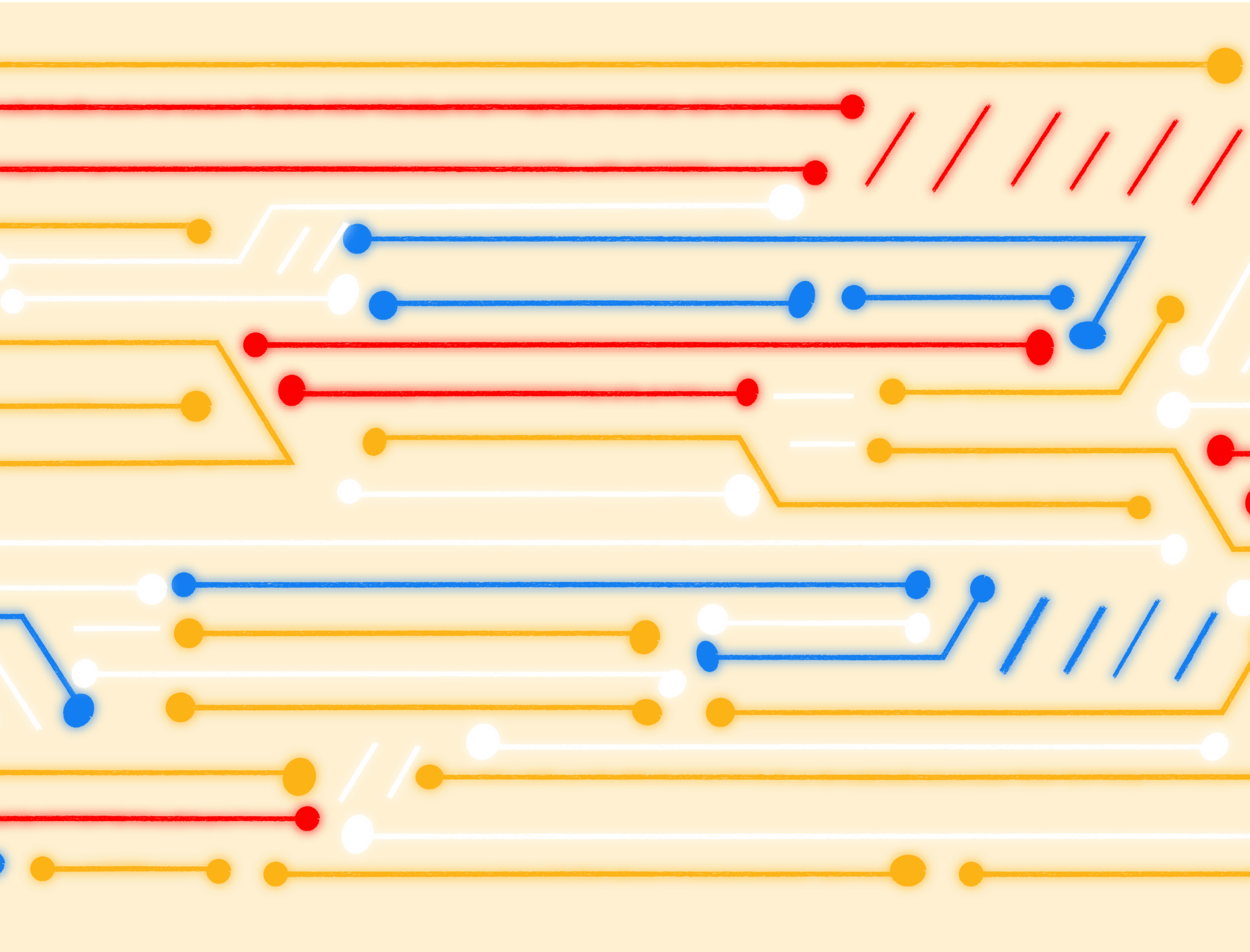
Balancing Innovation & Regulation

Insights from SFF 2022



Foreword

This Singapore FinTech Festival (SFF) serves as an example of the Monetary Authority of Singapore (MAS)' proactive and collaborative approach to regulation, where all participants can learn from the experience of thought leaders in this burgeoning sector while also gathering insights to the direction that both regulation and the underlying technology is heading.

While the FinTech Regulation track of the SFF is new, it has seen immense response given recent global events. Regulators globally, walk a tightrope with a much more diverse range of challenges than before. Cutting edge FinTech companies are challenging to regulate because stifling innovation is a real possibility stemming from tightening rules too much. Moreover, the low entry barriers for software defined financial technology also means that the competitive landscape is fragmented with companies of varying scale and size. Blanket regulations would serve to stifle new entrants and entrench older and larger firms, which is against the general trend of how regulators would normally want to deal with these issues.

Situationally, one extremely exciting proposition that's come out of FinTech recently is the 'Buy Now Pay Later' (BNPL) paradigm. This sector is less well understood in so far as it is mischaracterised as credit cards with relaxed underwriting. The launching of the BNPL Code of Conduct is a first step to addressing these concerns while guiding the technology in areas that it will likely show its true potential.

The socio-economic development potential of BNPL solutions for under and unbanked communities is one of the most promising measures we've come across for advancing financial inclusion goals.

While recent estimates can range, it is likely that more than 50% of South-East Asia alone remains under or unbanked. These solutions have the potential to plug that gap by providing access to credit, an often-cited determinant to improving eventual outcomes for economically active individuals.

