



# RISK AND OPPORTUNITIES – THE GROWTH OF FINTECH

*An international perspective*

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# Digitalisation of Finance – activities assessment

**Table 1. Applications of new technologies to financial services**

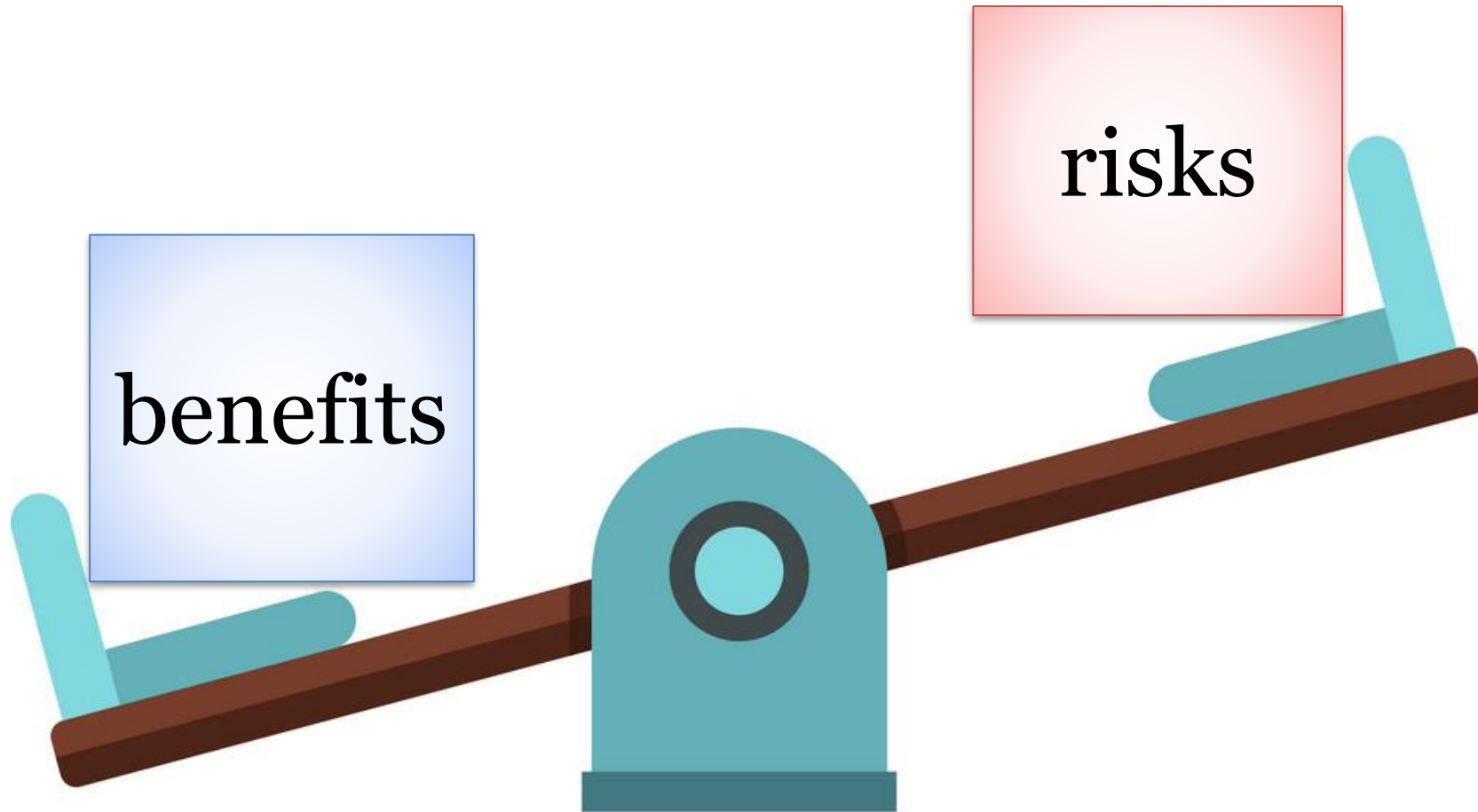
DIGITAL TECHNOLOGY	FINANCIAL ACTIVITIES AND SERVICES							
	<i>Payment services</i>	<i>Advisory &amp; agency services Planning</i>	<i>Investment &amp; trading</i>	<i>Lending &amp; funding</i>	<i>Insurance</i>	<i>Security</i>	<i>Operations</i>	<i>Communications</i>
Distributed ledger technology	x	x	x	x	x	x	x	x
Big Data		x	x	x	x	x	x	x
Internet of things					x			x
Cloud computing				x			x	
Artificial intelligence		x	x		x			x
Biometric technology					x	x		
Augmented / Virtual reality		x	x					x

