wider world (eg Israel)

Local development

During the establishment of our association, there is a high growth and exponential interest from all sides of the sector. Innovators operating in Slovakia are among the top 50 Fintech companies in the EU, working with partners around the world and expanding. At the same time, the development of innovations or organizational background of the company is mainly in Bratislava

Value chain

If we take a value chain from the point of view of the sector we associate, it is gradually formed. But it is a new sector of the Slovak economy that we have brought to society. From our point of view, it is an ecosystem that requires a considerable amount of work to create full added value for the region, the state, and also the participants in the ecosystem, so that it can successfully tune each phase of its development to top quality.

SWOT analysis

A. Strengths

- a. We have been operating in the financial innovation segment since 2016
- b. There are innovative companies in Slovakia that are already successful abroad
- c. Very convenient geographical location within the region
- d. Crypto legislation - Slovakia has optimal legislation
- e. Instant payments (since February 2022)
- f. Our currency is EURO (€)
- g. AAA premises for start-ups in the innovative new center of Bratislava

- h.** Regulatory sandbox for testing innovations and new start-ups - a direct tool of attractiveness for foreign and Slovak companies, so-called positive legal framework (since January 2022)
- i.** Skilled workforce
- j.** English speaking region
- k.** Top developers
- l.** World's # 1 in KYC application for new clients
- m.** High adaptation of the population to innovation
- n.** Stability of the macroeconomic environment
- o.** Lower labor costs
- p.** 5G - good quantitative and qualitative base of telecommunication infrastructure
- q.** Good relations with other regions
- r.** Innovative ability
- s.** Part of the Schengen region
- t.** Location near Vienna (approx. 45min)
- u.** A growing community

B. Weaknesses

- a.** Unclear strategic intention "Where we see Slovakia in 1/5/10 years" by the government
- b.** Insufficient financial support for the sector from the government
- c.** Insufficient interconnection of research and development associated with the departure of skilled workers from this sector
- d.** Tax burden
- e.** Education
- f.** Identification and removal of bureaucratic and legislative barriers
- g.** Absence of marketing of main topics in the region
- h.** Promotion of Slovakia as a FinTech hub
- i.** Absence of support programs or grant schemes, accelerators, incubators

C. Opportunities

- a.** Defining the national strategic plan
- b.** Creating a strategy to support financial innovation in Slovakia
- c.** Improving the business environment in the context of financial innovation
- d.** International cooperation in the field of financial innovation
- e.** Regional support for financial innovation
- f.** Support for existing financial institutions in the field of FinTech
- g.** Creating a "Newcomer" program
- h.** Visa program for FinTech
- i.** Investment scheme focused on Fintech
- j.** Support for the return of Slovak Fintech experts and companies
- k.** Grant scheme for securing expert human resources
- l.** Rethinking the approach to virtual currency taxation
- m.** Tax training for Fintech companies
- n.** Strengthening the education of our institutions and the state in the field of financial innovation

- o. Fintech as part of financial literacy
 - p. Slovakia's integration into the EU fintech and related effects
 - q. Regional leader in financial innovation - CEE region
 - r. Development of cooperation with other Euroregions
 - s. Faster market growth
 - t. Excellent readiness of the technological infrastructure for the entry of new startups
- D. Threats
- a. Absence of setting the vision and priorities of the state
 - b. Insufficient financial support from the state to accelerate innovative activities
 - c. Lack of opportunities for possible support from European financial instruments
 - d. The departure of a highly qualified workforce abroad
 - e. High levies burden
 - f. Insufficient presentation of the region abroad