We have also expended significant effort in leveraging FinTech to further develop environmental solutions. Project Greenprint is a step towards expanding the 'Green Finance' agenda and we expect our partnerships across industry participants will result in a more robust and trusted system by which to track ESG data. This is essential to mobilising and directing capital towards sustainable business models across all industries. In doing so, we hope to play our part in arresting climate change the way we know best.

Successfully navigating the interplay between regulation and innovation will require regulators to be more hands on while rethinking and dynamically augmenting their existing knowledge frameworks – much like what we've done here at the MAS. It is equally important to have clear use cases and goals for new financial technologies. Undoubtedly, this implies that one must keep an open mind with how these goals are achieved, especially as systems today become increasingly complex.

Sopnendu Mohanty
Chief FinTech Officer, MAS
Chairman of the Board, Elevandi

Organisations Involved

ELEVANDI

Elevandi is set up by the Monetary Authority of Singapore to foster an open dialogue between the public and private sectors to advance FinTech in the digital economy. Elevandi works closely with governments, founders, investors, and corporate leaders to drive collaboration, education, and new sources of value at the industry and national levels. Elevandi's initiatives have convened over 300,000 people to drive the growth of FinTech through events, closed-door roundtables, investor programmes, educational initiatives, and research. A flagship product is the Singapore FinTech Festival alongside fast-rising platforms, including the World FinTech Festival, Point Zero Forum, and the recently launched Elevandi Insights Forum.

smartkarma

Smartkarma is the independent investment research network that brings together independent Insight Providers, institutional investors, private accredited investors, and corporate IR professionals and management. We challenge conventions by providing differentiated, independent analysis on companies, markets, and industries across the world. This includes insights on areas under-reported by mainstream market coverage, including Event-Driven, IPOs & Placements, and Small/Mid-Cap Equities, as well as new and innovative asset classes such as Crypto and Digital Assets. Smartkarma's online platform empowers asset managers and private accredited investors who want to access market-moving, differentiated intelligence; corporates who need to maximise their outreach; and analysts who wish to reach global investors with their written reports and bespoke services. Smartkarma is backed by notable investors such as Sequoia Capital, SGX, Wavemaker Partners, Jungle Ventures, and Enterprise Singapore.

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Introduction

Regulating markets and facilitating transactions are amongst the key roles of central banks. The increasingly deep integration of technology in both areas presents central banks and regulators with significant challenges in carrying out their mandates effectively. Decentralization of control and oversight is naturally counter-intuitive to organizations which have historically strived to create efficiency through centralising the control and oversight of their core functions. Deeper co-operation through open sharing between counterparties is fundamental to what the FinTech Regulation Plenary at the Singapore FinTech Festival believes, will ultimately lead to a robust solution framework that can be permutated globally.

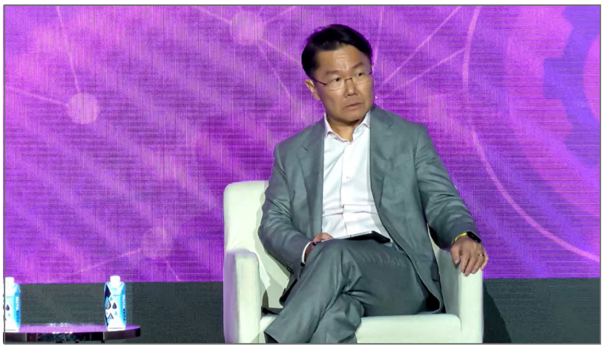
The 7th edition of the SFF featured more than 850 luminaries and 62,000 participants from private and public institutions globally across plenary sessions, industry panels and roundtables. The SFF Exhibition featuring more than 570 exhibitors across 25 international country pavilions was an amazing opportunity for businesses to meet and connect with each other – in fact, over 4,000 meetings were facilitated via our event's business matching platform. The SFF has been more successful than initially hoped, characterised by the sheer number of industry collaborations announced at the event, more than 60 individual announcements in fact.

The plenary attracted various stakeholders from regulatory bodies and think tanks to discuss matters on Central Bank Digital Currency (CBDC) interoperability, cross border payments and settlements, various matters around consumer protection and innovation pathways.

The SFF 2022 was formally opened by **MAS MD Ravi Menon** with an opening address titled 'FinTech in its Element: Water, Metal, Fire, Wood, Earth' in which Mr. Menon laid out the key topics the SFF would deal with over the multiple days of the event. The five key outcomes as described by Mr. Menon are **1)** Instant Remittances; **2)** Atomic Settlement; **3)** Programmable Money; **4)** Tokenization of Assets and 5) Trusted Sustainability Data.

Michelle Neal, EVP & Markets Group Head at the Federal Reserve Bank of NY, with respect to wholesale CBDC mentioned that the **"objectives and ultimately benefits of this work are really advancements in speed, transparency, and access to the global financial system."**

Leong Sing Chiong, Deputy Managing Director of the MAS added that Ms. Neal's work together with the representative organisations was **"very detailed, comprehensive and thoughtfully set out, very much resonating with the work that we are doing here in Singapore, particularly with [Project] Ubin+"**.



Deciphering Regulation

There is a fine line between regulating and stifling an emerging technology where establishing a balance is crucial to continued market innovation. Unconstructive interference has the potential to threaten competition and consumer confidence which will eventually lead to the failure of consumer protection and erode market integrity.

