



Second GPII Conference on Standard-Setting Bodies and Financial Inclusion: Standard Setting in the Changing Landscape of Digital Financial Inclusion

Basel, Switzerland, 30–31 October 2014

Agenda

Thursday 30 October

8:30 Registration

9:00 **Welcoming remarks**

Mr Jaime Caruana, General Manager, Bank for International Settlements (BIS)

Ms Rebecca Bryant, Assistant Secretary, Department of Foreign Affairs and Trade, Australia; GPII Co-Chair

Keynote speech

Mr Nachiket Mor, Member, Central Board, Reserve Bank of India

Introduction to the programme by the conference co-chairs

Ms Gunilla Löfvendahl, Senior Financial Sector Specialist, Financial Stability Institute, BIS

Sir Brian Pomeroy, Former Chair, United Kingdom Financial Inclusion Taskforce

9:45 **Session 1: Digital financial inclusion – definition and concepts**

Implications for customers, regulators, supervisors, and the standard-setting bodies (SSBs)

This session will introduce the conference theme, outlining: (i) how digital financial inclusion impacts rapidly growing numbers of poor households and microenterprises; (ii) the emergence of digital transactional platforms that combine product features of payment instruments and current accounts, while allowing poor people to transact economically in small amounts (key to helping them manage their characteristically uneven income and expenses); (iii) the offering of additional financial products tailored to these market segments via digital transactional platforms; and (iv) how these developments introduce new market participants and allocate roles and risks (both new and well known) in different ways. This stage-setting session will also introduce and contrast perspectives of the SSBs on digital financial inclusion and those of governments active in the GPII.

Moderator and Presenter: Mr Nestor Espenilla, Jr, Deputy Governor, Bangko Sentral ng Pilipinas; Chair, Basel Consultative Group (BCG) Financial Inclusion Workstream

Mr Bernardo González Rosas, Vice President, Regulatory Policy at the National Banking and Securities Commission (CNBV), Mexico; Chair, Alliance for Financial Inclusion (AFI) Global Standards Subcommittee

Mr Jonathan Dixon, Deputy Executive Officer, Insurance, Financial Services Board; Chair, Implementation Committee, IAIS



Ms Alexia Latortue, Deputy Assistant Secretary of International Development and Debt Policy, US Department of Treasury

Ms Camille Busette, Former Assistant Director, Office of Financial Education, US Consumer Financial Protection Bureau; Lead Financial Sector Specialist, CGAP

11:15 Coffee/tea break

11:45 **Session 2: Digital financial inclusion and the SSBs**

Drawing the connections and identifying developments of relevance to the changing landscape

This session will explore why digital financial inclusion is relevant to the work of each participating SSB and why, in turn, the work of the SSBs is relevant to digital financial inclusion. The six SSBs, the Basel Committee for Banking Supervision (BCBS), the Committee on Payments and Market Infrastructures (CPMI), the Financial Action Task Force (FATF), the International Association of Deposit Insurers (IADI), the International Association of Insurance Supervisors (IAIS), and the International Organization of Securities Commissions (IOSCO) will share SSB-specific observations as to the digital financial inclusion issues of greatest relevance to their respective mandates, as well as relevant recent activities and work in progress. A brief discussion among the presenters will draw out connections across the SSBs and look forward to the cross-cutting subject matter to be addressed in subsequent conference sessions.

Moderator: Mr Pierre-Laurent Chatain, Lead Financial Sector Specialist, World Bank

Mr Ju Quan Tan, Member of Secretariat, BCBS

Mr Marc Hollanders, Special Advisor on Financial Infrastructure, Monetary and Economic Department, BIS

Ms Jennifer Fowler, Deputy Assistant Secretary for Terrorism and Financial Crimes, US Department of Treasury, and Co-Chair, FATF Policy Development Working Group

Mr Oktawiusz Szubart, Member of Secretariat, IADI

Mr George Brady, Deputy Secretary General, IAIS

Mr Tajinder Singh, Deputy Secretary General, IOSCO

13:00 Lunch – ground floor foyer

14:00 **Session 3: Banks and non-banks engaged in digital financial inclusion**

New risks and old risks in new hands - implications for the SSBs

This session will examine four notional models of digital transactional platforms, focusing on the different roles and relationships among bank and non-bank market participants and the implications for risks of concern to the SSBs – primarily due to the use of agents and the digital technology involved, but also due to the profile of financially excluded and underserved market segments. Discussion will then turn to the risks presented by additional financial services offered to these customers via digital transactional platforms. The session will draw particularly on recent and current work by CPMI and BCBS.

