

## ***New FinTech Center to be Created in Frankfurt/Main***

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Although Frankfurt is an international financial center located at a favorable traffic hub, it finds itself lagging behind in terms of attracting start-up companies in the FinTech sector. To counter this, it has now been decided in cooperation with the Hessian Ministry of Economics and the Business Development Agency to create a FinTech center in Frankfurt. The exact location of said center will be announced soon. The Frankfurt FinTech center is intended to become the central hub for the FinTech incubators already previously founded in Frankfurt and its surrounding areas by some private-sector stakeholders.

### **Frankfurt most important German financial center**

The reasons in favor of founding the FinTech center in Frankfurt include that the city is the most important German financial center and that it has an excellent infrastructure. Apart from already established financial service providers, Frankfurt and the Rhine-Main area also offer excellent universities and IT service providers. In addition, the city has the largest internet exchange point in Germany. The conditions for young and ambitious companies of the FinTech sector are hence more than favorable.

### **Brexit having regulatory consequences**

In addition, the Frankfurt location might soon have an advantage over London which is very popular in this regard. Should the so-called Brexit actually occur, i.e. should Britain leave the European Union, the exit would threaten the regulatory passporting possibilities. So far, UK-authorized financial service providers can carry out their activities in other member states of the European Union thanks to a simplified procedure and without a special authorization by the authorities of the other member state being required. An exit might invalidate this option and a continental location with an equivalent authorization would then present a great advantage.

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