

GPIFI Subgroup: Regulation and Standard-Setting Bodies (SSBs) 2017 Work Plan

Objectives of the Regulation and SSBs Subgroup in 2017:

The 2017 Work Plan of the GPIFI Regulation and SSBs Subgroup is organized around the Objectives (Activities) incorporated in the Subgroup's May 2014 Terms of Reference (see Annex 1). It takes into consideration the expected results for the Subgroup under the 2014 GPIFI Financial Inclusion Action Plan (FIAP) (see Annex 2). Adjustments may be made during the course of the year, in function of the content of the revised FIAP.

In addition, planned activities build on the Recommendations from Part VI of second edition of the GPIFI White Paper, "Global Standard-Setting Bodies and Financial Inclusion – The Evolving Landscape", released in March 2016.

The objectives may be summarized as follows:

- To pursue work under the two action areas in the 2014 FIAP that are most pertinent to the Subgroup: action areas 4 (related to SSBs) and 5 (related to financial sector assessments); and
- To support, in the area of regulation and standard-setting, the overarching actions of the GPIFI under the FIAP (current 2014 version and the upcoming 2017 revision), including: the 2017 GPIFI priorities under the German G20 Presidency; the work of other GPIFI Subgroups (notably of the Markets and Payment Systems Subgroup in the area of regulation and standard setting); and the framing and preparation of work to be undertaken during Argentina's G20 presidency.

Subgroup Structure

- **Co-chairs (countries):** India, Indonesia, United Kingdom
- **Countries currently participating in subgroup work (non-G20 and G20):**
 - **G20:** Argentina, Australia, China, France, Germany, Italy, Mexico, Russia, Turkey, United States
 - **Non-G20:** Kenya, Peru, Philippines
- **Subgroup Implementing partners:** Consultative Group to Assist the Poor (CGAP) (lead Implementing Partner), Alliance for Financial Inclusion (AFI), Better Than Cash Alliance (BTCA), International Finance Corporation (IFC), World Bank
- **Affiliated Partners:** Access to Insurance Initiative (to be proposed as Affiliated Partner)
- In addition, the Subgroup benefits from the support of, and supports, the Office of 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 GPIFI.

Key Outcomes and Activities

The Regulation and SSBs Subgroup's 2017 Work Plan takes into consideration the following factors: (a) significant groundwork, on which the 2017 work can be built, was set in 2016 through the publication of the 2016 GPIFI White Paper and the organization of the October 2016 Conference on Standard-Setting Bodies and Financial Inclusion, hosted by the Financial Stability Institute (FSI) at the Bank for International Settlements (BIS) (GPIFI-BIS/FSI SSBs Conference); (b) it is timely to place more emphasis on joint work among the SSBs, notably in the area of FinTech and RegTech; (c) it is also timely to continue broadening and deepening engagement selectively with other global bodies; and (d) comparatively little attention has been focused in previous Subgroup work plans on action area 5 (financial sector assessments).

1. Mainstream financial inclusion in the work of the standard-setting bodies and other relevant global bodies and increase understanding of the interdependence of financial inclusion, stability, integrity and consumer protection (2014 FIAP action area 4)

