To read the speech in Spanish, [click here](#).

President Duque, Mr. Moreno, Mayor Char, Excellencies, ladies and gentlemen,

It is truly a great pleasure to join you in launching FOROMIC 2018. I wish I could be with you in person, but I am grateful for this chance to speak with you about the wonderful opportunities fintech offers throughout Latin America and the Caribbean.

Over the last ten years in my UN capacity, I have had the privilege of witnessing the ways in which financial inclusion is changing people's lives— from Peru to Brazil, and from Mexico to Argentina. When the new Global Findex data came out this year, I was very happy to see that more and more people in the region are accessing financial services. These services allow them to invest in their futures and protect themselves from risk, which helps them to avoid falling back into poverty.

To give you a sense of how much the landscape has changed, since 2011, the percentage of financially included adults in the region has risen from 39% to 54%. You should all be very proud of this important step forward.

However, today over 200 million adults in our region still remain outside of the formal financial system. In some countries, there has even been an increase in financial exclusion.

This is where fintech can play a transformative role. Technology-led innovations are creating new solutions for customers with services designed around their needs that can help them improve their lives.

Let me tell you about just one such example. In 2016, during my visit to Mexico, I met with two young restaurant owners, Marahi and Alexis. Thanks to Clip, a fintech startup that sells credit card readers that can be linked to mobile devices, Marahi and Alexis can now count on a more user-friendly, cheaper, and faster alternative to the point-of-sale, or POS, devices offered by banks.

The company, now one of the largest merchant acquirers in Mexico, has also helped increase digital financial inclusion in the country. Around 95% of merchants that now use this system did not accept credit cards before. Now, with the Clip device that Marahi and Alexis purchased from their local neighborhood store, more than 50% of their sales are made by card. As they told me, “If we did not accept payments by card, we would be excluding half of our guests.” Thanks to this, they have had the opportunity to grow their business. In addition, the data from their digital transactions could also enable them to get credit, which would help them to grow their businesses even further.

Expanding these kinds of fintech opportunities across the region requires actions from both the private and the public sector.

For the policymakers in the room, I have two messages.

First, there is much to learn from the successful experiences of regulators who have implemented new policy approaches to unleash innovation while mitigating potential risks. These include regulatory sandboxes, innovation offices, and regtech accelerators.

Second, you will need to build your regulatory and supervisory capacity. It will be important to have dedicated staff familiar with new technologies who can incorporate innovation into existing supervisory tools and design new regulatory approaches. Development partners, like the IDB, have a key part to play in providing the
technical and financial support for this journey.

For the private sector, you also have important roles. To begin with, by getting into this market which offers business opportunities. But beyond this, by establishing good business practices and codes of conduct that mitigate new risks and provide new opportunities for fintech, you will build trust among customers and ensure their security.

The speed and complexity of technology-enabled innovations make them very difficult to regulate. It is therefore more important than ever that regulators collaborate with fintech companies to find solutions. Establishing a robust, ongoing dialogue between fintechs and regulators is a necessity to ensure an environment that supports innovation while protecting customers and system stability.

Finally, if we want fintech to work for customers who are excluded or underserved by the formal financial system, we need the infrastructure and a set of policies that allow innovation to flourish. These prerequisites for success include connectivity to all segments of the population, digital literacy, biometric and digital ID systems, data protection, and interoperability. I encourage all of you to work together to build these, so everyone in the region can safely access and use the financial services that can transform their lives.