

# RESPONSIBLE FINANCE FORUM VIII

## Opportunities and Risks in Digital Financial Services Protecting Consumer Data and Privacy

Digital Financial Services (DFS) hold enormous potential for financial inclusion, having enabled 700 million adults access to financial services between 2011 and 2014 alone. At the same time, digitization in the financial sector raises new challenges related to data protection and privacy. These specific challenges are particularly related to the usage (and often automated) processing of alternative data or big data for decision-making processes in the financial services industry. Moreover, traditional financial consumer protection challenges such as poor transparency, low level of financial capability and insufficient recourse mechanisms persist and digital interfaces such as mobiles could either exacerbate or mitigate those challenges. The event will seek to identify areas for action and investment to advance responsible finance.

**April 27-28, 2017**

Federal Ministry for Economic Cooperation and Development (BMZ) /  
Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung  
(BMZ)

Stresemannstraße 94  
10963 Berlin, Germany

# AGENDA

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## Day 1 – Thursday, 27 April 2017

8.30 – 9.00

### Registration

9.00 – 9.15

### Welcome and Opening Remarks

9.15 – 10.45

### Opportunities and Risks of data-enabled Digital Financial Services: Two Sides of the Same Coin

This session presents initial insights into the key opportunities and risks related to new uses of data for financial inclusion. It further highlights the perspectives of diverse stakeholders in order to begin to identify common ground and key roles and responsibilities for each stakeholder category.

10.45 – 11.15

### Coffee Break

11.15 – 12.45

### Innovations and Predictive Models for Business Growth: Advancing Data Privacy and Security

This session explores promising digital solutions in emerging business models of FinTechs and InsurTechs and other digital financial services providers, in developing and developed country contexts. Discussions will examine emerging good practices for ensuring responsible finance practices in big data models that use credit scoring and artificial intelligence, and how data privacy and security issues are addressed.

12.45 – 13.45

### Lunch Break

13:45 – 15.15

## **Effective Data Privacy Regulation and Supervision for Digital Financial Services**

While data regulatory frameworks on data privacy have advanced in recent years, in many places they have not kept pace with the dynamic changes in the financial services industry, particularly related to the rapidly increasing use of alternative data by FinTechs, InsurTechs and other financial institutions. This session presents effective regulatory and supervisory practices in developing and developed countries related to data privacy and protection in digital financial services.

15.15 – 15:45

## **Coffee Break**

15:45 – 17.15

## **Industry Action: Self-regulation and Industry Standards**

Industry representatives will share insights into emerging good practices regarding data privacy and protection and how industry standards and self-regulatory initiatives can contribute to advancing responsible digital financial inclusion.

17:15-17:30

## **Day One Wrap Up**

18.00

## **Conference Dinner**

## Day 2 – Friday, 28 April 2017

9.00 – 9.45

### **Data Privacy and Protection in the Internet of Things**

The Internet of Things makes static, physical objects engaging and smart. Increasingly financial services providers will harness the IoT to make the consumer experience the key brand differentiator. How will customer data privacy and protection be maintained in a context when customer data is the key commodity? This address will provoke us all to look to a future where our financial needs are anticipated and met – and yet our privacy and protection is maintained.

9.45 – 11.15

### **Focus Sessions: Translating Insights into Action on Data Protection and Privacy**

In parallel sessions, panelists will address issues of data privacy and protection related to digital financial services from the perspective of different stakeholders. They will discuss the role of their stakeholder type as well as identifying desired approaches by other stakeholder types to address gaps. Panelists will discuss their pathway to responsible digital finance, including codes of conduct and industry standards related to data privacy and protection.

#### **1. Policy, Regulation and Supervision**

Participants will discuss ways to close data and knowledge gaps and identify action areas for effective and evidenced-based policy, regulation and supervision.

#### **2. Industry Standards**

Participants will explore industry trends, opportunities and emerging solutions through private and public sector initiatives towards data privacy and protection practices across different digital channels including payments, agent network partnerships, FinTech, InsurTech and other business models.

### 3. Consumer Perspectives and Attitudes

Participants will discuss consumer attitudes and perspectives towards data privacy, reasonable expectations of consumers in terms of protecting their data (e.g., *Is “informed consent” appropriate? What are the alternatives?*), and will identify approaches to enable consumers to understand and make decisions regarding their data.

### 4. Strategic Collaboration with Development Partners and Investors

Participants will explore collaboration and cooperation across public and private sector leaders and how development partners and investors can advance this cooperation. How can global partnerships be more effective and nimble given the pace of technological developments in responsible digital financial inclusion? How can risks be managed more systematically to reinforce customer trust through improved customer data privacy and protection?

11.15 – 11.45

#### **Coffee Break**

11.45 – 12.30

#### **What’s Next? Forging a Vision**

Rapporteurs of the focus sessions share results and recommendations for specific stakeholder groups or collective action. Participants agree on action areas and recommendations for regulation and supervision of digital financial services to protect customers and their privacy ensuring responsible financial inclusion in the face of continuous digitization. Action areas are assigned to G20 GPFIs for presentation at the G20 GPFIs Forum on May 2-3 or plenary May 4 and for further inclusion into the G20 GPFIs action agenda.

12.30 – 13.00

#### **Official Closing**

13.00 – 14.00

#### **Lunch**