- 1.1. Reinforcement of focus on financial inclusion and coordination among the SSBs:
 - To contribute to a better understanding of SSB activities relevant to financial inclusion and to identify opportunities for joint work, a rigorous tracking of SSB activities in relation to financial inclusion, notably, but not exclusively, in the area of FinTech and RegTech, will be formalized;
 - The process of regular consultations with the SSBs will be maintained, focused on opportunities for joint work in relation to financial inclusion objectives; and
 - Opportunities for the enhancement of the role of FSI as a co-convenor on financial inclusion-related activities will be identified and pursued.
- 1.2. Encouragement of joint activities on themes of relevance to multiple SSBs. Examples of possible themes include:
 - Privacy and data protection, including new challenges posed by digital delivery and new technology-based approaches to mitigating risks;
 - Financial exclusion risks, consequences of ‘de-risking,’ and potential alternatives to conventional cross-border transfers, especially FinTech and RegTech solutions; contribution to the GPFI/ Financial Stability Board (FSB), and joint work and meeting(s) on remittance services and access to correspondent banking services, coordinated by FSB; and
 - Structures and approaches to enhance coordination and cooperation across a broadening range of relevant country-level and regional supervisory and oversight bodies. (See also point 2.3.)
- 1.3. Support by the Subgroup, its members, and Implementing Partners for activities of relevance to financial inclusion of specific SSBs and other relevant global bodies. Examples could include:
 - Further work of the Financial Inclusion Workstream of the Basel Consultative Group (BCG);
 - Further guidance related to financial inclusion considerations developed by the Financial Action Task Force (FATF); and
 - Exploration of further opportunities for work with other global bodies (eg International Telecommunications Union (ITU), International Organization for Standardization (ISO), International Financial Consumer Protection Organisation (FinCoNet), International Organisation of Pension Supervisors (IOPS), and International Conference of Data Protection and Privacy Commissioners), such as the work downstream of the ITU Focus Group on Digital Financial Services in the context of the Financial Inclusion Global Initiative (supported by the ITU, the World Bank Group, the Committee on Markets and Payments Infrastructure (CPMI), and the Bill & Melinda Gates Foundation).
- 1.4. Contributions on regulation and standard-setting relevant to other GPFI activities (eg effective approaches to implementation of G20 High-Level Principles for Digital Financial Inclusion and/or work on the financial services needs of forcibly displaced persons) and to other Subgroups, in particular the Markets and Payment Systems Subgroup (eg regulatory issues around payments and specifically remittances), the Financial Consumer Protection and Financial Literacy Subgroup (eg regulatory and supervisory issues around data privacy, customer protection, and cyber security).
2. Encourage effective and consistent incorporation of financial inclusion in financial sector assessments (2014 FIAP action area 5)
 - 2.1. Further development of methodologies and other tools employed in financial sector assessments to better integrate financial inclusion considerations. Examples could include:

- Engagement on the guidance note on financial inclusion under the Financial Sector Assessment Program (FSAP) of the World Bank and International Monetary Fund (IMF) and analysis of the lessons learned from the 2016 FSAP pilot exercises (including exchanges with SSBs); and
 - Engagement with the International Association of Insurance Supervisors (IAIS), if deemed timely, regarding work downstream from its self-assessment process.
- 2.2. Increased understanding of financial inclusion by financial sector assessors reflected in more consistent incorporation of financial inclusion in assessment reports and findings. Examples could include:
- Analysis of the integration of financial inclusion in Article IV consultations (regular, comprehensive consultations between IMF staff and individual member countries); and
 - Stepped-up engagement with the IMF overall in relation to financial inclusion.
- 2.3. Promotion of enhanced engagement with, and feedback from, national authorities undergoing assessments on the question of implementation of global standards and guidance. Activities could include:
- Specific country engagements to build knowledge on implementation challenges;
 - Initiation of work to distil country experiences, in collaboration with other such efforts, including those of AFI, FSI, IMF, and the World Bank; and
 - Assessment of capacity-building needs and how these may be addressed.
3. Frame and prepare work to be undertaken during Argentina's G20 presidency, in the context of the revised FIAP
- 3.1. Preparation of the Fourth GPFI-BIS/FSI Conference (tentatively scheduled for October 2018), jointly with FSI; and
- 3.2. Exploration of thematic work in relation to the work of global standard-setting bodies of interest to the Argentinian G20 presidency and in relation to the revised FIAP.

Annex I: Timeline of Events (as of January 2017)

Date	Event	Location	Activities
20 January 2017	Regular consultations with the SSBs	Basel	Debrief on 3 rd GPFI-BIS/FSI Conference on SSBs and Financial Inclusion; discussion of SSB-related work during the German G20 Presidency with focus on opportunities for joint work among SSBs
23-24 January 2017	Subgroup participation in GPFI FIAP workshop (23 January) and GPFI meeting (24 January)	Wiesbaden	
End March 2017	Joint meeting among the FSB, FATF and the GPFI (public-private sector workshop in the context of the end march FATF Private Sector Consultative Forum)	TBD	Discussion of issues related to remittance services, in particular remittance providers' access to correspondent banking services; the Regulation and SSBs Subgroup will work with the Markets and Payment Systems Subgroup in the context of GPFI support to this event.
2-3 May 2017	Subgroup participation in GPFI Forum	Berlin	
4 May 2017	Subgroup participation in GPFI Plenary	Berlin	
Date TBD during second half of 2017	Regular consultations with the SSBs	Basel	Discussion of financial inclusion issues in advance of the Argentine G20 Presidency

