



Trinidad & Tobago IFC

Financial Sector Development



NEW WEBINAR SERIES

PART 1

FinTech Integration

PILLAR FOR NATIONAL RECOVERY

July 29th, 2020



Trinidad & Tobago IFC
Financial Sector Development





NEW
WEBINAR SERIES

Making T&T a

FinTech-Enabled
FINANCIAL
SERVICES HUB

[CLICK HERE TO REGISTER](#)

- ▶ **29th July**
 - ▶ **19th August**
 - ▶ **9th September**
 - ▶ **30th September**
- 3PM-4PM**



Trinidad & Tobago IFC
Financial Sector Development

Upskilling for FinTech
FinTech in the Public Sector
FinTech Regulations & You



T&T IFC

Financial Sector Development

Vision

To make Trinidad and Tobago one of the premier locations in the Caribbean and Latin America for Financial Services.

Mission

To attract and facilitate foreign direct investment in the financial services sector that would enhance the growth and diversification of the economy by creating sustainable employment and generating foreign exchange.





“Create New & More Resilient Economies”



“The world that we have become accustomed to and life as we know it has changed and will quite possibly never return. The way people live, work, trade, recreate and learn and the way businesses and societies function have all experienced an upheaval of the norm in a relatively short space of time. The disruption which we are experiencing also brings with it the opportunity to create new and more resilient economies and societies that potentially have a better chance at achieving sustainable growth and development.”

— Dr. Keith Rowley, Prime Minister, Trinidad & Tobago, 20th April 2020.



Today's Panel

In order of Opening Remarks:

Ms. Diana Mejia, Coordinator – CAF's Financial Inclusion Program

Mr. Omar Sultan-Khan, CEO – T&T IFC

Ms. Maria Daniel, Partner, Strategy & Transactions – EY Services Ltd.

