

The ADB logo consists of the letters 'ADB' in a white, serif font, centered within a dark blue square. The background of the entire slide is a light blue gradient with abstract circular patterns and a globe made of puzzle pieces on the right side.

ADB

SupTech and RegTech

Creating more transparent, tech and data-driven approaches for supervisors and regulators

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Opportunities for digital financial inclusion in Asia

1 billion adults in Asia
do not have access to
financial services



4.1 billion
have a
mobile phone



1.7 billion
have
Internet



Risks of fintech



Issues relating to the regulatory and policy environment



Protect personal data and privacy



Protect consumers against cyber-crimes and fraud



Encourage competition and innovation



Balance innovation and financial stability



Prevent illegal activities such as money laundering and terrorist financing



Harmonize government policies and coordinate regulatory frameworks through regional cooperation

SupTech and RegTech: an overview

SupTech

- (*supervisory + technology*): the adoption of technology by financial supervisory agencies in the automation and optimization of supervisory tasks

RegTech

- (*regulatory + technology*): the use of technology to meet regulatory monitoring, reporting, and compliance requirements more effectively and efficiently

SupTech and RegTech: an overview

Context/Need

- Rising monitoring and reporting needs of supervisory agencies
- Lack of standardization in reporting data
- Growing complexity of data architecture and increasing volume of data
- Need for real-time evaluation of risk

Benefits

- Enhanced data collection, standardization, and supervision
- Productivity and efficiency gains
- Better regulatory workflows
- Shift to risk-based supervision (vs. data collection)

Challenges

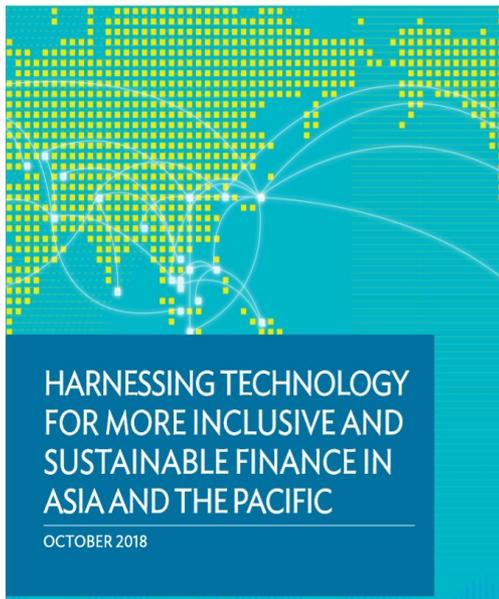
- Legacy infrastructure and outdated data reporting and collection processes
- Risk of cyberattacks and operational failures
- Need to balance automation and human supervision

Key issues for financial institutions, regulators, and central banks

- Managing technological innovation to promote greater financial development, inclusion, and stability
- Developing the ecosystem to support the creation, diffusion, and scaling up of technology and innovation, including RegTech and SupTech applications
- Strengthening the role of central banks and financial regulators in managing risks and developing the regulatory environment to strike a balance between innovation and financial stability, and to protect consumers.
- Identifying the role of international financial institutions and regional cooperation in addressing challenges and vulnerabilities.

Selected reports on financial technology

Box 4.2: Fostering Financial Stability through Regulatory Technology (p. 75)



Appendix A: ADB Pilot Projects Integrating Digital Financial Solutions (p. 69)

