

## THE IMPACT OF REGULATIONS ON THE FINANCIAL STABILITY OF THE DIGITAL MARKET

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### Abstract

This article analyses the impact of recent European financial regulations on the digital financial market, with a focus on balancing system stability and the encouragement of innovation. The main objective is to examine how these new regulations influence fintech companies, traditional banks, and consumers within the context of accelerated digitalisation. The research is based on a qualitative methodology, which includes the analysis of European legislative documents (such as MiCA, DORA, and PSD3), official reports, and specialised academic studies. Key findings include the strengthening of financial market stability and improved consumer protection but also rising compliance costs for fintech's and a slowdown in the innovation process. These regulations place pressure on smaller players, favouring market consolidation and forcing traditional banks to adopt digital technologies to remain competitive. Ultimately, the article highlights how this regulatory framework will continue to shape the European financial landscape, balancing security with the freedom to innovate.

**Keywords:** financial regulations, financial stability, fintech, consumer protection, financial innovation, financial digitalisation.

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