Annex II: Timeline of Outputs (as of January 2017)

Topic/Work Stream	Output	Release Date
Tracking of SSB activities relevant to financial inclusion	Semi-annual table of SSBs activities for the previous 12 months and the coming 12 months.	January 2017; July 2017
Encouragement of joint activities on financial inclusion related themes of multiple SSBs	TBD. Proposed areas of work are privacy and data protection, financial exclusion risks (including consequences of de-risking and potential alternatives to cross-border transfers), and structures and approaches to enhance coordination and cooperation across relevant country-level and regional supervisory and oversight bodies.	TBD
Support for SSB/global body specific activities	TBD. Examples could include: (a) support for further work of the BCBS Basel Consultative Group's Financial Inclusion Workstream; and (b) support for further FATF work of relevance to financial inclusion.	TBD
Support for SSB/global body-specific activities	Opportunities for work with other global bodies will be explored, such as the Financial Inclusion Global Initiative (a three-year programme facilitated by the ITU, the World Bank Group, the Committee on Payments and Market Infrastructures and the Bill & Melinda Gates Foundation, downstream from the ITU Focus Group on Digital Financial Services)	TBD
Contribution to the finalization of the FSAP guidance note on financial inclusion	GPFI engagement in implementation of "Financial Inclusion: Guidance for Covering Financial Inclusion in FSAPs."	TBD
Engagement with IAIS regarding work downstream from its self-assessment process	Output TBD (if deemed timely).	TBD
Analysis of the integration of financial inclusion in IMF Article IV consultations	Output TBD.	TBD
Feedback from national authorities undergoing assessments on the question of implementation of global standards and guidance	Output TBD	TBD
Preparation of the 4 th GPFI/BIS-FSI Conference	Framing of the Conference, to be presented in the 2018 FSI Programme.	September 2017
Exploration of thematic work in relation to the work of SSBs of interest to the Argentinian G20 presidency and in relation to the revised FIAP	TBD, but could include a note on proposed 2018 priorities in relation to the work of the SSBs of interest to the Argentinian G20 Presidency and in relation to the content of the revised FIAP.	December 2017

Topic/Work Stream	Output	Release Date
Other	Other Subgroup outputs on regulation and standard setting relevant to: (a) German GPF priorities for 2017; (b) the overarching actions of the 2014 FIAP; (c) the overarching objectives and cross-cutting issues identified in the revised FIAP; and (c) the work of other Subgroups.	

Annex/Attachments:

<ol style="list-style-type: none"> 1) Objectives (Actions) and Sub-objectives from the Subgroup's May 2014 Terms of Reference 2) 2014 Financial Inclusion Action Plan – Regulation and SSBs Subgroup
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Annex 1

Objectives (Actions) and Sub-objectives from the Subgroup's May 2014 Terms of Reference

- 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. 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 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

Annex 2

2014 Financial Inclusion Action Plan – Regulation and SSBs Subgroup

Action	Results
4. Mainstream financial inclusion in the work of the SSBs and other relevant global bodies and increase understanding of the interdependence of financial inclusion, stability, integrity and consumer protection	<ul style="list-style-type: none">• Number of significant multi-SSB activities on financial inclusion in which at least 5 relevant SSBs participate• Number of new SSB and global body policy documents of direct relevance to financial inclusion that reflect a less siloed approach• Concrete examples of financial inclusion policy making informed by analysis of financial inclusion, stability, integrity and consumer protection linkages• Number of G20 governments and non-G20 governments participating in the GPFI implementing coordination mechanisms
5. Encourage effective and consistent incorporation of financial inclusion in financial sector assessments	<ul style="list-style-type: none">• Number of publicly available and widely used financial sector assessment methodologies and other tools adopted since updating of FIAP reflecting increased understanding of interdependence of inclusion, stability, integrity and consumer protection• Number of publicly available financial sector assessment reports and findings since updating of FIAP reflecting increased understanding of financial inclusion by assessors.