

GPI Regulation and SSBs Subgroup: 2015 Work Plan

The Regulation and SSBs Subgroup 2015 work plan is based on the following objectives (actions) and sub-objectives:

1. Mainstreaming of financial inclusion in the work of the standard-setting bodies (SSBs) and other relevant global bodies and increased understanding of the interdependence of financial inclusion, stability, integrity and consumer protection

1.1. Increased understanding of the interdependence of financial inclusion, stability, integrity and consumer protection reflected in the institutionalisation of a standing mechanism for collaboration among the SSBs and other relevant global bodies

1.2. SSB standards and guidance show increased understanding of financial inclusion and a less siloed approach

1.3. Improved understanding of linkages among financial inclusion, stability, integrity and consumer protection reflected in country-level policy making, particularly in emerging market and developing economies (EMDEs), and better evidence for SSB standards and guidance

1.4. Improved coordination among SSBs and other relevant international bodies including banks, banking associations, law enforcement agencies and governments to address perceived risk in cross-border payments

2. Effective and consistent incorporation of financial inclusion in financial sector assessments

2.1. Increased understanding of the interdependence of financial inclusion, stability, integrity and consumer protection reflected in the methodologies and other tools employed in financial sector assessments

2.2. Increased understanding of financial inclusion by financial sector assessors reflected in more consistent incorporation of financial inclusion in assessment reports and findings

Subgroup Structure

- Co-chairs: **India; Indonesia; United Kingdom.**
- Other countries currently participating in the Subgroup's work: *G20 countries:* **Australia, France, Germany, Italy and United States;** *non-G20 countries:* **Kenya, Peru, Philippines, and Switzerland.**

- Subgroup Implementing Partners:

Participating Implementing Partners: AFI, BTCA, IFC, OECD, World Bank.

Lead Implementing Partner: CGAP.

In addition, the Subgroup benefits from the support of, and supports, Her Majesty Queen Máxima of the Netherlands, the UN Secretary General's Special Advocate for Inclusive Finance for Development (**UNSGSA**) and Honorary Patron of the GPFI.

Key Outcomes

1. Mainstreaming of financial inclusion in the work of the SSBs and other relevant global bodies and increased understanding of the interdependence of financial inclusion, stability, integrity and consumer protection

- 1.1. ***Engaging multiple relevant SSBs to deepen understanding of the crosscutting issues of innovative financial inclusion.*** The Subgroup will revisit the financial inclusion issues of crosscutting relevance to multiple SSBs discussed in the 2011 GPFI white paper, *Global Standard-Setting Bodies and Financial Inclusion for the Poor – Toward Proportionate Standards and Guidance*, and will prepare a consultation document for the 2nd edition of the GPFI white paper (updating and covering developments since the 2011 edition), in view of the finalization of the 2nd edition under the Chinese G20 Presidency. The process of preparing the consultation document for the 2nd edition will include regular engagement among the Subgroup and multiple SSBs. Other opportunities for collective action among SSBs as identified during the year will be pursued, including the continuation of periodic consultations among the Subgroup and SSB secretariats.
- 1.2. ***Development and dissemination of outputs of individual SSBs and other relevant global bodies deepening understanding of the implications of financial inclusion for their work and the implications of their work for financial inclusion.*** The Subgroup will showcase, acknowledge and support SSB-by-SSB activities of relevance to financial inclusion, dovetailing with and reinforcing the SSBs' respective work plans. It will explore the opportunities for further outreach to and engagement with non-financial sector technical SSBs, such as the Focus Group on Digital Financial Services of the International Telecommunications Union (ITU).

Showcasing and support for the development and dissemination of outputs of individual SSBs will include the following: **Basel Committee on Banking Supervision (BCBS)** – Basel Consultative Group (BCG) Financial Inclusion Workstream Guidance Paper consultation document; **Committee on Payments and Market Infrastructures (CPMI)** – the work of the Payment Aspects of Financial Inclusion (PAFI) Taskforce, including the consultation version and final PAFI report, new CPMI work on retail payments (following a scoping exercise to be conducted and confirmation of the mandate of a project-specific working group); **Financial Action Task Force (FATF)** – Risk Based Approach sector guidance on money transfer operators, stock-taking exercise of lessons learned from the first five mutual evaluations under the new methodology; **International Association of Deposit Insurers (IADI)** – further research under the auspices of the Financial Inclusion Sub-Committee (e.g. pass-through insurance, non-bank issues, deposit insurance for digital deposit-like products); **International Association of Insurance Supervisors (IAIS)** – issues paper on market conduct,

distribution issues and consumer protection relating to financial inclusion taking into account innovations and use of banks as agents, application paper for mutuals, cooperatives and community based organisations, further application guidance on proportionality in practice (case studies), attention to proportionality issues in the revision of the Insurance Core Principles; and **International Organization of Securities Commissions (IOSCO)** – work on crowd-funding, social media/automated advice, and investor protection. In addition, the Subgroup will monitor for additional opportunities to engage with and support activities of the SSBs and other global bodies relevant to financial inclusion as they arise.

