

APEC - Public Policy, FinTech and SMEs

Summary Findings from Policy Paper

July 20 2022



APEC Developed Economies

- USA
- Canada
- Australia
- Hong Kong, China
- Singapore

APEC Emerging Economies

- Chile
- Mexico
- Thailand
- Philippines
- Malaysia
- Indonesia
- Viet Nam

Other Economies

- Colombia
- Kenya



FinTech sector is experiencing high-growth in the APEC Economies

- In Chile, from 2016 to 2021, the number of FinTech enterprises grew by almost 220%.
- The pandemic to some extent accelerated the growth in FinTech sector.



FinTech penetration is highest in payment transaction technology, followed by money transfer, remittances and lending.

- Hong Kong, China, the recent launch of the consumer e-voucher program led to 2.2 million new accounts being created and up to 48,000 businesses accepting digital payments.



SMEs are gradually adopting FinTech, but there is still significant room for growth.

- Viet Nam, P2P is around USD 7.8 billion in 2020. Similarly, in Indonesia, at least 54% of borrowers of P2P lending were MSMEs.



Policy Enablers



- Digital ID Systems
- **Open Banking Initiatives**
- Cyber Security Frameworks
- **Data Protection Frameworks**
- Innovation Facilitators

Technology Enablers

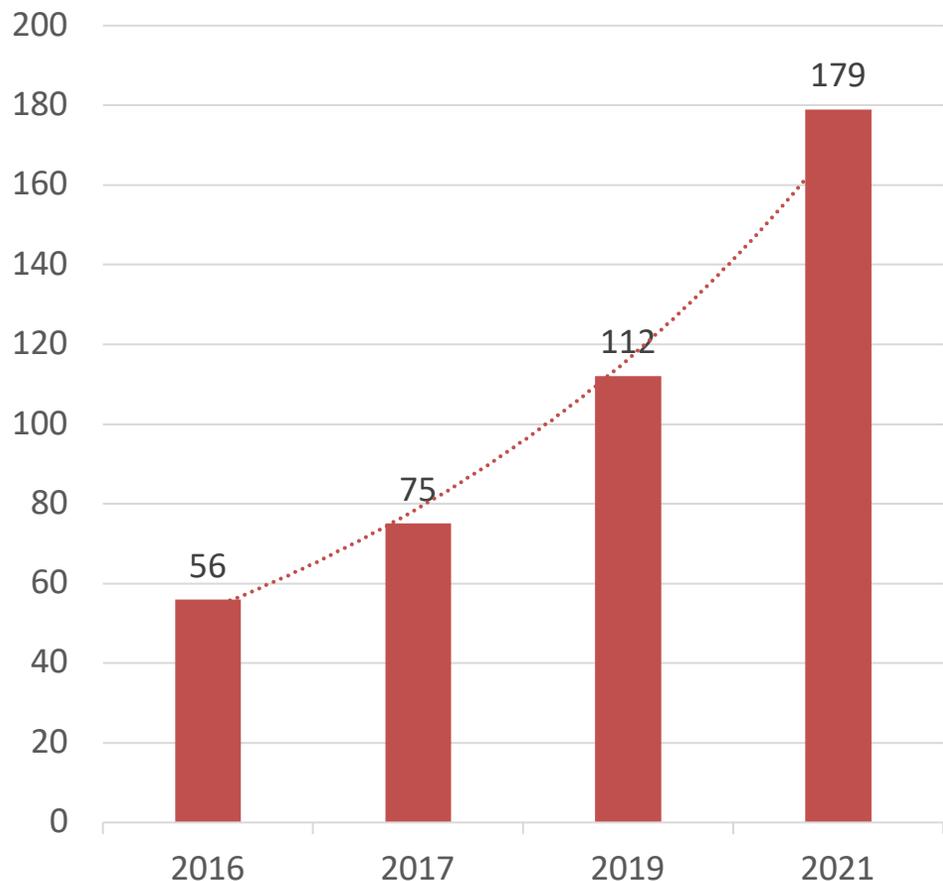


- Application Programming Interfaces
- Cloud Computing
- Distributed Ledger Technology
- Machine Learning and Artificial Intelligence

These enablers may assist in establishing a landscape that would help the FinTech sector expand in an inclusive manner and increase competition.

