

Welcoming remarks

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Third GPI Conference on Standard-Setting Bodies and Innovative Financial Inclusion – “New frontiers in the supervision and oversight of digital financial services”

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Good morning, ladies and gentlemen,

It is my pleasure to welcome you on behalf of the GPI to the Third GPI Conference on Standard-Setting Bodies and Innovative Financial Inclusion. Thank you all for coming, and thank you, Mr. Caruana and the Bank for International Settlements for hosting us again in Basel.

Digital finance defines the feature of GPI agenda in this year, and it has become an important part of the concept “digital economy” / “digital society” which also is a hot topic during G20 China Hangzhou summit. In the banking sector, we see that many big banks have begun to digitize their branches and expand their services through digital channel. Banks need less physical branches and less traditional staff.

In 2016, the GPI continued to work on former Presidencies’ agenda items, support the implementation of the G20 Financial Inclusion Action Plan and ‘the G20 Principles for Innovative Financial Inclusion with particular focuses on:

- Digital Financial Inclusion: Innovation, Supervision and Regulation;
- Data and Indicators;
- Reaching the Last Mile: Rural Areas, the Poor, the Youth, the Elderly and the Women;
- Financial Consumer Protection and Financial Literacy;
- SME Finance: Diversified Financing Channels.

After the 2008/2009 financial crisis, the G20 became engaged on financial inclusion – first with the convening of the Financial Inclusion Experts Group in 2009 and then with its metamorphosis into the GPI, namely the Global Partnership for Financial Inclusion in 2010.

During the G20 Hangzhou Summit in last month, the G20 leaders endorsed the G20 High-level Principles for Digital Financial Inclusion, the updated version of the G20 Financial Inclusion Indicators and the Implementation Framework of the G20 Action Plan on SME Financing. All these deliverables provided by GPI, by us.

The Leaders declare: We recognize the critical importance of financial inclusion to empowering and transforming the lives of all our people, especially the poor. Based on the High-level Principles, we will take concrete actions and tailored to the specific situation of each country to promote digital financial inclusion, and help low income developing countries (LIDCs) to reach the “last mile” of excluded and underserved groups.

This is a fruitful year for GPI. I must say thanks to all the GPI members, IPs, APs and all the other stakeholders!

The new High-Level Principles are expected to catalyze country-level actions to drive financial inclusion using digital technologies. These Principles complement and build upon the ongoing work of SSBs to expand financial inclusion. They encourage actions towards ensuring regulatory approaches:

- that balance risks and innovation;
- ensure strong consumer protection;
- support investments in digital infrastructure;
- increase the focus on digital literacy and customer identification; and
- track progress through robust data measurement.

The other event: Last Friday(2016.10.21), internet attack caused widespread online disruption across US and Europe which happened in digital environment. Can similar attack happen in digital finance? As financial regulator, are we ready for the technology revolution?

All these bring me to the timely theme of this year's GPI SSBs conference: 'New Frontiers in the Supervision and Oversight of Digital Financial Services'. I hope that the new G20 High-Level Principles will help reap the huge potential offered by digital technologies and FinTech to expand financial services to all members of society. I am confident that the momentum generated by these Principles will contribute to building an ever stronger evidence base for SSBs' further work on digital finance regulation and financial inclusion globally.

I look forward to our discussions over the next day and a half.

Thank you.