Moderator: Mr Tim Lyman, Vice-Chair, BCG Financial Inclusion Workstream; Senior Policy Advisor, Global Policy Architecture Initiative, CGAP



Mr Carlos Conesa, Member of Secretariat, CPMI

Mr Nestor Espenilla, Jr, Deputy Governor, Bangko Sentral ng Pilipinas; Chair, BCG Financial Inclusion Workstream

Mr Bernardo González Rosas, Vice President, Regulatory Policy, National Banking and Securities Commission (CNBV), Mexico; Chair, AFI Global Standards Subcommittee

15:45 Coffee/tea break

16:15 **Session 4: Deposit insurance and digital transactional platforms – a frontier issue**

Should deposit-like stored value products be covered by deposit insurance, and if so, how?

This session will explore questions regarding deposit insurance and digital transactional platforms – essential components of digital financial inclusion. The discussion will elicit arguments how insuring products offered via such platforms may or may not contribute to digital financial inclusion, and will examine practical issues in extending deposit insurance systems to cover customers' digital account balances, including both direct insurance and pass-through insurance approaches. The session will draw particularly on recent and current work by IADI and BCBS.

Presenters:

Mr Oktawiusz Szubart, Member of Secretariat, IADI

Mr Juan Carlos Izaguirre, Member, Basel Consultative Group Financial Inclusion Workstream; Financial Sector Specialist, CGAP

Mr John Owens, Senior Policy Advisor, Digital Financial Services & Financial Inclusion Policies, AFI

17:15 **Digital financial inclusion – perspectives from Perth**

Connecting the conference theme with the G20 growth agenda and adding new digital consumers to the landscape

This brief closing session for the day will share with participants key messages from the GPII Forum held in Perth, Australia, linking the conference theme to the real economy and the larger G20 growth agenda. Drawing on material from the Responsible Finance Forum, also held in Perth in tandem with the GPII Forum, the session will conclude by turning to the topics of second day of the conference, focused on new digital customers.

Presenter: Ms Ruth Goodwin-Groen, Managing Director, Better than Cash Alliance

17:30 End of session, followed by buffet reception – 18th floor



Friday 31 October

9:00 **Session 5: Consumer issues at the frontiers of inclusive digital delivery**

Savings and credit products, insurance products, securities and investment products, product blurring, bundling, and beyond

This session will canvas challenges and opportunities for protecting consumers with the advent of innovative distribution models that potentially put interest-bearing savings and consumer credit, insurance, and investment products into the hands of anyone with a mobile phone. It will take stock of distinctive product-focused issues that may be triggered by digital offering and delivery of services, including product complexity, product suitability standards, and bundling and tying concerns. In addition, it will highlight closely related issues of provider liability, recourse, and jurisdictional overlaps when services are delivered through an extended value chain. The session will draw particularly on recent or current work by IAIS and IOSCO.

Moderator: Mr Jonathan Dixon, Deputy Executive Officer, Insurance, Financial Services Board; Chair, Implementation Committee, IAIS

Mr Alp Eroglu, Advisor, Growth and Emerging Markets, IOSCO

Ms Marike Brady, Executive Director, Access to Insurance Initiative

Ms Narda Sotomayor, Head, Microfinance Analysis Department, Superintendence of Banks, Insurance Companies and Private Pension Funds, Peru; Member, AFI Market Conduct and Consumer Empowerment Working Group

10:30 Coffee/tea break

11:00 **Session 6: Customer identity – the most important issue?**

New opportunities, practices and challenges in the digital context

This session will explore how practices relating to financial identity are changing as digital financial services spread among poor populations around the world. Progress with risk assessments that support simplified due diligence will be considered, as well as privacy breaches, identity fraud risks, and related risks that may accompany new business models, especially when combined with data mining and customer profiling capabilities. The session will also consider technology that may advance privacy as well as integrity objectives and will debate the potential impact of such solutions on financial services, supervision, and international standard-setting. The session will draw particularly on recent and current work by FATF and the Implementing Partners of the GPII.

Moderator: Mr Louis de Koker, Professor, School of Law, Deakin University

Ms Jennifer Fowler, Deputy Assistant Secretary for Terrorism and Financial Crimes, US Department of Treasury, and Co-Chair, FATF Policy Development Working Group

Mr Manoj Sharma, Director, Digital Financial Services Practice, MicroSave

Ms Karen Gifford, Chief Compliance Officer, Ripple Labs; former Counsel and Officer, Litigation and Enforcement Group, Federal Reserve Bank of New York

Mr Jean Pesme, Manager, Financial Market Integrity Group, World Bank



12:30 **Wrap-up and future perspectives**

Moderator: Sir Brian Pomeroy, Former Chair, United Kingdom Financial Inclusion Taskforce

Mr Nestor Espenilla, Jr, Deputy Governor, Bangko Sentral ng Pilipinas; Chair, BCG Financial Inclusion Workstream

Mr Oktawiusz Szubart, Member of Secretariat, IADI

Ms Narda Sotomayor, Head, Microfinance Analysis Department, Superintendence of Banks, Insurance Companies and Private Pension Funds, Peru; Member, AFI Market Conduct and Consumer Empowerment Working Group

Mr Louis de Koker, Professor, School of Law, Deakin University

13:00 Sandwich lunch – ground floor foyer