

Post-Conflict Environments as Regulatory Sandboxes

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Abstract proposal:

As the idea of off-shore banking and companies became less attractive the unregulated environment of post-conflict and especially frozen conflicts provides an alternative. Apart from the unlimited access to do business in an unregulated market also modern and innovative approaches appear. The lack of rule of law makes it impossible for foreign investors to invest and have a guaranteed and previously precisely calculated profit, with an official or unofficial guarantee by the government that the business laws and environment is not going to change. Therefore the huge legal loop hole and a demand to invest and make some kind of additional profit is very big on all sides, investors and local governments as well. Accordingly various kinds of sandboxes can appear in post-conflict countries all depending on the needs of the business a counter partner political system and its financial elites deem necessary. With concluding the already present FinTech opportunities in the post-conflict environments we will continue with the ones which are very complex and also comprehensive with the new innovations of today, such as crypto-currencies. The huge success and wide variety of payment possibilities with currencies such as Bitcoin and its present demand on the global market put an additional burden on its financial control and sources it comes from or ends up. As financial markets and countries apart from some notable examples including Switzerland have taken a long way to put under control the streams of local finances, it was a real relief for the actors in the grey zone to be able to pay in crypto currencies. Case studies such as Cyprus will be used as a positive example of how it developed from an off-shore destination to an EU member state. Ultimately we plan to research the future role of the UK financial market after it, leaves/stays, the EU and starts implementing its long awaited new economic and financial changes which would benefit banks, investors and ultimately citizens as final consumers.