Needs for our sector

- A. FINAS members bring innovations to their products that they are constantly innovating. However, a lot of work still needs to be done, and we consider it crucial to clarify the state's strategic vision for our segment.
- B. Focus on creating a positive legislative environment in the field of financial innovation and thus create a competitive advantage in Slovakia.
- C. Implementation of research and resulting legislative proposals through working groups in these areas - taxation of crypto and securities, AML, Defi, BankID, PSD2, analysis and first use cases - deployment of blockchain in various areas of state institutions, respectively public administration, institutional adoption and innovative ways of next-generation education with a connection to the business sector.
- D. Build an active community, through regular meetings, discussions, workshops and conferences.
- E. To create a national fintech strategy, which will have the support of the Government of the Slovak Republic as one of the strategic goals.
- F. Launch support frameworks for the community - financial or accelerating.
- G. Implement international activities and events in support of the "Bratislava brand" as an innovative center in the heart of Europe.
- H. Education in the areas of Greentech, or circular economy.
- I. More active cooperation and internationalization of successful companies - communication to successful Slovak innovators within the wider CEE region is currently evaluated as the next necessary step on which the MFSR and the NBS agree.

Organizational structure and analysis of the cluster organization, its position, and goals

Current status

- A. FINAS has an established organizational structure
 - a. President
 - b. First Vice-president
 - c. Second Vice-president
 - d. Founding member I.
 - e. Founding member II.
 - f. Internal audit

Analysis of cluster organization

In 2016, David Čajko had the idea to bring the topic of Fintech to Central Europe. In 2017, the foundation stone was laid, when he brought the topic "Fintech" to Slovakia through the first Central European conference called [FintechSummit](#). After the successful organization of two years of the FintechSummit conference and the initial mapping of the Slovak and CEE fintech ecosystems, the need to create a cluster that correlated on the vision and initiative of David Čajko began to form with the help of knowledge and feedback from conference participants and market representatives.

We have decided to try to institutionalize all the topics and suggestions that have been implemented on an ongoing basis, with regard to our vision - building a new sector in Slovakia. The need to create a single institution to cover the views of different parties was essential, as confirmed by conference participants and stakeholders.

With such a large number of innovations, it is essential for the correct setting of the new legislative rules to form a common voice from the market in a comprehensible form for legislators, ie an active dialogue between the market / innovator and the regulator must be established.

At the last pre-COVID side event Fintechsummit 19, we announced to the community that we were considering the establishment of an association (initiated and led by David Čajko). We were interested in whether they would show us support and whether they would like to be an active part of it. The answer was YES and the preparation of concrete steps for the establishment of the Association could begin.

At the beginning, it was more or less about the activity of David Čajko, but gradually supporters and experts who had rich experience in the given topic and were interested in devoting their time and expertise to the new association were joining us. The cluster operated without official registration for at least 12 months until the entire scheme, organizational structure, projects and objectives were established.

During the informal establishment of the association, the first expert material was created - [Regulatory SANDBOX](#) for the National Bank of Slovakia (more information after clicking), which we

perceived as a key step to improve the fintech environment in Slovakia. Subsequently, on June 30, 2021 the FINAS association was officially established. Since then, the association has begun one of the most important ecosystems in our region with over 40 members and partners.

Positions of a cluster organization

The FINAS cluster is one of the leaders in Slovakia also in terms of the number of members, professional outputs, but also the number of activities and projects that FINAS implements.

Objectives of the cluster organization

- A. Building the bridge between traditional and disruptive companies
- B. Active community building
- C. Supporting Slovakia as a leading innovation Hub
- D. Knowledge sharing platform
- E. Supporting innovative ideas
- F. Raising general awareness of the Fintech and Insurtech sectors
- G. Representing the interests of the sectors