1.3. **Increased sharing of information and experiences between SSBs and EMDEs to improve knowledge of “proportionality in practice” in the implementation of global standards.** The Subgroup will monitor for opportunities to encourage active participation by EMDEs in relevant activities of outreach bodies of the SSBs such as the BCG Financial Inclusion Workstream, the IOSCO Growth and Emerging Markets Committee, and the FATF Style Regional Bodies. The Subgroup will engage with and encourage participation of the membership of the AFI Sub-Committee on Global Standards and Financial Inclusion and AFI Global Standards Proportionality Working Group in Subgroup activities, including involvement in the development of the second edition of the GPFI white paper and potential Subgroup contributions to AFI-sponsored events such as the planned May 2015 symposium on proportionality in practice (on financial inclusion and implementation of global standards).

1.4. **Outcomes relating to standards, guidance and regulation to facilitate international and domestic remittances and maximize their financial inclusion potential.** The Subgroup will monitor for opportunities to showcase, acknowledge and support replication of intra-governmental and government industry collaboration and coordination approach of UK Action Group on Cross Border Remittances in additional G20 countries in collaboration with the Markets and Payment Systems Subgroup, and will consider opportunities to engage with and support the work of the Markets and Payment Systems Subgroup generally on regulatory issues of relevance to financial inclusion. The Subgroup will support sharing across the SSBs of lessons learned from intra-governmental and government-industry collaboration and coordination initiatives such as the UK Action Group on Cross Border Remittances and encourage and support replication of successful examples of such approaches.

1.5. **Further research and analysis on optimizing the linkages among financial inclusion, financial stability, financial integrity and financial consumer protection.** A further rapid research exercise will be conducted in the Philippines into the linkages among financial inclusion (I), financial stability (S), financial integrity (I), and financial consumer protection (P) (collectively the “I-SIP” objectives), along with possible preparation for an additional I-SIP rapid research exercise to begin in 2016.

2. Effective and consistent incorporation of financial inclusion in financial sector assessments

2.1. **Incorporation of financial inclusion into methodologies and tools for financial sector assessments.** In the context of the consultation document for the 2nd edition of the GPFI white paper and more generally, the Subgroup will take stock of the treatment of financial inclusion in assessments under the World Bank/IMF Financial Sector

Assessment Program (FSAPs) and monitor for opportunities to (i) support improved guidance documents for FSAPs and (ii) ensure effective follow-up of FSAP findings and recommendations (including the use of IMF Article IV consultations) to support the implementation of financial inclusion policies.

- 2.2. **Outputs related to consistency of treatment of financial inclusion in financial sectors assessments.** The Subgroup will monitor for opportunities to support improved consistency in the treatment of financial inclusion in FSAPs, and will contribute to knowledge sharing on application of the “effectiveness” component of the FATF Assessment Methodology for mutual evaluations in the context of financial inclusion. The Subgroup will support follow-up from self-assessments regarding the IAIS Application Paper on Regulation and Supervision supporting Inclusive Insurance Markets and will work with IAIS and its implementing partner for inclusive insurance the Access to Insurance Initiative to showcase, acknowledge and support the follow-up from self-assessment-related work. In this context, it will work to build a common understanding of how to address situations where supervisors have multiple mandates, including financial inclusion.

Timeline of Events and Outputs¹

Date	Event	Location	Activities
4-5 February, 4 May and 20-21 May	Basel Consultative Group (BCG) meetings: Financial Inclusion Guidance Paper	Dubai, Manila, Basel	Consultations on the preparation of the BCG Guidance Paper on financial inclusion
Early September 2015	Meetings/calls with SSBs on first draft of the consultation document for the 2 nd edition of the white paper	Basel, Paris, or Madrid, TBC	Consultations with multiple SSBs regarding the first draft of the consultation document for the 2 nd edition of the white paper
11-12 September 2015	Tentative: programming around the 2 nd edition of the white paper draft content at the GPF I Forum or possible side event	Antalya	Thematic discussions based on draft white paper content

Output	Target release date ²
BCBS Guidance Paper consultation document on financial inclusion (BCBS output)	October 2015
Consultation document for the 2 nd edition of the GPF I white paper on global standard-setting bodies and financial inclusion	November 2015

¹ The following summary tables are as of 17 February 2015 and are not exhaustive.

² Target dates are as of 17 February 2015

