OPENING REMARKS AT FINTECH AND FINANCIAL INCLUSION ROUNDTABLE
12 May 2017

I'm very pleased to offer my warm welcome to Amsterdam and the Netherlands! It is a very special occasion for me to welcome you here. Usually I do my UN and G20 work in other parts of the world, so for once this was a short commute.

Technology-enabled innovation in financial services—what we call fintech—has developed dramatically over the last 7 years. Today, almost 9,000 start-up fintech businesses are operating across the world. Investment has increased more than 18-fold since 2010, from $5.5 billion to more than $100 billion.

The rise of fintech is revolutionizing finance and creating significant potential to spur financial inclusion. Fintech innovators can increase efficiency by making products and business processes cheaper, better, and faster. They can promote more customer-centric financial products. They can really improve the customer experience. They can link finance with other development areas such as access to water, electricity, and health care. Finally, they can improve the cost, transparency, and time lags of financial supervision and regulation.

My partners in my UNSGSA work and I have identified digital technology as the greatest opportunity for financial inclusion. But it is also the most serious threat for consumers—think of data privacy, cybersecurity, and fraud prevention for example.

Many of us understand fintech through different prisms, but all of us recognize that its implications require careful thoughts. Today I would like us to think about the issue from the perspective of financial inclusion (apart from the stability perspective).

Last summer I visited some of Silicon Valley's leading fintech firms. I encountered inspiring fintech leaders and innovative solutions, but I also saw that in order to thrive and be inclusive, fintech needs certain policies and infrastructure in place. This necessary set of foundations, or if we want to call them "public goods", includes data privacy, cybersecurity, digital IDs, connectivity, interoperability, digital literacy, physical infrastructure and level playing fields. These public goods can be provided by public or private actors and go well beyond the financial sector. As part of our meeting today I would like us to discuss how to better define and prioritize this list.

In September, as part of my UNSGSA role, I convened a meeting in Basel with all the SSBs and some fintech companies. All the SSBs are today working on fintech, and I will continue to advocate for increased coordination around the issue.

Today, one of our objectives is to open up dialogue between leading fintech firms and national regulators and supervisors. This dialogue is useful to develop regulatory and supervisory frameworks based on mutual understanding. Overregulation could stifle innovation for financial inclusion. At the same time, without appropriate regulatory and supervisory frameworks, unforeseen risks with strong knock-on effects will emerge. Given this fast-changing ecosystem, agility will be required.

Governor Knot and I have invited you today with the aim of distilling a list of public goods necessary to enable inclusive fintech to thrive. We also aim to identify some emerging good practices drawn from regulators' and fintech innovators' experiences with the objective of fostering financial inclusion.

Going beyond this meeting, we hope that our work on good practices and public goods will feed into the SSBs' and other partners' initiatives on fintech regulation and supervision. We want to build on existing work such as the GPFI's High Level Principles on Digital Financial Inclusion. We also want to build on the upcoming FSB report on the risks and opportunities to financial stability from fintech (which I am delighted Grace Sone will present later.
It will be very interesting to hear from you on how we should promote the development of these good practices and guidance for regulating fintech coherently both globally and in your specific jurisdictions.

In closing, by design this is an intimate group with hand-picked representatives of leading global regulators and fintech innovators. I invite all of you to engage openly around the table in this spirit, and I very much look forward to hearing your thoughts. I would also like to thank you all for the input that has been given by all of you in preparation of this meeting and I'm very pleased to see several of my UNSGSA-partners in the room today.