Cluster management

- A. The highest body of FINAS is the General Meeting. All regular members, who also have the right to vote, shall have the right to attend its meetings. Associate members have the right to participate in the General Meeting and express their opinion on the issues under discussion, but they do not have the right to vote.
- B. Its main competencies include deciding on the amendment of the articles of association, on the adoption and change of the budget, approving the final report on the financial management and activities of the association, approving the plan of activities of the association, approving the business plan of the association.
- C. The general meeting must be held at least once a year.
- D. At the executive level, the Management Board acts as a body, deciding on all issues that are not reserved for another body. It has five members, including the president and two vice presidents. The President and both Vice-Presidents perform the day-to-day management of the Association's activities in accordance with the decisions of the Board of Directors and at the same time perform the function of the statutory body. The president always acts on behalf of the association together with one of the vice-presidents.
- E. The term of office of the members of the Board of Directors is 5 years.
- F. The Board of Directors decides in particular on the draft budget, ensuring the fulfillment of legal obligations, such as bookkeeping, statistics, records and prescribed records, implementation of other legal obligations, fulfillment of the tasks of the General Meeting.
- G. The Management Board shall meet as necessary, but at least once a month. The Board of Directors has a quorum if at least 3 members attend its meetings. In the event of a tie, the President's vote is decisive. The President also has the right to veto a resolution of the Board of Directors. The Board of Directors may break the veto only by a unanimous vote of all members, without the vote of the President.
- H. Control of compliance with legal regulations and internal standards is performed through an elected Controller.

- I. The Comptroller is the controlling body of the Association and supervises the activities of the Board of Directors of the Association and compliance with legal regulations, the Articles of Association and resolutions of the General Meeting.
- J. The controller is elected by the General Meeting for a period of 5 years. Its scope includes, in particular, the exercise of the following powers:
 - a. inspects all documents and records related to the activities of the association,
 - b. checks that the accounting entries are properly kept in accordance with the facts and in accordance with the applicable legislation,
 - c. controls whether the implementation of the association's activities is carried out in accordance with the applicable legislation, the association's articles of association and the instructions of the general meeting,
 - d. audits the financial statements of the association,
 - e. participates in the general meeting and informs the general meeting of the results of control activities,
 - f. convenes the general meeting if the legitimate interests of the association so require and proposes the necessary measures.
- K. In the process of approving the financial statements, it is prepared by the Board of Directors, the financial statements are subject to the Controller's control and are subsequently submitted to the General Meeting for approval. In addition to the above process, the Auditor reports to the General Meeting on the performance and results of the inspection, and in important cases, he is authorized to convene the General Meeting himself.

Board

- A. Davy Čajko - President
- B. Pavol Čverha - First Vice President
- C. Kenneth Kumor - Second Vice President
- D. Jana Péliová - Founding member I.
- E. Roman Kazička - Founding member II.
- F. Zdenko Banci - Control body

Development of member structure

Within the current structure of the members of the association, FINAS develops in a proportional way, ie. predicts the balance of the sector, which is approximately equal between these sectors - Fintech, Crypto, and Blockchain. The only weakest sector is Insurtech.

Partners

- A. Among the key Slovak stakeholders of the ecosystem are
 - a. Ministry of Finance of the Slovak Republic
 - b. National Bank of Slovakia
- B. Key global ecosystem stakeholders include
 - a. FINAS has signed a memorandum with the largest Israeli Fintech community - The Israeli FinTech Association
 - b. FINAS has signed cooperation with the Austrian Insurtech company - Insurance Factory

- c. FINAS has signed cooperation with NayaOne

Control body

- A. Internal audit - Zdenko Banci

Working groups

- A. [Regulated Sandbox](#)
- B. AML (in the process)
- C. [Staking & DeFi \(in the process\)](#)
- D. [Taxation of cryptocurrencies and securities](#)
- E. National Fintech Strategy (in the process)
- F. Bank ID (in the process)

Financing the cluster and ensuring stability

- A. Basic funding is provided by membership fees, which vary according to the degree of membership
 - a. Exclusive Member - € Individual amount
 - b. Enterprise Member - € 1500 / year
 - c. Standard member - € 550 / year
 - d. Startup member - € 350 / year
 - e. Supporter - € 200 / year
 - f. Patrons - € Individual amount
- B. Additional funding is expected from upcoming projects with our partners. Specifically, we are part of the EUBA project - Innovation Capacity Building for Higher Education or current participation in the competition for finding solutions or use cases on the European blockchain EBSI - more information can be found [HERE](#)
- C. In the first months from the idea to the founding of the association, we invested in creating a cluster and subsidized the association with our time, work and experience. After the official establishment, when we started accepting the first membership fees, we were partially able to cover certain costs. However, with the growth of members and perception of the cluster and its brand, an exponential increase in activities, working groups, marketing and regular meetings began, which we are currently partially subsidizing from our own resources.

