

FSB Virtual Workshop on the use of supervisory and regulatory technology by authorities and regulated institutions

Wednesday 4 November 2020, 13:00 – 15:00 CET

In October 2020, the FSB published a report on *The use of supervisory and regulatory technology by authorities and regulated institutions*, which responds to a request from the Saudi Arabian G20 Presidency for an analysis of developments in supervisory and regulatory technology tools. The report finds that technology and innovation are transforming the global financial landscape, presenting opportunities, risks and challenges for regulated institutions and authorities alike. The objective of this workshop is to discuss the main findings of the report and how the report's future considerations can assist in the safe evolution of these tools.

The opportunities offered by SupTech and RegTech have been created by the substantial increase in availability and granularity of data, and new infrastructure such as cloud computing and application programming interfaces. These allow large data sets to be collected, stored and analysed more efficiently. Authorities and regulated institutions have both turned to these technologies to help them manage the increased regulatory requirements that were put in place after the 2008 financial crisis.

SupTech and RegTech tools could have important benefits for financial stability. For authorities, the use of SupTech could improve oversight, surveillance and analytical capabilities, and generate real-time indicators of risk to support forward looking, judgement based, supervision and policymaking. For regulated institutions, the use of RegTech could improve compliance outcomes, enhance risk management capabilities, and generate new insights into the business for improved decision-making. For both authorities and regulated institutions, the efficiency and effectiveness gains, and possible improvement in quality arising from automation of previously manual processes, is a significant consideration.

SupTech is a strategic priority for an increasing number of authorities. Based on a survey of FSB members, the majority of respondents had a SupTech, innovation or data strategy in place, with the use of such strategies growing significantly since 2016. Authorities are also vigilant to possible risks that could arise from the use of SupTech and RegTech technologies. Survey responses indicated that the risk reported to be of greatest concern was around resourcing, followed by cyber risk, reputational risk and data quality issues. Looking to the future, the potentially catalytic role of data standards and the importance of effective governance frameworks for the use of SupTech and RegTech were also emphasised.

The report includes 28 case studies giving practical examples on how SupTech and RegTech tools are being used. The report is being delivered to G20 Finance Ministers and Central Bank Governors for their virtual meeting on 14 October.

This workshop will be recorded and the contents may be published at a later date.

Agenda

1. Opening remarks (13:00 – 13:10)

Tom Mutton (Bank of England) and **Colin Pou (HKMA)**, co-chairs of the FSB Financial Innovation Network (FIN), will briefly introduce the session.

Clair Mills (Bank of England) and **Damien Pang (MAS and FIN member)** will introduce the key findings of the FSB's report on SupTech and RegTech.

2. Considerations on how increased availability and granularity of data may accelerate the use of SupTech and RegTech tools. (13:10 – 13:45)

Moderator: Tom Mutton (Bank of England)

Speakers:

- Mu Changchun (Director-General of Digital Currency Institute, Peoples Bank of China)
- Alejandro Garcia (Senior Policy Advisor Financial Innovation and Regulation, Bank of Canada)
- Kenneth Gay (Executive Director, Prudential Policy and Enterprise Knowledge Department, MAS)
- Catherine Lau (HKMA)
- Francesca Medda (Advisor to the Chairman, Consob)

3. Perspective from regulatory technology firms on use of technological tools during the pandemic (13:45 – 14:20)

Facilitator: Colin Pou (HKMA)

Speakers:

- Joanne Horgan (Chief Innovation Officer, Vizor Software)
- Leo Labels (Co-founder and CEO, Regnosys)
- Chilp Lai (Director Business Development, LeapXpert)
- Pascal Nizri (Founder & CEO, Chekk)

- Kimmo Soramaki (Founder & CEO, FNA)

4. Q&A (14:20 – 14:55)

Facilitator: Tom Mutton (BoE)

Participants are invited to submit any questions via the Q&A box, using the “Send” button (to “all panellists”).

5. Conclusion (14:55 – 15:00)

Meshari Alkadhi (SAMA) will discuss the Saudi G20’s interest in BigTech...

Tom Mutton (Bank of England) and **Colin Pou (HKMA)** will summarise the key takeaways from the discussion.