Mr. Gabriel Faria, CEO – TTCIC



FinTech Integration

Driving Global Economies

Diana Mejía, CAF



Trinidad &
Tobago IFC

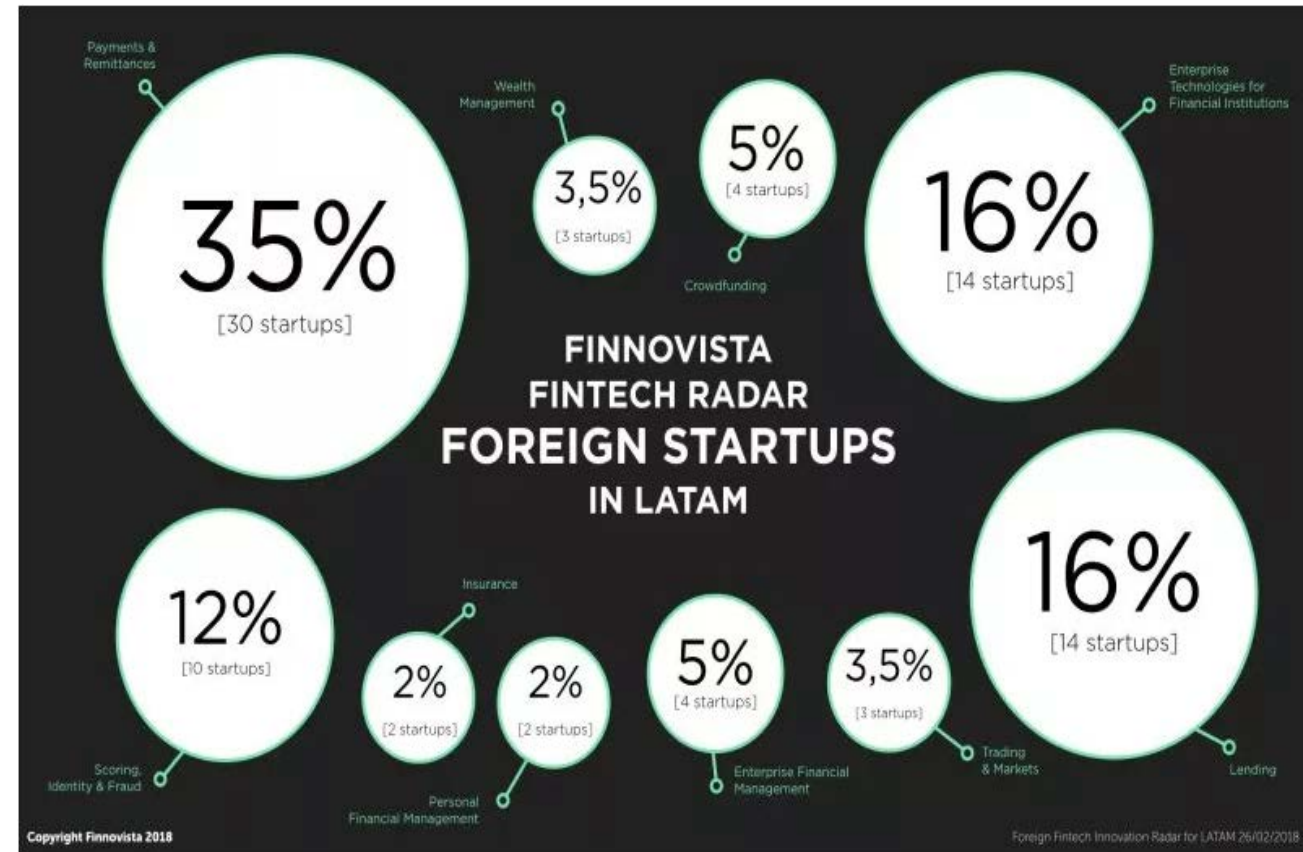
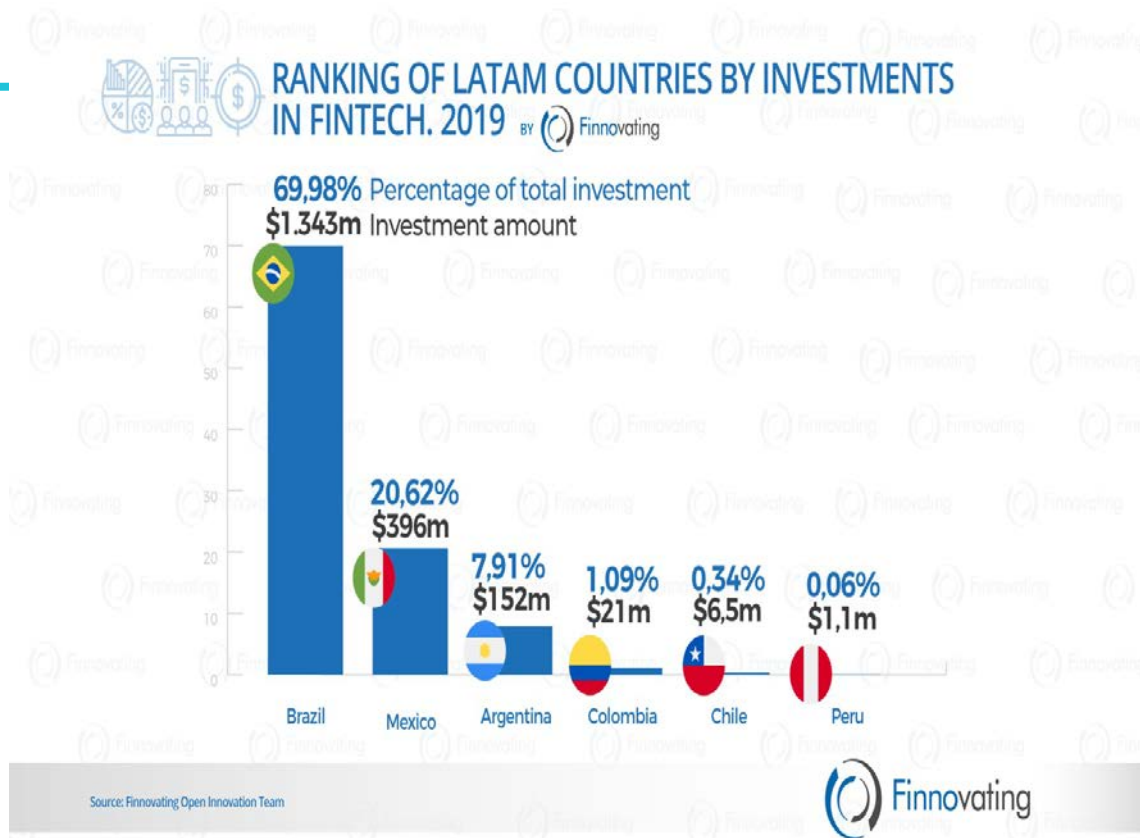
Financial Sector Development

