



Agenda

Digital Financial Services Supervision Program

September 16 – 20, 2024

Virtual



PROGRAM DESCRIPTION

Digital Financial Services (DFS) has grown rapidly in many countries, offering the potential to increase financial inclusion and spur innovation and competition in the financial sector. DFS may also pose risks to financial stability, market conduct and other supervisory objectives. This program is designed to enhance financial supervisors' understanding of DFS and the supervisory implications of these emerging technologies.

PROGRAM OBJECTIVES

For financial supervisors to learn:

- How to assess potential risks to supervisory objectives in DFS products and processes.
- How to formulate and implement an appropriate supervisory strategy for DFS products and processes.

METHODOLOGY

Participants will learn through a highly interactive methodology of group activities and case studies.

WHO SHOULD ATTEND?

Mid-to senior-level supervisors and regulators supervising the banking, securities, insurance sectors, including digital financial services in those sectors.

This program is a level 2 program for participants currently pursuing our Certified Financial Supervisor (CFS) designation. This program is also open to participants who are not pursuing the CFS certification. Quizzes and an examination will be administered during the program for all participants.

Participants should have at least three years of working experience in supervision, analysis, or policy, and be proficient in English.

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Note: All program times are in Eastern Daylight Time (EDT) or GMT – 4.

Wednesday, September 4, 2024	
9:00am – 10:30am	Virtual Networking and Orientation Session

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Day 1 – Monday, September 16, 2024	
7:00am – 7:15am	<p>Welcome and Group Photo</p> <p><i>Toronto Centre</i></p>
7:15am – 8:15am	<p>Session 1: Introduction to Digital Financial Services (DFS)</p> <p><i>Tomas Prouza</i></p> <ul style="list-style-type: none"> • Definitions • Key terms, 3 key components, 5 distinguishing features • DFS models • What impacts the success of DFS models? • Introduction to I-SIP framework • Regulatory perimeter: digital finance and digital retail payment systems
8:15am – 9:00am	<p>Session 2: Case Study A - Part 1</p>
9:00am – 9:15am	<p>Break</p>
9:15am – 10:15am	<p>Session 3: Risks to Supervisory Objectives in DFS products and processes</p> <p><i>Tomas Prouza</i></p> <ul style="list-style-type: none"> • Lifecycle of DFS development • Digital retail payments • Digital credit • Insurance • Micro-investments • Risks to financial stability and financial inclusion • Protection of customer assets (trustee, escrow etc) • Market, conduct risks

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Day 1 – Monday, September 16, 2024	
	<ul style="list-style-type: none"> • Privacy and data protection risks • AML/CFT risks • Technology and automatization-related risks (use of algorithms, AI, etc.) • Opportunities to enhance financial inclusion
10:15am – 11:00am	Session 4: Case Study A - Part 2
11:00 am – 11:15 am	<p>Questions and Answers (Q&A) by Participants</p> <ul style="list-style-type: none"> • Participants to ask Program Leaders to clarify or elaborate on material covered so far
11:15 am – 11:30 am	<p>Daily Evaluation</p> <ul style="list-style-type: none"> • Daily evaluation – Participants give feedback in an online survey on the sessions today

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Day 2 – Tuesday, September 17, 2024	
7:00am – 7:15am	Ideas I will Use
7:15am – 8:15am	<p>Session 5: Regulatory and Supervisory Mandate, Perimeter and Architecture for DFS Supervision</p> <p><i>Karen Badgerow</i></p> <ul style="list-style-type: none"> • Mandate: Financial stability, market conduct, market development, financial inclusion • Guidance from international standard-setting bodies • Cooperation with other supervisors/supervisory architecture • Training and development of supervisory skillsets in the DFS supervisory team, how to organize the team optimally
8:15am – 9:00am	Session 6: Case Study A - Part 3
9:00am – 9:15am	Break
9:15am – 10:15am	<p>Session 7: Risk Assessments and Resource Allocation</p> <p><i>Karen Badgerow</i></p> <ul style="list-style-type: none"> • Proportionality and inherent risks in DFS • Assessing quality of operational risk, conduct risk and effectiveness of management and other controls • Risk-Based Supervision (RBS) versus compliance-based approaches to DFS supervision • Key supervisory tools – data and technology (further developed in your next session) • Intervention and enforcement
10:15am – 11:00am	Session 8: Case Study A - Part 4

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Day 2 – Tuesday, September 17, 2024	
11:00am – 11:15am	Q&A by Participants
11:15am – 11:30am	Daily Evaluation

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Day 3 – Wednesday, September 18, 2024	
7:00am – 7:15am	Ideas I will Use
7:15am – 8:15am	<p>Session 9: Authorization</p> <p><i>Karen Badgerow</i></p> <ul style="list-style-type: none"> • Bank-led authorization model vs telco-led model • Coordination with telco authorities • Coordination with other authorities (competition, data protection, etc.) • Supervising innovation, sandboxing • How to deal with competition in DFS?
8:15am – 9:00am	Session 10: Case Study B - Part 1
9:00am – 9:15am	Break
9:15am – 10:15am	<p>Session 11: On-site and Off-site Supervision, Data Collection</p> <p><i>Tomas Prouza</i></p> <ul style="list-style-type: none"> • What really changes in the supervision of DFS compared to traditional financial services? • What DFS data do supervisors need? • Technology and standardization of DFS supervisory data • Data collection mechanisms
10:15am – 11:00am	Session 12: Case Study B - Part 2
11:00am – 11:15am	Q&A by Participants

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Day 3 – Wednesday, September 18, 2024

11:15am – 11:30am	Daily Evaluation
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Day 4 – Thursday, September 19, 2024	
7:00am – 7:15am	Ideas I will Use
7:15am – 8:15am	<p>Session 13: Agent network supervision</p> <p><i>Tomas Prouza</i></p> <ul style="list-style-type: none"> • Why supervise agents and what are the challenges? • Principles and lessons from supervising agents • Authorization and registration • Risk-based supervision and agents • Supervisory procedures
8:15am – 9:00am	Session 14: Case Study B - Part 3
9:00am – 9:15am	Break
9:15am – 10:15am	<p>Session 15: Action Planning: Problem Statement and SMART Goal</p> <p><i>Toronto Centre</i></p>
10:15am – 11:00am	Session 16: Case Study B - Part 4
11:00am – 11:15am	Q&A by Participants
11:15am – 11:30am	Daily Evaluation

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Day 5 – Friday, September 20, 2024	
7:00am – 8:30am	Exam Part 1
8:30am – 8:45am	Break
8:45am – 10:15am	Exam Part 2
10:15am – 10:45am	Evaluation End of Program