REGULATORY SANDBOXES NOT ALWAYS THE ANSWER FOR REGULATING INCLUSIVE FINTECH, SAYS NEW REPORT COMMISSIONED BY THE UNSGSA

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FOR IMMEDIATE RELEASE

Publication includes early lessons from pioneering regulators who have used innovation offices, sandboxes, and RegTech to seize the potential of FinTech and address its challenges.

New York, February 14, 2019 - Regulatory sandboxes are neither necessary nor sufficient to promote financial inclusion, and similar results can be achieved through innovation offices and other tools, according to a new report commissioned by Her Majesty Queen Máxima of the Netherlands, the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA).

The report also emphasizes the potential for FinTech to accelerate a dramatic rise in financial inclusion for the 1.7 billion people worldwide who do not have a bank account.

The report, Early Lessons on Regulatory Innovations to Enable Inclusive Fintech: Innovation Offices, Regulatory Sandboxes, and Regtech, was produced by the University of Cambridge’s Centre for Alternative Finance (CCAF) and the FinTech Working Group of the UNSGSA with support from the Monetary Authority of Singapore (MAS).

"This report comes at a key moment when fintech has given us an unprecedented opportunity to bring more people into the formal financial system," said Queen Máxima. "While these innovative tools are exciting, countries need guidance on how to regulate them in a way that maximizes their potential and minimizes their risks."

"The fintech phenomenon offers great opportunity to make finance more purposeful. Harnessed well, it will help to make financial services more accessible, more affordable, and more focused on the customer's needs. Realising this potential requires close and continuous collaboration between the private and public sector. MAS is delighted to support UNSGSA and CCAF in producing this report, share our experiences, and learn from fellow regulators," said Ravi Menon, Managing Director, MAS.

Regulators seeking to adopt regtech tools should start small with one or two test cases and build momentum from there, the report said, adding that capacity building inside regulatory authorities is also crucial. To succeed, regulators will need dedicated staff familiar with new technologies.


About the UNSGSA

As Special Advocate, Her Majesty Queen Máxima of the Netherlands champions universal access to affordable, effective, and safe financial services for the poor. Collaborating closely with global and national partners, she raises awareness, encourages leadership, works to break down barriers, and supports action to expand financial inclusion. Link
About the CCAF

The Cambridge Centre for Alternative Finance is an international interdisciplinary academic research institute dedicated to the study of alternative finance, which includes financial channels and instruments that emerge outside of the traditional financial system. Link

About MAS

As Singapore's central bank, the Monetary Authority of Singapore (MAS) promotes sustained, non-inflationary economic growth through the conduct of monetary policy and close macroeconomic surveillance and analysis. It manages Singapore’s exchange rate, official foreign reserves, and liquidity in the banking sector. It is also Singapore's integrated financial supervisor. MAS also works with the financial industry to promote Singapore as a dynamic international financial centre. Link

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