Internal Workflow for members - regular meetings of members and working groups

- A. at least 1x per 1Q, unless there is a demand for more frequent meetings
 - a. Invitations - members' meetings
 - i. We will send invitations via e-mail or Telegram
 - ii. form - in person (according to the covid situation - meetings of the board)
 - b. Outputs from the meeting - After each meeting
 - i. A short record of the meeting will be sent to members - follow up via the Community Platform
 - c. A newsletter of activities is sent to all members on a regular basis and the next planned steps
- B. Membership base - documents

- a. Data storage, Internal projects, workgroups and data
 - i. Google Drive
 - ii. Microsoft Cloud (OneDrive)
 - iii. Discord group FINAS

Marketing

- A. marketing communication of members and their activities in Slovakia and abroad; publishing news of members through FINAS channels, ie LinkedIn and websites
- B. year-round communication at upcoming "brand awareness" events in the case of the organization by the FINAS Accelerator
- C. creating business opportunities for members and participating in the selection of common membership priorities
- D. personalized subpage on the website www.finas.sk of your company, where visitors will find all important information and your activities in SVK and ENG language (example can be found HERE - example)
- E. participation of a representative in conferences organized by Tech events (ie Fintech Summit, Finweek)
- F. participation in trainings
- G. support services for startups
- H. association meetings - meetups (quarterly)
- I. visible publication of the Logo and contact details through all channels of the association according to the membership level:
 - a. LinkedIn group - FINAS
 - b. website www.finas.sk
 - c. regular Newsletter
 - d. Conferences, discussions organized by FINAS "Future of Finance"
 - e. participation in conferences in the form of possible speaker participation - organized Tech Events (Fintechsummit, Finweek)
 - f. Meetups
 - g. Hub/coworking space
 - h. Campaigns
 - i. Press news
 - j. Education
 - k. Hackathons
 - l. Magazine

Vision, mission, setting goals and priorities of the cluster organization

The vision of the founder

“Our vision has become a clear goal in several key factors, such as the potential of innovators, strategic location and current construction of a new AAA center in Bratislava, to be part of a key ecosystem of financial, priority for fintech (focused on financial innovation) centers of Europe and thus start a "Building innovation culture" with a "fee" business model. We have created the basic form of a functional platform. However, we still have a lot of work to do. We are currently trying to name concrete steps to make this goal a reality.

We are gradually consolidating Slovakia as a country with innovation potential with a partially functional ecosystem. As a first and basic step, we propose the operation of a control Sandbox, or "Slovlink", ie. start creating the Fintech environment, thanks to which it can achieve significant financial investments for the state, the development of innovation and the entire connected ecosystem.

Let's define the position and value role of Slovakia in Central Europe. This is our main strategic advantage. It is a sin for future generations if we will not use this opportunity.

Setting the objectives of the cluster organization in relation to innovation in the sector and/or region

We have the ideal conditions to generate revenue only from the fact that transactions such as Revolut, Binance, e-Money license, etc., will be carried out through the competitive infrastructure we have created, and thus gain resources to make the entire ecosystem sustainable, value-creating and evolving.

Our ambition and the role based on top innovators in Slovakia is to be better than Estonia or Lithuania, right next to a key city in the region - Vienna.