FinTech Integration Driving Global Developing Economies

Diana Mejía, Financial Inclusion Specialist
July 29th, 2020



Fintech in LAC



- Foreign startups are seeing LAC as a good market. The total investment in 2019 was USD 2.7 billion.
- The main segment of Fintech is payments and remittances with 35% of all startups.
- Enterprise technologies for financial institutions and lending Fintech are the 16% of all startups.
- As of 2018 there were 1,166 Fintech startups in LAC distributed throughout 18 countries. 5 countries concentrate 86% of total activity.



Some examples of Fintech regulations in LAC: Mexico and Colombia



- Mexico is one of the LAC countries that has shown more developments in the regulatory framework for Fintech institutions. Its main regulation consists in:
- Law to regulate Financial Technology Institutions (FTI). It was published in 2018.
- It regulates:
 - Crowdfunding Institutions.
 - Electronic payment funds.
 - Virtual assets operations.
- In addition, this Law regulates FTI's operations and develops an authorization, which is given to FTI's by the Mexican financial regulator (Comisión Nacional Bancaria y de Valores).



Supports, advises and receives feedback from entities on issues related to financial and technological innovation



The sandbox implements a framework through which the SFC allows experiments and tests of technological innovations



Use technological developments to leverage innovation within the SFC, optimizing internal processes and reducing operational loads for the sector.



Fintech response to the COVID-19 emergency: examples from Colombia and Peru



- The Colombian government decreed a solidarity subsidy to the most vulnerable households. The challenge was to mobilize resources efficiently.
 - The Colombian government benefits 3.3 million families that already have an account. With the solidarity subsidy, the government will benefit 3 more million families, much of them unbanked. For this reason, the government invited several financial institutions to make the disbursements of these transfers, including the **fintech Movii**.
 - **Movii, a Specialized Society in Deposits and Payments (Sedpe)**, is a payment platform and mobile wallet through which those who do not have a bank account (including migrants) have the option of opening an account for free and with no further requirements than their ID.
- **BIM** is a Peruvian mobile wallet that was created as a result of the alliance of financial institutions that created the company Pagos Digitales Peruanos (Peruvian Digital Payments).
 - This mobile wallet allows one to:
 - ✓ Keep money
 - ✓ Send money
 - ✓ Make withdrawals
 - ✓ Pay services
 - ✓ Recharge the cellphone
 - Peruvian government is leveraging earlier successes in channeling G2P through accounts to increase payments to old and new beneficiaries during the emergency, and is expanding the set of financial service providers – to include private banks and mobile money providers like BIM – to reach additional beneficiaries.
 - Taking advantage of Peru’s widespread retail agent networks will be critical to the success of these new models.

CAF BANCO DE DESARROLLO
DE AMÉRICA LATINA

50 años

www.caf.com
[@AgendaCAF](https://twitter.com/AgendaCAF)



Making T&T a FinTech-enabled Financial Services Hub

Driving a 'Cashless Society'