Regulating FinTech's requires an understanding of the core value proposition of the products within the market they're operating in and hence regulators ought to resist the urge to apply the same entity-based prudential rules to these organisations as to the ones that came before them. Instead, creating a level playing field between new and old will likely require FinTech specific rules.

While these rules are still being formulated, the path to creating them need not be drastically different. Collaboration frameworks between regulators and innovators will help to grow and refine public sector understanding regarding technologies that are not as well defined and thinly understood. As such, regulators and policy makers will be well served by maintaining constant interaction with the most innovative players in the market.

Protecting Consumers is Paramount

Recent discourse around the 'crypto winter' has clearly shown that the lack, and slow pace, of regulation leads to markedly lower consumer protection. The non-standard regulation applied by countries across global markets has created adverse outcomes. We then ask ourselves whether the recent collapses of FinTech and crypto companies have been a failure of endogenous risk management or that of regulators to give clarity to the market and fast track regulations. Either way, the consumer ends up facing the risk of failure without sufficient consumer protection measures in place. Cryptocurrencies, and especially Bitcoin started out with proponents claiming it to be a better currency and as that notion became less and less likely, these proponents shifted to purporting Bitcoin as a store of value[1].

Source: Bloomberg, 2022

[1] https://www.businesstoday.in/crypto/story/is-bitcoin-replacing-gold-oil-to-become-store-of-value-of-the-digital-age-324657-2022-03-03

However, Bitcoin (with a market cap of USD c. 325bn at the time of writing and more than twice the market cap of Ethereum, both down almost exactly 70% from all-time peak levels) has only seen increased volatility in its value. The tokens have exhibited multiple instances of upwards moves well in excess of 100% and crashes of between 30% to 60% on a fairly regular basis. MAS MD Ravi Menon clearly stated that **"cryptocurrencies are a non-starter, [that] they have performed poorly as a medium of exchange as well as a store of value. Given [their] volatility and speculative nature, cryptocurrencies do not hold promise to serve as money in the first place."**

Fortune Media published an article in June 2022 highlighting regulator hindsight on the recent collapses which were deeply discussed at the Point Zero Forum, an invite-only meeting of investors and policy makers that took place in Zurich earlier this year[2]. Market rocking events like the collapse of Terra - Luna and the recent insolvency of FTX can have a positive effect in terms of weeding out bad actors and offering lessons for best practices in the future.

Additionally, some cybersecurity precautions were discussed at this plenary by **AWS Head of Security Phil Rodrigues who talked about a need for cultural change at private organisations away from "accepting a base level or technology risk"** and **FS-ISAC Global Head of Intelligence, Teresa Walsh noting that "anytime you have new technology, you're going to have new threats"** with reference to the notion that fraud is likely to be perpetrated by bad actors from within the system as well as from external attacks.

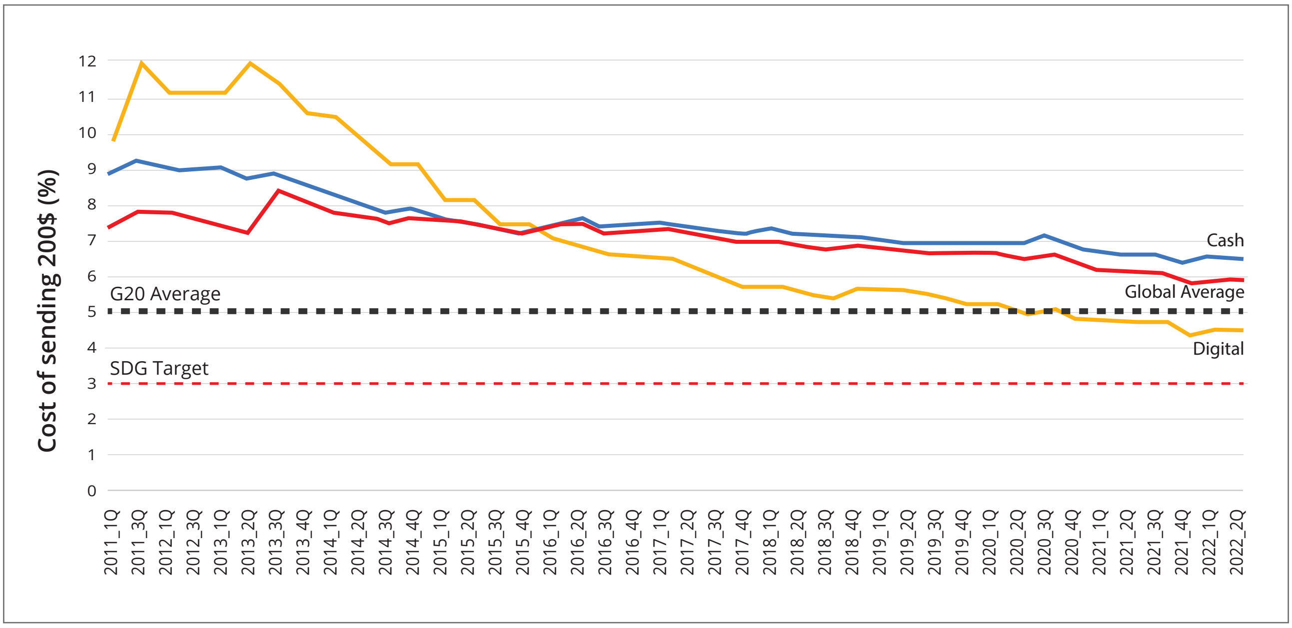
[2] https://fortune.com/2022/06/27/crypto-winter-possible-silver-lining-dotcom-bubble-point-zero-forum/

Global Settlements

Cross-border payments are notorious for being expensive, slow and inefficient. Central Bank Digital Currencies (CBDCs) present the potential to drastically simplify and reduce the costs associated with cross border settlements. To put things into perspective, these transactions can cost up to 10% of the value of the transfer and sometimes take more than a week to settle. United Nations Sustainable Development Goals (UN SDG) sought to bring money transfer costs down to within 3%, theoretically achievable through digital currencies but more must be done to continue down this path while making sure consumer protection is maintained[4].