Consistency of the strategic objectives with regional, national - RIS3 smart specialization strategy and international relevant strategic documents

The area of our cluster is in line with these development trends and product lines:

- A. Domain Digital Slovakia and the creative industry
- B. Digital technologies and security
 - a. Digitization system tools
- C. Creative industry

Strategy implementation - Action plan

Activities to achieve the set goals of the strategy

Pillars of success:

- A. **Community** - establishment of the FINAS (Innovation Culture) association
 - a. Activation of innovative culture and communities of Slovakia
- B. **Innovation infrastructure** - Slovlink, from which the whole country and the region prosper
 - a. Creation of technologically-innovative know-how and pro-fintech legislative technological infrastructure "Slovlink" - We are currently taking the first step, when our national regulator has created a legal framework for testing and possible deployment of new financial innovations, the so-called regulatory sandbox - [our discussion](#)
- C. **Location as an unused gift** - marketing of the country - Slovakia as a center focused on financial innovations in the CEE region
 - a. Slovakia's competitive advantage in the context of the CEE region, with the deployment of Marketing as leaders and popularizers of the topic and location "Bratislava Innovation Downtown" or CBD of the new quarter
- D. **Starting the "Fee Business"**
 - a. Thanks to the activation of the ecosystem, we can attract investors from all over the world, but also Slovak companies, which we expel to all over the world and are successful there.

Timetable

- A. Regulations / Legislation & Professional Activity / Working Groups
 - a. Crypto and securities, taxation
 - i. FINAS association comments on Mr Viskupič's parliamentary proposal - taxation of "crypto" and securities
 - b. AML - working meetings on the topic of "anti-money laundering", where FINAS association will be represented by its members
 - i. organizer - Ministry of Finance of the Slovak Republic
 - ii. participants - National Bank of Slovakia, Experts, FINAS association, Representative of the Presidium of the Slovak Police, Representative of the Slovak Prosecutor's Office and other market representatives
 - c. participation of FINAS members in the planned new working group initiated by the Ministry of Finance of the Slovak Republic on the topic of Crypto - we are waiting for an update
 - d. National Strategy for the support and development of the environment focused on innovation in the financial sector in Slovakia
 - i. creating an open document for the Slovak government
 - 1. Participatory preparation of the relevant document of the Slovak Republic
 - 2. Initiator - FINAS

- ii. final product - official presentation during Finweek 2022 in September
 - iii. Deadline - August 2022
- B. Prioritize activities according to the results of data collection from the community
 - a. BANK ID
 - i. Joint discussion on the topic - design and implementation of Bank ID in Slovakia
 - b. Education / Next generation
 - i. EUBA and EU project - next generations, education, student mentoring - a project will be launched where the applicant is EUBA and we as a professional guarantor and supplier of know-how
 - ii. Blockchain Academy - we would like to create educational training for the market on the topic of "Blockchain"
 - c. Digital Euro
 - i. FINAS response to the introduction of the digital Euro
 - d. Taxes
 - i. The issue of the tax burden - the Crypto context and the forthcoming EU approach to this issue
 - e. PSD2
 - i. PSD2 DEMO API - Slovak banks
 - ii. PSD2 API - National Treasury
 - f. Legislation
 - i. Public Procurement Act
 - g. Research and innovation creation / education
 - i. Establishment of "FinLab" with EUBA
 - h. Tokenomics - securities
 - i. Preparation of professional material and technical solutions for the Bratislava Stock Exchange
 - ii. radi by sme podali prvý autorský projekt FINAS na EBSI
 - i. Media presentation of FINAS MEMBERS
 - j. Acceleration
 - i. Member support - building an innovation culture
 - 1. Accelerator with Israeli partners and the Israeli Embassy for FINAS members (preparation and launch of the acceleration program)
 - ii. Accelerate Startups / Testing of the Innovation
 - 1. Sandbox - within the (already launched) unique Sandbox in the region by the National Bank of Slovakia, we would like to prepare a communication strategy for members and the region of Slovakia + countries that might be interested in testing their applications in the Slovak environment
 - k. New FINAS address
 - i. Change of the headquarter of the FINAS association officially from January 2022 - in HUBHUB Bratislava (Nivy Tower)
 - ii. You can find us at this address from January 3, 2022
 - l. Establishing a company in the infrastructure of Slovakia

- i. Providing support to companies and institutions in the field of crypto funds and blockchain in their acquisition in Slovakia or Bratislava
- m. Sustainable financing of the operation and activities of the FINAS community
 - i. identification of subsidies and grants