Omar Sultan-Khan, T&T IFC



The T&T IFC

Financial Markets Development Strategic Initiative

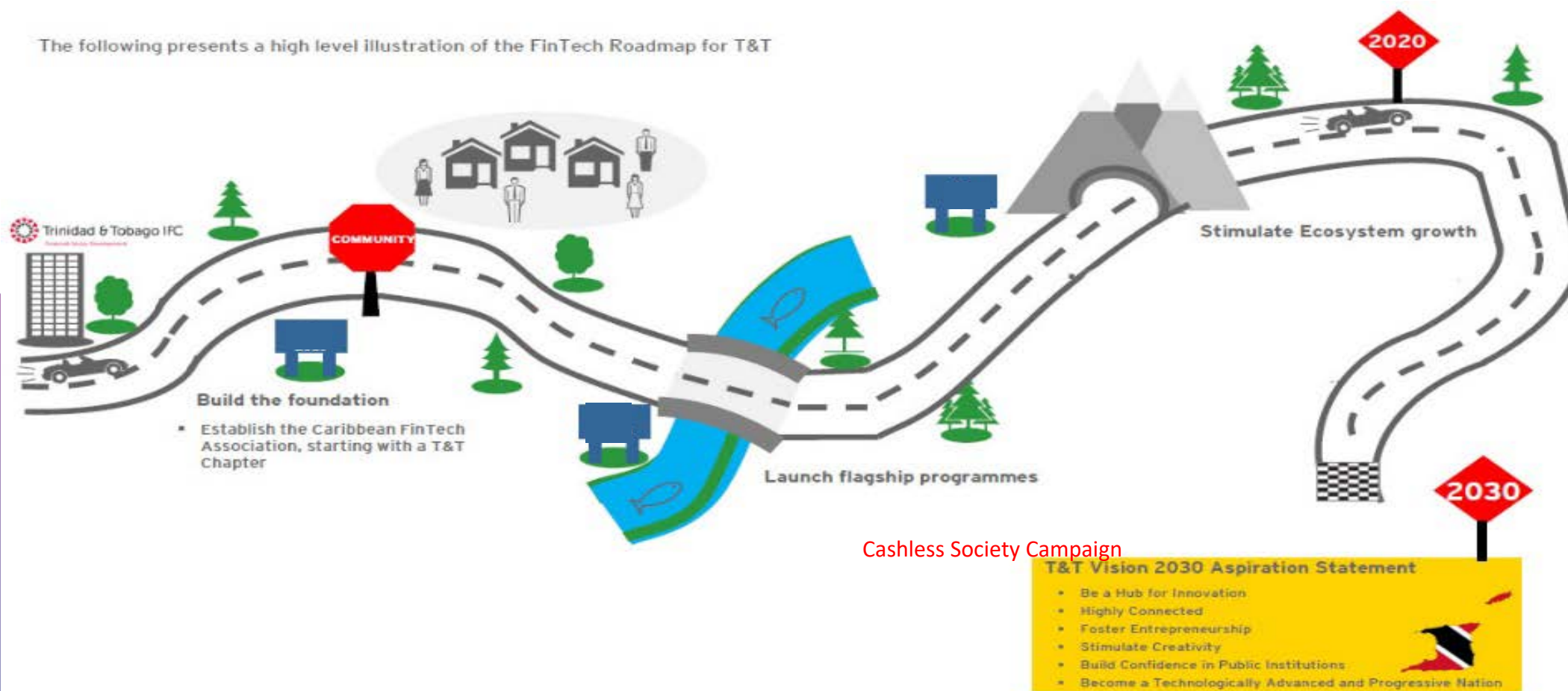
Develop FinTech Ecosystem

- Align to Vision 2030 (National Development Plan)
- Maintain T&T as the Financial Hub of the Region
 - Develop FinTech Roadmap
- Act as 'driver' and 'resourceful ally'



