



G-24/AFI Roundtable on FinTech for Financial Inclusion on 10 October 2018 in Bali, Indonesia.

October 10th, 2018

# Transformative power of FinTech for Financial Inclusion

Along with enhanced market conduct and financial capability, usage and quality of financial inclusion need to be addressed early to amplify the transformative power of FinTech for Financial Inclusion. This conclusion was emphasized by Central Bank Governors, Heads of Monetary Institutions and their deputies from more than 40 countries, during the 11th joint roundtable co-organized by G-24 and the Alliance for Financial Inclusion (AFI). The roundtable took place on 10 October 2018 in Bali, Indonesia alongside the IMF and World Bank Annual Meetings.

"This is a discussion of "implementation" and how best the G-24 and AFI can support its network to implement FinTech for financial inclusion," Director of the G-24 Secretariat Marilou Uy said as she welcomed participants.

"The key issue at hand is "how to" realize the potential of the FinTech promise for financial inclusion, while finding the right balance between creating a supportive space for innovation and maintaining a robust regulatory framework

to safeguard financial stability and protect consumers,” Director of the G-24 Secretariat Marilou Uy highlighted.



Successfully leveraging FinTech in the service of Financial Inclusion will require dialogue and peer learning to explore successful policy models for balancing the opportunities provided with the objectives of consumer protection, financial stability and financial integrity, Deputy Governor of Central Bank of Egypt and AFI Board Vice Chair Lobna Helal told the meeting in her opening remarks.

“We need to now work together to identify and implement technological solutions which can address some of the most problematic financial inclusion challenges, such as de-risking, closing the financial inclusion gender gap, and the financial inclusion of vulnerable communities such as forcibly displaced persons,” underlined Deputy Governor Helal.

Law Professor Dr. Douglas Arner from the University of Hong Kong presented G-24/AFI joint special report [FinTech for Financial Inclusion, Framework for Digital Transformation](#), that draws from experiences in developing, emerging and developed countries and recommends a staged and progressive approach to policy making, focused on four main pillars that enable financial services to have a wider reach: digital identity and eKYC, open electronic payment systems, account opening and digitisation of payments.

The framework on FinTech for Financial Inclusion is the basis for AFI’s intervention, as the Alliance begins to “develop policy models on various aspects of FinTech for financial inclusion through member-driven, bottom-up approach,” AFI Executive Director, Dr. Alfred Hannig said.

“We are a practical organization and [our recently adopted Sochi Accord](#) on FinTech for Financial Inclusion complements specific initiatives that take implementation forward,” Dr. Hannig explained adding that “[the Accord](#) also proposes developed-developing country dialogue to learn from each other.” The Sochi Accord and AFI’s special report on Fintech for Financial Inclusion will inform various activities under the fintech workstream. The activities as outlined by Dr. Hannig include – capacity building, global advocacy and in-country implementation. For example, AFI has lined up series on trainings on innovative regulatory approaches, retail payments, cybersecurity etc., both at global and regional level.

AFI sees FinTech for financial inclusion that is transformative and not just an additive and the usage and quality of financial inclusion need to be addressed

early, Dr.Hannig said emphasising that better market conduct and enhanced financial capability is important to avoid backlash towards financial inclusion. For example, fintech solutions should aim to narrow the persisting gender gap, include FDPs, address climate change challenges and reduce the cost of remittances.

“If we don’t get it right, we might see a situation from 10 years ago, Risks are there, but we at G-24 and AFI have a task to deal with these risks, and help bring FinTech for financial inclusion forward,” Dr. Hannig conveyed.

Deputy Director in the IMF's Monetary and Capital Markets Department Aditya Narain presented the Bali FinTech Agenda, highlighting that the Agenda is in line with the Sochi Accord. The IMF and the World Bank are unveiling the Bali Agenda on Thursday, 11 October.

The regulators are continuing the dialogue on FinTech for Financial Inclusion, which began at the [10th annual G-24/AFI roundtable in April 2018](#), during the IMF Spring Meetings in Washington D.C. The next meeting is scheduled for April 2019.

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