The experiments conducted between the Banque de France (BDF) and the Monetary Authority of Singapore (MAS) in 2021 were rather successful in showing the interoperability of CBDCs while allowing the respective central banks to maintain independent control over the distribution of their own CBDCs.

Trends in the global cost of sending $200 in remittances



6.01%
Global average cost of sending $200

-1.01
Percentage points to achieve the G20 target of 5 percent

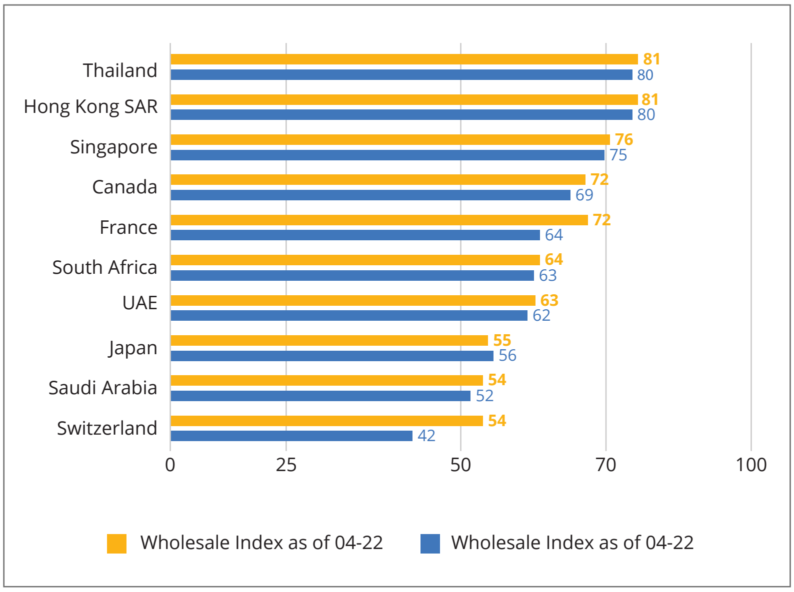
-3.01
Percentage points to achieve the SDG objective of 3 percent

22%
Corridors with SmaRT average above 5 percent (UN SDG target to reach zero)

Source: Worldbank, 2022

[3] https://www.bis.org/review/r201015a.pdf
[4] https://remittanceprices.worldbank.org/sites/default/files/rpw_main_report_and_annex_q222.pdf

Index status – Top 10: Wholesale CBDC projects



Key Insights

- The composition of the Wholesale CBDC Index Top 10 has remained robust, relative to 2021 rankings
- **Top 10 new entries**
  - Saudi Arabia (up from the 11th place in 2022)
  - Switzerland (up from the 12th place in 2021)
- **Top 10 Exits**
  - United Kingdom (the Bank of England communicated that there is no need for a UK wholesale CBDC given they have RTGS)
  - Eurozone (the European Central Bank digital euro project focuses on developing a retail CBDC with no further investigation specified on the wholesale Index. As a result, the Euro area is on the 11th place in the Wholesale CBDC Index)
- Other distributed ledger technology (DLT) compatible wholesale payment solutions are being investigated by several central banks as alternatives to wholesale CBDCs. For instance, in Germany, a "trigger solution" is investigated as a settlement solution for electronic securities by Deutsche Bundesbank, providing a bridge with existing Real Time Gross Settlements (RTGS) systems.

Source: PWC Global CBDC and Stablecoin Overview (April 2022)

While the concept of CBDCs is still nascent, the experiment was a valuable proof of concept with an infrastructure designed to scale. **MAS's head of FinTech Infrastructure Office, Alan Lim reiterated the "[need to] do this in a way that's scalable and not just something we need to re-setup on a bilateral basis".**

MAS MD Ravi Menon, elaborated on some of the challenges of this in that **"such bilateral linkages take time and resources to implement. Each new linkage requires a refresh in technical alignment between the two payment systems."** One can easily see that a bilateral system would not work at scale – a key requirement of the system as laid out by the MAS's Alan Lim. In fact, a bilateral system between just 20 countries would involve at least 190 individual links. This is no different than the current correspondent banking network really which uses about 11,000 correspondent banks[5].

Source: BIS Innovation Hub, 2021

Iterating the math Mr. Menon has shared on would theoretically yield a requirement for around 11,900 links across 155 countries – and would therefore be an extremely unproductive endeavour. This is where Project Nexus comes into play with the 'Nexus Scheme' which is still under testing but should work to operationalise a blueprint for instant cross-border payments[6].