Recommended FinTech Roadmap for T&T

The following presents a high level illustration of the FinTech Roadmap for T&T



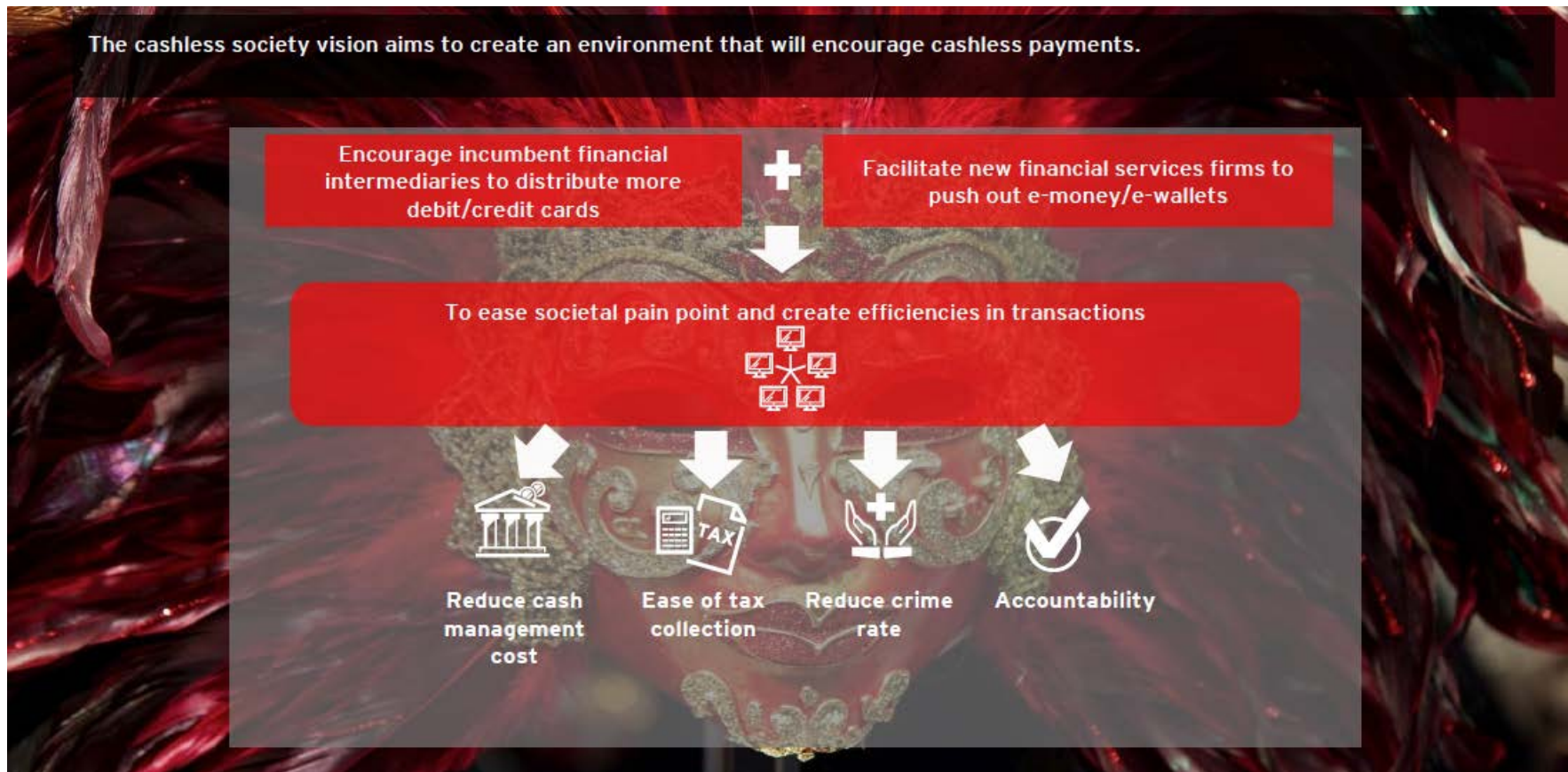


Mandate

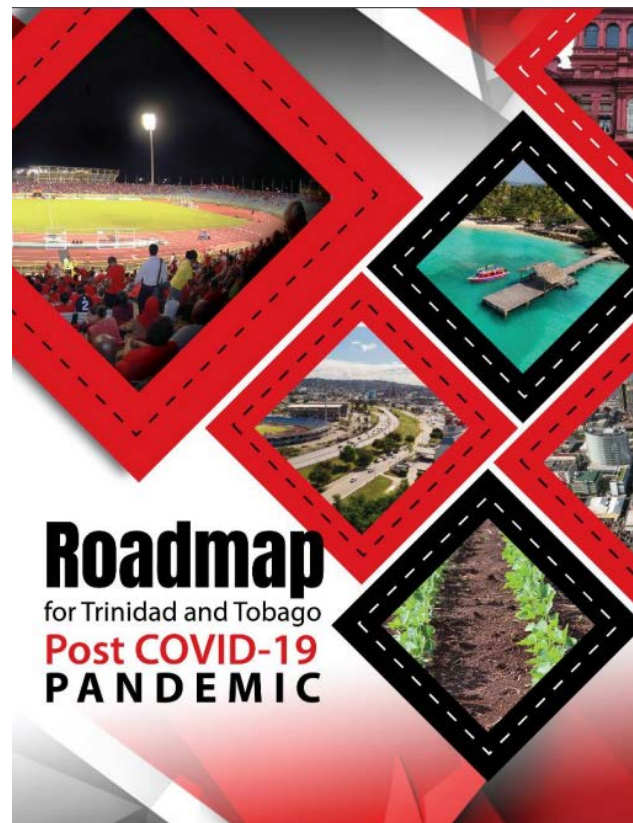
To promote and develop a FinTech industry in Trinidad and Tobago by bringing together FinTech stakeholders and creating a collective voice for the said industry to:

- (a) facilitate collaboration between market participants;
- (b) provide a platform for members to engage with agencies of the Government of the Republic of Trinidad and Tobago and other key stakeholders; and
- (c) share ideas, solve problems, promote best practices, network and shape the future of the industry.