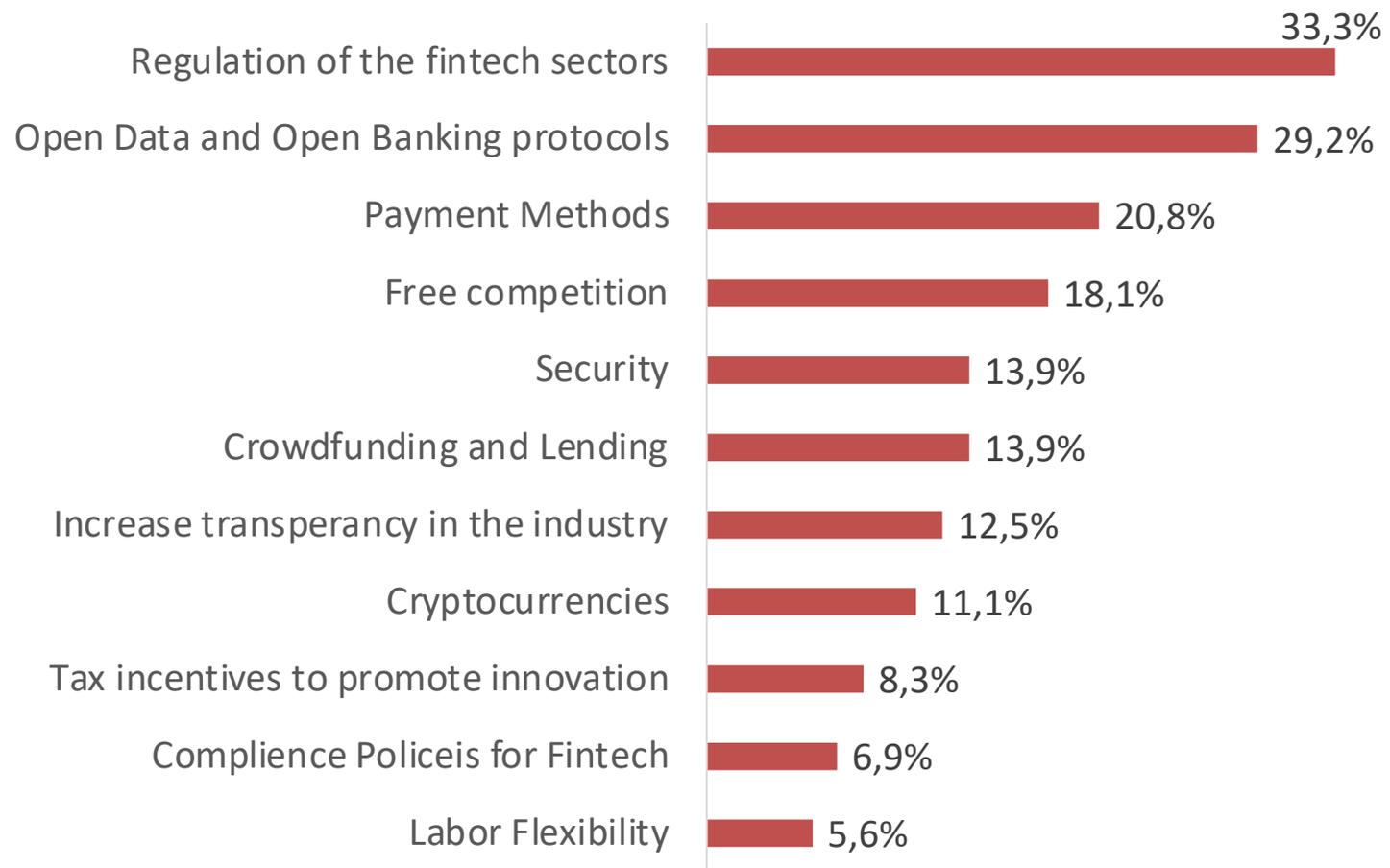


Evolution of the Number of FinTech Firms

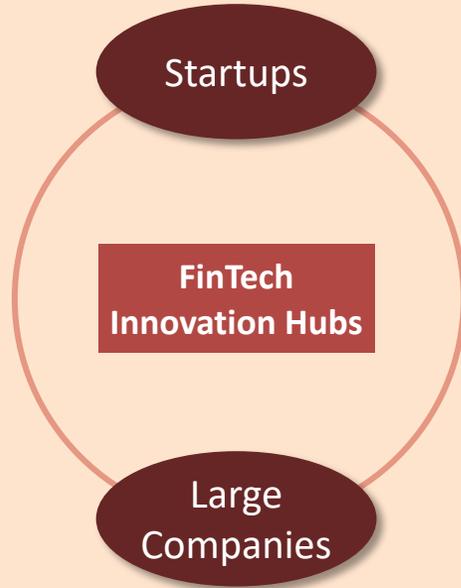


Source: Finnovsita, Chile radar 2021

Priority areas for regulatory reform

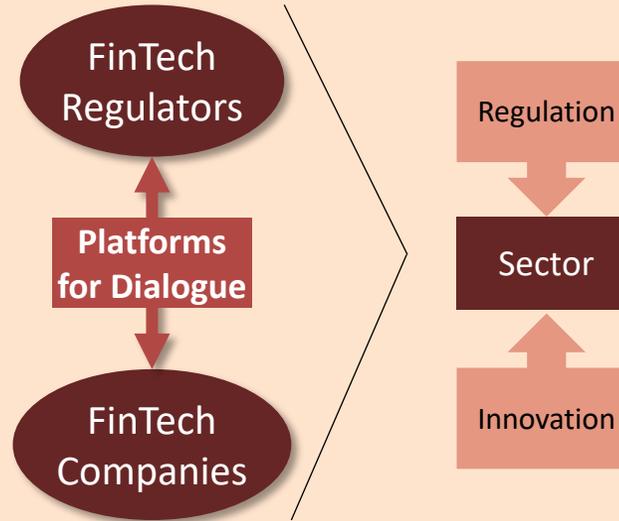


Source: EY "Las FinTech en tiempos de COVID-19: El bastión de la economía digital"



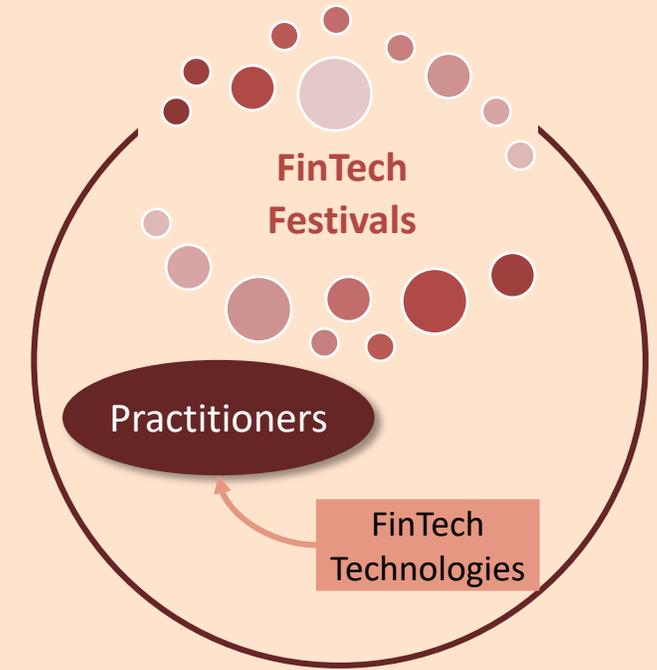
Example

The **Malaysian Digital Economy Corporation (MDEC)** runs the Orbit, a FinTech development hub that allow interactions between local/foreign Fintech players and industry leaders, regulators to help ease market entry and develop joint solutions.



Example

The **Consumer Financial Protection Bureau (CFPB)** in the USA holds *Office Hours*, which involve 1-on-1 meetings between FinTech and representatives from the CFPB to discuss financial technology, new products or services.



Example

Singapore FinTech Festival. FinTech companies worldwide gather here to showcase and share the newest development in fields like API, Big Data, Blockchain, Machine Learning, RegTech and Tech Risk.

Thank you!