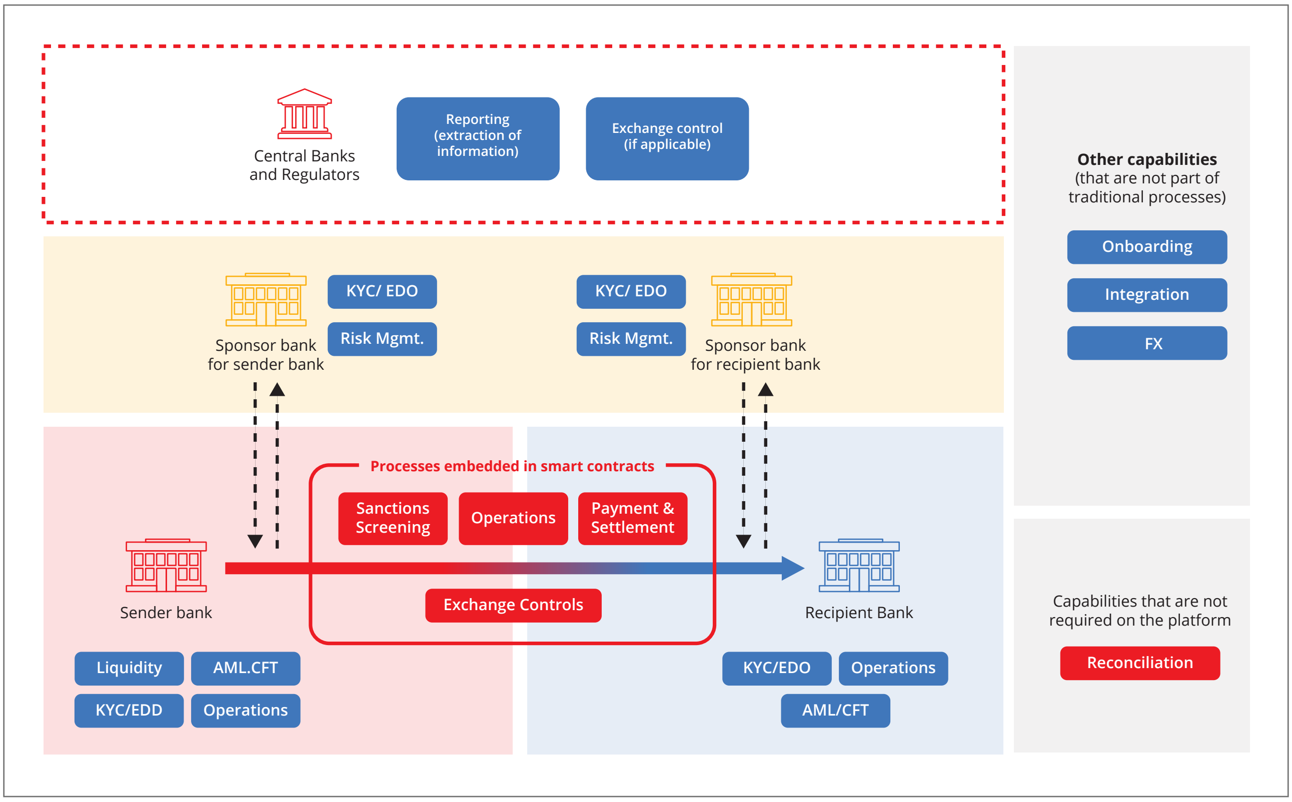
[5] https://www.swift.com/our-solutions/global-financial-messaging/payments/correspondent-banking
[6] https://www.bis.org/about/bisih/topics/fmis/nexus.htm

The topic of Automated Market Makers (AMMs) was a forum of conjecture as audience members peppered the panel with pointed questions regarding AMMs' ability to improve price discovery. Dr. Wehril of the Swiss National Bank expressed a cautious stance on AMMs while expounding on the practical trade off that the DeFi as a solution brings, which was echoed by **Claudine Hurman of the BDF who said "One of the main promises of an AMM is that you can bring pricing and matching on chain... in principle, that should generate efficiency gains because you don't have to hop out of the payment and settlement tech stack just to do an FX transaction ... this efficiency also comes at a cost (being) that price formation has to be reduced to a set of predefined and rather simple rules".**

Seeing Eye to Eye – Token to Token

Besides price discovery, a key issue the panel addressed was the issues arising from interoperability. Project Dunbar (conducted between the MAS, BIS Innovation Hub SG, RBA, BNM and the SARB) showed that financial institutions could 'theoretically' use CBDCs to transact cost and time efficiently on a shared platform while respecting the diverse set of requirements required by each jurisdiction[7].

Processes in a cross-border payment flow



Source: BIS Innovation Hub, 2022

[7] https://www.mas.gov.sg/-/media/MAS-Media-Library/development/FinTech/Dunbar/Project_Dunbar_Report_2022.pdf

However, **Dr. Alexander Wehrli, Senior Advisor for FX Trading Strategy and Technology at the Swiss National Bank (SNB)** raised a further question around the definition of interoperability and whether a CBDC is truly interoperable if it cannot confine itself to the applicable laws of the jurisdictions in which it is meant to be transacted.