Cashless Society Vision



Position Paper Submitted to National Recovery Committee Accepted and Incorporated



6.2.1 Building a Digital Nation: Making it Easy to Do Business

- Accelerate the process of building a Digital Government
- Create an e-identity for each citizen and permanent resident
- Implement e-payments for Government services
- Incentivise new business ideas and research and development that gives priority to innovation-oriented and entrepreneurial culture in technology
- Develop a successful FinTech ecosystem (cashless society) that encompasses:
 - Adoption of the eMoney policy and Regulatory Sandbox
 - Creation of a FinTech innovation hub
 - Execution of a strategic public education campaign



A FinTech Roadmap


Building an Enabling Ecosystem

Maria Daniel, EY



Trinidad and Tobago: FinTech Roadmap

29 July 2020



“As FinTech becomes the norm, how
will you stand out from the crowd?”



The better the question. The better the answer.
The better the world works.

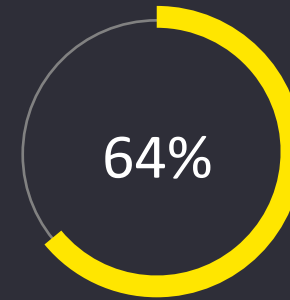


EY's Global Perspective

FinTech can be defined as organizations that combine innovative business models and technology to enable, enhance and disrupt financial services

- FinTech no longer refers only to start-ups but now comprises a host of seasoned companies that offer a broad array of financial services that operate on a global stage
- There is now strong global growth as financial incumbents are entering the market in a big way