\*OECD(2018), “Digitalisation of Finance.”



# Fintech - striking a balance

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# Fintech– Key Potential Risks

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Consumer and  
investor protection

Cyber security

Data Privacy

Financial  
stability

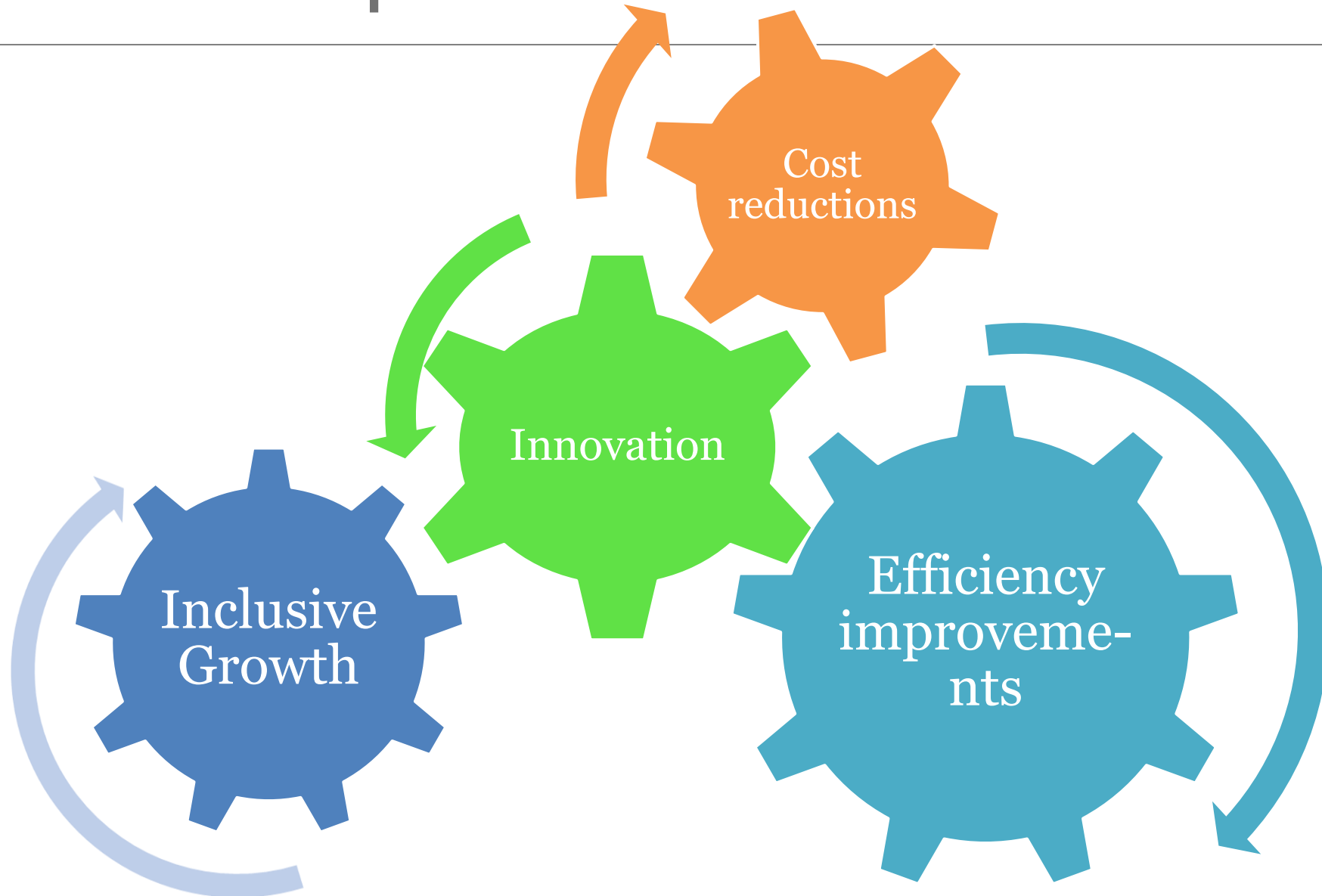
Governance &  
Regulation

Competition



# Fintech – potential benefits

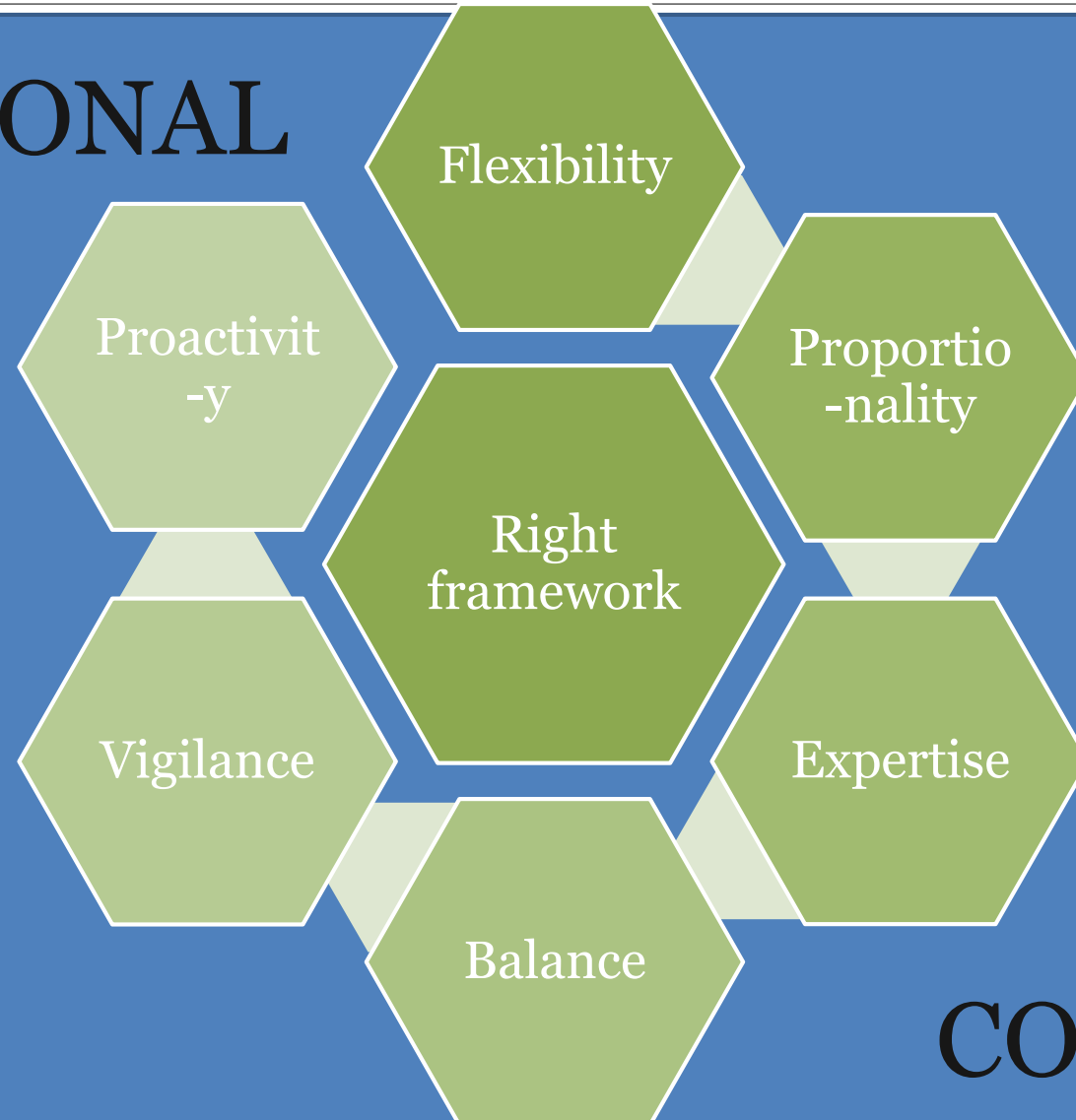
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# Policy responses to disruptive financial innovations