He noted that the world at large was still considerably far away from practically implementing such a system, that **"The simple reason being that there are still many unanswered questions. There is no consensus on what kind of interoperability is to be chosen".** Dr. Wherli additionally commented that it would be significantly easier to **"imagine that there will be sort of regional clusters where adoption has a much shorter runway, then on a global scale".**

Alan Lim of the MAS proposed a possible pathway for development such **"that a combination of technology, business models, and the technical aspects of policy that really needs to come in together and once those are aligned, maybe we'll start to see some of the pilots happening in more control specific corridors, and then we will look at scaling".**

The security of CBDCs was also touched on with the need for smart contracts to constantly evolve to be robust across all scenarios. Ensuring that node validators were not compromised is also a challenge in addition to basic cyber hygiene in reference to a 51% attack if validation nodes were actually opened up across the system to other scheduled commercial banks[8]. With the recent uptick in successful hacking events such as the Ronin Network (EUR 580mn stolen) and Ethereum-Solana bridge, Wormhole (EUR 304mn stolen), the need to secure these channels is extremely important because any failure in this respect could cause a confidence crisis amongst market participants.

[8] https://www.esma.europa.eu/sites/default/files/library/esma50-165-2251_crypto_assets_and_financial_stability.pdf

Regulator Clarity or Start Up Negligence

When faced with the question of whether to regulate or not to regulate **Commissioner Caroline Pham of the US Commodity Futures Trading Commission and Superintendent Adrienne Harris of the NY Dept. of Financial Services**, together with **Sandra Ro of the Global Blockchain Business Council** addressed key concerns asserting that the very fact that the question needs to be asked confirms the need for regulation, with the clarity being most urgent.

At the time of writing, this cannot be more poignant with FTX, the 3rd largest crypto asset exchange potentially filing for bankruptcy after also experiencing liquidity issues stemming from a deluge of withdrawals. The details that are surfacing show a complete lack of understand behind the functioning of the exchange by not only customers and investors, but also by regulators. FTX's Cap 11 filing contains – what can only be described as gory – details about how operational control was so poor that receivership agents are yet unable to ascertain cash balances, let alone employee headcount[9].

We need to step back here for a moment and ask ourselves, did we not sort out reserve requirements for deposit taking institutions in 1913 with the creation of the US Federal Reserve and in 1933 with the creation of the FDIC? Does the way that FTX failed not show that the basic institutional nature of a crypto exchange is the same as their traditional market counterparts – or at the very least, consumers seem to perceive and interact with it in the same way.

While its simple enough to point fingers at the marquee investors and their involvement in FTX, a lack of education is a more basic common denominator we fall back on – a job which regulators must undertake judiciously in addition to just administering regulatory decrees. **Coms. Pham, US CFTC said "The crypto sector is almost experiencing the history of money in a compressed and accelerated fashion"**– which inevitably contributed to policy making around consumer protection in the industry.

Protecting consumers is the core function of any regulatory body. However, protection by way of complete bans is detrimental to innovation. To that end, Coms. Pham pointed out the need for users to be "sufficiently educated" which is a requirement no different from any similar regulated activities with consumer protection regimes.

Supt. Harris balanced the discussion by providing colour on the need for regulators' to "get back to basics" and look at the situation from a "risk-based perspective" suggesting that a more appropriate way may well be to have "individualized supervisory agreements" with regulations as a baseline and additional measures depending on the "risks that different business models present".

[9] https://pacer-documents.s3.amazonaws.com/33/188450/042020648197.pdf

The Regulator’s Responsibility

Enforcing consumer protection and while enabling innovation are two sides of the same coin and a fine line that regulators must tread to be effective and respected.

Naturally, at this nascent stage of the digital asset industry, consumer knowledge is limited and **Supt. Harris** identifies the need to be arming consumers with information, **“protecting them from the ills that happen” while “[not allowing] early adopters to do all the rent seeking and then pull up the ladder after them with consumer protection regulations that maybe go too far and prevent others from enjoying the gains that come from technological innovation.”**

Communication is the Key to Success

Communication often makes or breaks the relationship between regulators and operators. Understanding the limitations of the operator is paramount to the successful implementation of policy. Supt. Harris talks about the need for future regulators to have spent sufficient time in the private sector as operators to learn the language and have the fluency required to communicate. Recalling one of her experiences, Supt. Harris mentioned, “if I were a GC or a head of compliance, and you sent me this document, I would have no idea what to do next. And that is a problem for a regulator if you’re writing rules or issuing guidance that can’t be implemented.”

Fraud Regulation

The panel agreed unequivocally that cyber security has the potential to jeopardize the entire of the financial system with the blockchain not being immune to such cyber risks. **Thierry Bedoin, Chief IT Officer at the Banque De France** shared a statistic from Gartner saying, **“that there is one cyber-attack using ransomware every 11 seconds, somewhere in the world.”**[10]

He further added that **“cyber risk could jeopardize the stability of the full financial system and … that it could generate a lack of trust in the traditional financial sector, leading to a shift to cryptocurrencies, for instance but also undermine the confidence in innovation and if you look at FinTech's involved in DeFi, they are quite exposed to cyber risk [and especially] interesting to see that the smart contracts in DeFi have become a specific target for hackers.”**

Namrata Jolly of Callsign added that her organisation had seen **“an almost 148% jump over the past 2 years in terms of account takeovers”.** The need to protect consumers against bad actors has never been more important and will continue to be at the forefront of regulation in the sector as FinTech continues to take share of the financial landscape.

Education or Culture…or Both?

Phil Rodrigues, Head of Security at AWS shared that while education efforts will continue indefinitely, “the culture and tolerance for risk acceptance” needs to change. In sharing AWS’ approach to technology risks, Rodrigues highlighted, seemingly simple principle such as ubiquitous encryption and only using ephemeral authentication to drive that culture as close to zero as possible.