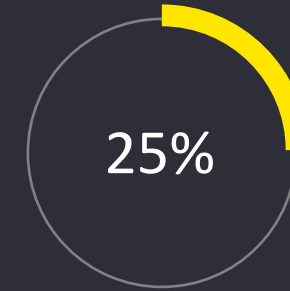
Emerging Markets are leading the way



Global consumer adoption, compared to 16% in 2015

Attractive Rates & Fees

Top reason for consumers using FinTech

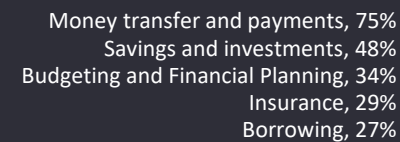


Global SME adoption, and is poised to rise

Range of functionality and features

Top reason for SMEs using FinTech

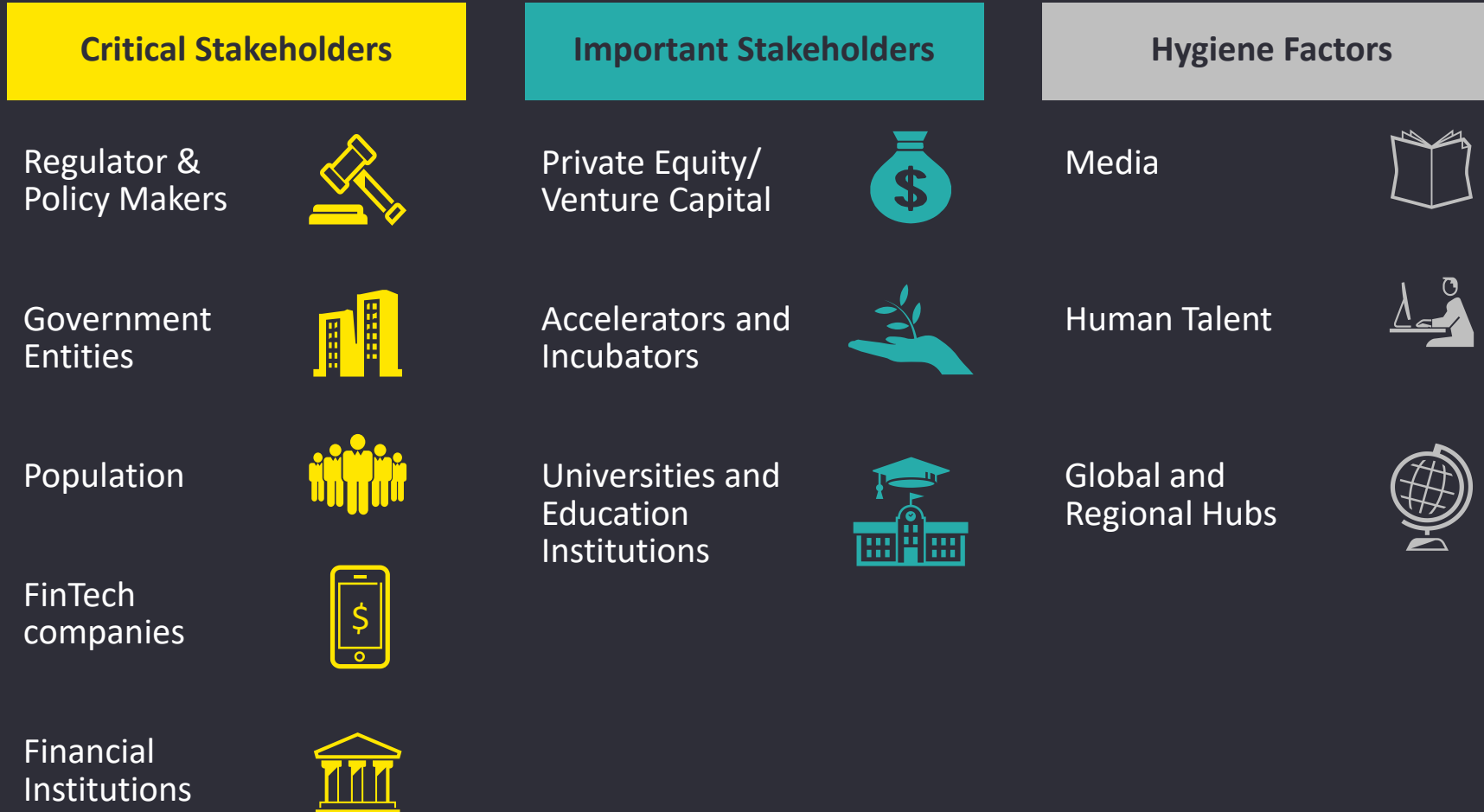
Adoption by Categories



93%

SME adopters prefer to find a technological solution to their problems where possible

Trinidad and Tobago Ecosystem



A FinTech-enabled Financial Services Hub – Prospects for Trinidad and Tobago

1

Push towards Digital

The constraints posed by the COVID-19 pandemic has helped push the adoption of digital and cashless transactions. Many banks and financial institutions have reorganized their processes to minimize in-person interactions.

2

Cause for Caution

While there has been progress, amendments to current legislation is needed so there can be truly seamless and contactless customer experiences. For example, due to existing KYC requirements, banks need customers to be physically present for onboarding.

3

Plan for the Future

Acknowledging change does not occur overnight, we should not lose the momentum the COVID-19 pandemic has provided. The local market has demonstrated both an interest and ability to adopt FinTech and other digital solutions.

