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FINTECH BRIDGES

APEC FRTI REGIONAL SEMINAR
Fintech in Capital Markets
3-7 July 2017, Seoul, Republic of Korea

ASHLY HOPE

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Today...

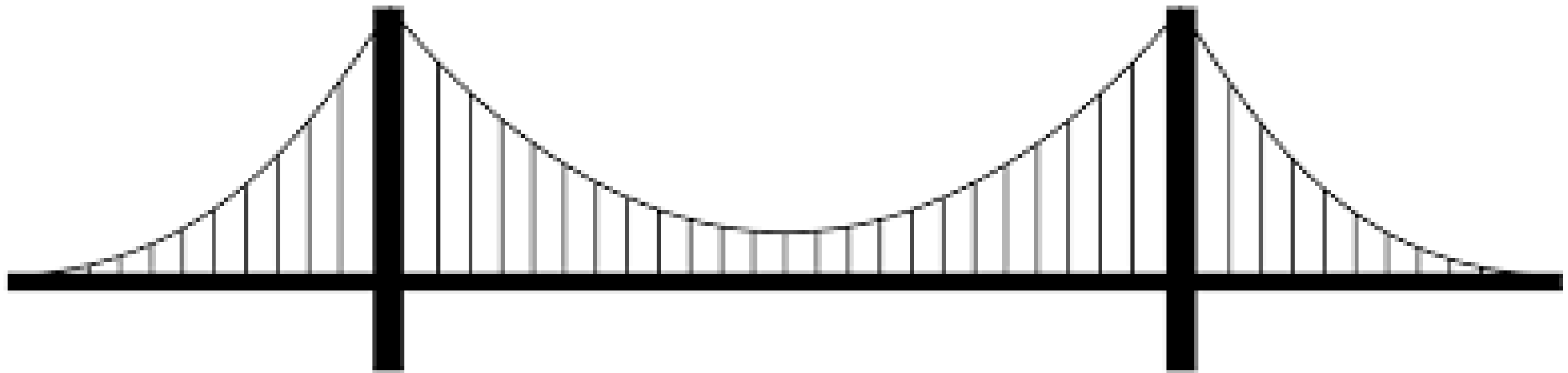
- What is a fintech bridge?
- Why create fintech bridges?
- Key features of ASIC's cooperation agreements
 - Information sharing
 - Referrals

Questions to think about

- What might be the benefits and challenges of establishing fintech bridges?
- Which might be priority jurisdictions to engage with on fintech?

What is a fintech bridge?

- Connection for information sharing
- Pathway for businesses between jurisdictions



Why create fintech bridges

- Build relationships
- Learn about and share developments
- Signal connectedness
- Open new markets for local business
- Introduce new products and services to local markets



ASIC's agreements

- Regulator-regulator
- Statement of intent – not legally binding
- Information sharing
- Referrals

ASIC's network

- Regulators who have a specific innovation function: **the dedicated function established to support innovation in financial services in their markets.**
- Regulators from countries where our fintechs may be interested in expanding.
- Regulators who are seeing substantial fintech activity in their jurisdiction.

Information sharing & referrals

Information & referral

- UK Financial Conduct Authority
- Monetary Authority of Singapore
- Securities and Futures Commission of Hong Kong
- Ontario Securities Commission
- Securities Commission Malaysia
- Japan Financial Services Agency

Information sharing

- Kenya
- Indonesia



Information sharing

- Emerging market trends and developments;
- Regulatory issues pertaining to innovation in financial services; and
- Information on organisations or bodies which lead efforts to promote innovation in financial services.

Referrals: eligibility

- Innovator businesses: an innovative financial business that has been offered support from an Authority through its Innovation Function, or would qualify for such support.
 - Innovative financial products or services that benefit the financial consumer, investor and/or industry.
 - Has conducted sufficient background research on laws and regulations as they might apply to them.
 - Has considered the feasibility of its business model.
- Must apply through its 'home authority' – which will then refer it to the partner authority.

Referrals: support offered

- Dedicated team
- Help to understand the framework
- Assistance during pre-authorisation process
- Supporting during authorisation process
- Dedicated contact point for one year after authorisation

Other aspects

- Joint innovation projects
- Confidentiality



Questions for discussion

- What might be the benefits and challenges of establishing fintech bridges?
- Which might be priority jurisdictions to engage with on fintech?

References

ASIC's agreements: <http://asic.gov.au/for-business/your-business/innovation-hub/international-cooperation-and-referrals/>

UK FCA agreements: <https://www.fca.org.uk/firms/innovate-innovation-hub>