Cyber Insurance?

Teresa Walsh of FS-ISAC explained that insurance against systemic weakness cannot be your Plan A, adding that for companies already in or want to enter the space “if cyber insurance is your Plan A, you really need to go back to the board and think about it again”. The first course of action should be to defend against the attack, not planning to defend what to do after if the attacks are successful.

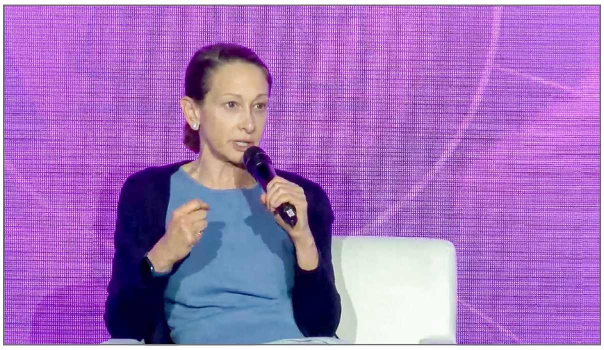
[10] https://www.trustwave.com/en-us/resources/blogs/trustwave-blog/mdr-is-no-longer-nice-to-have-for-cyber-resilience-its-mandatory/

Pushing for better authentication

Namrata Jolly highlighted the need for a layered approach to user identity authentication such as device fingerprinting and behavioural biometrics – essentially a digital DNA of the user that will help to prevent fraudulent access if authentication credentials are compromised.

Financial Inclusion with BNPL

The panel on regulating Buy Now Pay Later (BNPL) was staffed by an illustrious set of members. **Melissa Guzy of Arbor Ventures,** a stalwart in the space shared her dislike for the term "BNPL" and instead chose to characterize it as **"Next Generation Virtual Credit Cards"**, a sentiment that was shared by Ari Sarker, President, Asia Pacific, Mastercard in his interview with Channel News Asia (CNA) where he mentions that "BNPL is another creative name for 'Access to Credit'.



Both industry participants agreed that the real benefits of BNPL was in expanding the access to credit as opposed to it being dramatically different from traditional credit. Still, Ari Sarker's cautionary comments on BNPL called for greater thought and rigor towards credit underwriting in the BNPL space with the need to temper the aggressive pace of expansion to better align with known best practices.

Statistics from Worldpay (FIS) showed that digital payments pretty much dominated payment methods in APAC. BNPL was still small, about 1% or USD 97mn in transaction value but projected to grow at a 36% CAGR through 2025.

APAC e-com Payment methods

	2021	2025*
Digital/Mobile Wallet	69%	72%
Credit Card/Charge Card	13%	11%
Debit Card	8%	9%
Bank Transfer	5%	3%
Cash on Delivery	3%	1%
Buy Now, Pay Later	1%	2%
PostPay	1%	0%
Other	1%	1%

Source: Global Payments Report, Worldpay from FIS, 2021

APAC POS Payment methods

	2021	2025*
Digital/ Mobile Wallet	44%	56%
Credit Card/Charge	19%	17%
Cash	16%	8%
Debit Card	15%	14%
Retailer/Bank Financing	4%	3%
Prepaid Card	2%	1%
Buy Now, Pay Later	1%	1%

Source: Global Payments Report, Worldpay from FIS, 2021

Localization Key to Success

Melissa Guzzy recalls how an investment of her fund; CTP in Japan solved a major problem with respect to merchants. 45% of online transactions were still being carried out via cash despite the significant credit card penetration in Japan. This helped to solve cash on delivery and returns issues for these merchants and as such, the proliferation of the platform began with solving the merchant's problem before optimizing for the consumer's requirements. She also shared that similar avenues of learning were seen in Dubai, whereas Saudi Arabia and Indonesia were remarkably similar given low credit card penetration.

Broadly speaking, to think of BNPL or "Next Generation Virtual Credit Cards" as just an app, would constitute a remarkably shallow understanding of the true capabilities of the system. While an app may just be a digital representation of a plastic card, BNPL is so much more, with the ability to support powerful analytics thereby enhancing credit underwriting and expanding the total addressable market for consumer credit materially. According to the Asian Development Bank, BNPL helps to bring the 'credit invisible' to a 'credit worthy' status – bringing credit access and therefore an opportunity to grow out of their original circumstances[11].

Credit Bureau Needed to Grow

Shadab Tayabi, President of the Singapore FinTech Association (SFA) called for the promotion of a Code of Conduct that would be agreed on by all players in the BNPL industry as first steps around forming a private credit bureau. This would allow players to share information amongst themselves and form a pathway to accreditation. This also echoes the sentiments of Ari Sarker who expressed the need to maintain credit underwriting standards. To this end, the industry code of conduct limits individual customer credit to SGD 2,000 unless additional credit assessment is done[12].