EY | Assurance | Tax | Strategy and Transactions | Consulting

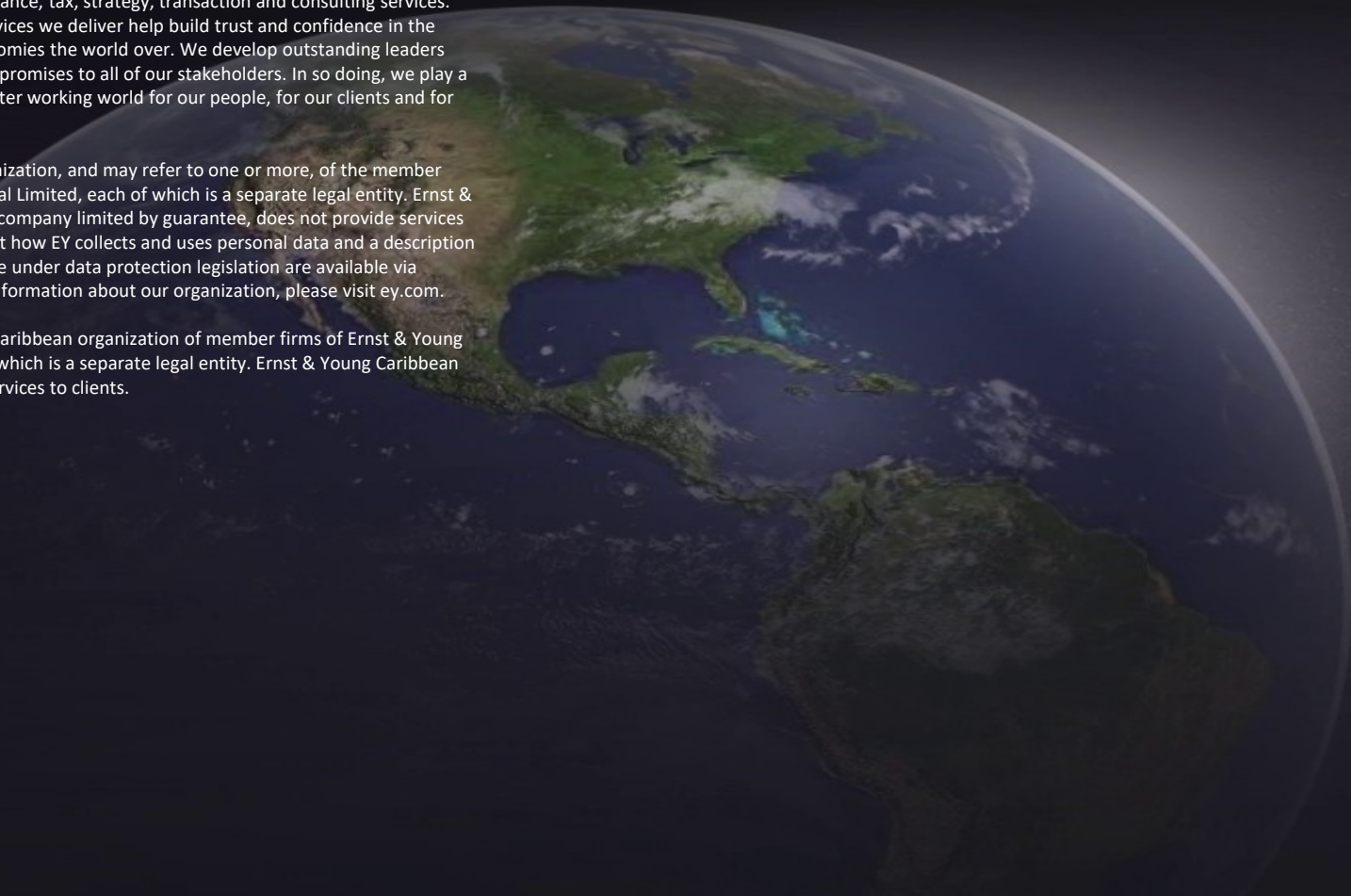
About EY

EY is a global leader in assurance, tax, strategy, transaction and consulting services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. For more information about our organization, please visit ey.com.

EY Caribbean refers to the Caribbean organization of member firms of Ernst & Young Caribbean Limited, each of which is a separate legal entity. Ernst & Young Caribbean Limited does not provide services to clients.

© 2020 EYSL.
All Rights Reserved.





A Private Sector Perspective

Overcoming the Pain Points

Gabriel Faria, TTCIC



Trinidad &
Tobago IFC

Financial Sector Development

Creating the Enabling Ecosystem

- FinTech is very broad but most of us have a very narrow perspective on how it impacts our lives.
- Those in decision making roles may not understand or maybe uncomfortable with the concept of FinTech
- The existing stakeholders in main are happy with the current competitive framework
- Payment for governments services could be the first point of entry
- Cost of compliance makes it difficult for Micro sector
- High costs: from rental of equipment, minimum monthly costs and the transactions fees eat away at margins



Pain Points:

- Current cost of financial transactions for the merchant
- Digital wallets need scale to become a competitive option
- Level of Banked/Underbanked/Unbanked:
 - 21% do not have an account with a financial institution**
- Current card penetration*: Credit Cards 16% | Debit cards: 60.8%
- Mobile acceptance/ online acceptance/ versatility for payment

*World Bank's 2017 Global Financial Inclusion Survey

** 2013 financial inclusion survey





Let's Chat

FinTech Integration & National Recovery



Trinidad &
Tobago IFC

Financial Sector Development



Let's Engage

Open Q&A



Thank you.

T&T IFC – Your Resourceful Ally

info@ttifc.co.tt | fintechtt@ttifc.co.tt