INTERNATIONAL



COOPERATION



# Conclusion – empowering the digital transformation

- **Digital transformation of finance is expected to spur innovation, generate efficiencies, and improve services**, and boost more inclusive and sustainable growth.
- This is particularly relevant to sustainable infrastructure, where **combined benefits of technology and inclusive finance** could have a breakthrough effect for **developing infrastructure as an asset class**.
- But, **disruptions and risks may pose some challenges** with implications for the financial sector, investors and financial consumers, and authorities.



## •The OECD, through analysis, public-private conferences, standards, and capacity-building:

- Advises governments on efficient adoption of blockchain technology.
- Combines its G20 work in promoting sustainable infrastructure and blockchain.
- Helps governments identify effective policy responses to mitigate risks and harness the opportunities.



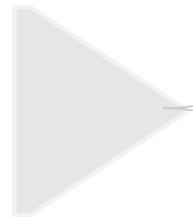
# REFERENCES





# OECD Digitalisation and Finance Initiatives

- OECD's work on digitalization is part of its "Going Digital" Initiative
  - I. **Integrated policy framework** across multiple disciplines to holistically address societal needs and risks.
  - II. **Targeted analysis** of the digital transformation in specific policy areas (e.g. competition, science, tax, trade, etc.).
  - III. **"Deep dives"** into some of the major challenges, involving modules focusing on key cross-cutting issues.



- Selected work by the Directorate of Financial and Enterprise Affairs
  - Digitalization and Finance (2018)
  - Blockchain and Competition Policy (2018)
  - G20/OECD Policy Guidance on Financial Consumer Protection Approaches in the Digital Age (2018)
  - G20/OECD INFE Policy Guidance: Digitalisation and Financial Literacy (2018)
  - ICOs for SME Financing (2019)
  - Forthcoming publications (early 2019):
    - Blockchain and Infrastructure



The OECD Going Digital Summit will serve as the high-level closing event of the two-year Going Digital Project. The main findings and policy messages of the project will be presented, including the Going Digital final synthesis report, a report on ‘Measuring Digital Transformation’ as well as a preliminary version of the Going Digital Toolkit Internet Portal, which will eventually include indicators, evidence, experiences and innovative policy practices.

The summit will bring together high-level policy makers responsible for policies related to the digital economy and key stakeholders, to exchange views and share practices and experiences in key areas of policy, look towards the future, and provide ideas for future OECD work. The agenda reflects the seven pillars of the OECD’s Going Digital [integrated policy framework](#): enhancing access, increasing effective use, unleashing innovation, ensuring jobs, promoting social prosperity, strengthening trust and fostering market openness.