[11] https://blogs.adb.org/blog/if-carefully-managed-buy-now-pay-later-can-bring-more-people-financial-system
[12] https://www.channelnewsasia.com/singapore/buy-now-pay-later-code-conduct-protect-consumers-debt-3016791

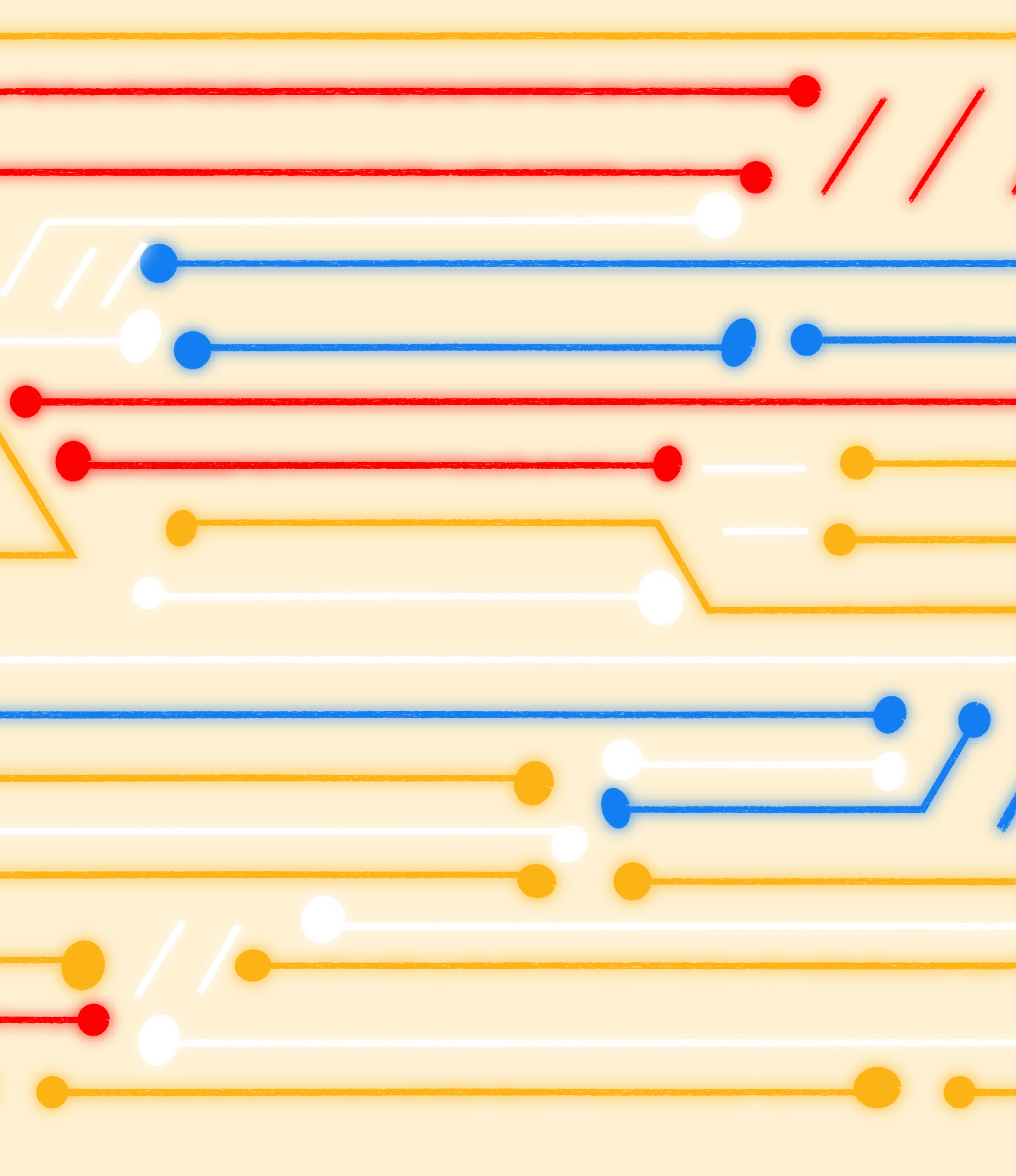
Concluding Remarks

The 2022 Singapore FinTech Festival's FinTech Regulation Plenary brought global luminaries and innovators at the forefront of financial technology to engage in open dialogue. The sheer breadth of the sector was evident in the various topics discussed from a very technical discourse on promoting experimentation in wholesale CBDCs to more thoughtful and differentiated regulation in digital asset markets. Various panellists expressed that consumer protection in the space must be augmented by consumer education without which, regulation would always fall short of the mark.

While regulation is the name of the game, over-regulation is a real danger to the continued innovation happening in the sector. Many topics addressed that while scopes today may be narrow, the potential for these innovations to expand into foreign markets where there is a real need for solutions is profound – as is with the advent of BNPL in promoting financial access and inclusion in part due to its ability to bring the credit decision to the consumer at the point of purchase thereby covering the elusive last mile in the credit supply chain.

Topics covering the evolving ESG regulations in the financial space were also discussed at length with regulators recognizing that institutions with differing scale adapt to ESG regulations differently and with varying speed. While progressing in this respect is important, it is equally important to construct policy and regulation in a manner that is not oppressive to entrepreneurship. Sacha Sadan of the UK Financial Conduct Authority mentioned that "the regulator needs data and to get it in consistent standards" as well as that "ESG should be totally embedded in the organisation.". Noting this point, Zbigniew Wiliński, Director of FinTech for the Polish Financial Supervision Authority said that "ESG risk is long term, and [that] probably in 10 years, we will know what happened and what was important and what was not".

The audience, panellists, media, and various other stakeholders in attendance left the day's event with much more clarity on the global state of FinTech regulation. Possibly, some participants walked away with more questions, the answers to which could result in the birthing of more entrepreneurial solutions.



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