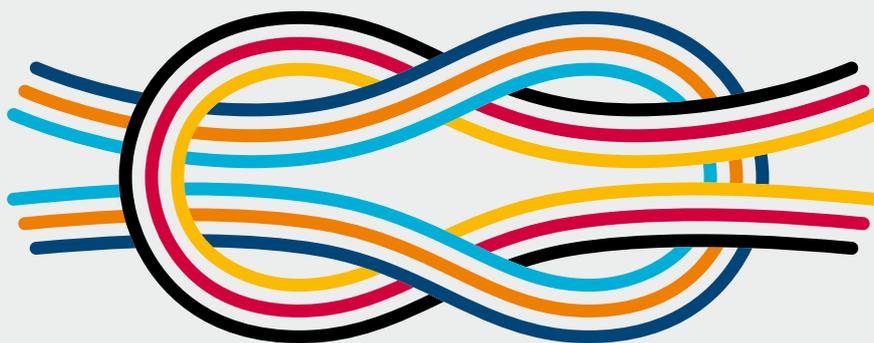


# Digitising finance, financial inclusion and financial literacy

25 – 26 January 2017, Wiesbaden  
Schloss Biebrich



**G20 GERMANY 2017**

## Introduction

Shaping digitalisation is a key priority of the German G20 presidency. At this G20 conference entitled “Digitising finance, financial inclusion and financial literacy”, we aim to gain a better understanding of the topic’s multifaceted issues and its interlinkages with closely related discussions. We will identify opportunities in a digital financial world and will discuss and develop strategies for dealing with the associated risks.

Innovative technologies and forms of financing can unleash competition, foster transparency and promote efficiency, while also easing access to payment services (eg mobile payments), credit (eg peer-to-peer lending) or equity (eg crowd investing), for consumers and diversifying buy-side opportunities for investors. At the same time, we should be mindful of emerging risks, such as those arising from an increase in herding behaviour or through regulatory arbitrage.

Moreover, there is the growing issue of cyber security.

The use of digital tools creates the potential to make financial services available to a wider range of consumers and enterprises, promoting financial inclusion and the affordability of financial services. However, a certain level of financial literacy is required in order to use these tools and properly manage risks.

The conference will ensure that work during the German presidency is underpinned by expert knowledge. It also builds on the work carried out under previous G20 presidencies and on the work currently underway in academic and research contexts. The results of the conference will feed into the debate on shaping digitalisation in subsequent G20 meetings.

## Agenda

We will meet in Schloss Biebrich, a baroque castle situated on the river Rhine, in Wiesbaden, near Frankfurt am Main. More than 180 G20 delegates, high-ranking and established academics, government experts and representatives from key financial sector entities will gather from 25 to 26 January 2017 to elaborate on the opportunities presented by digitising finance, as well as the inherent risks. All participants at the conference, organised by the Federal Ministry of Finance and the Deutsche Bundesbank, are invited to express and discuss their views on the issues of digitalisation, financial inclusion and financial literacy.

The first day of the conference will include introductory speeches on the various topics, key note addresses, and moderated talks and panel discussions. The events on this day will be open to media.

On the second day of the conference, the focus will be on four workshops covering overarching topics, followed by dialogues to facilitate more specialised panel debates. Three to five speakers, each from a different G20 or non-G20 country, and with different backgrounds and approaches, will participate in each session, and all sessions will be chaired and moderated by a renowned expert. All other participants will be invited to contribute to the exchange via an interactive device (app), which will allow for spontaneous

polls and interventions. In order to facilitate a lively debate and an open exchange, discussions during workshops and dialogues will not be open to the press and will take place under the Chatham House Rule: participants are free to use the information received, though neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

The workshop on **“Digital finance – disruptive developments of the financial landscape?”** seeks to facilitate the debate on the transformative potential that technologically-enabled financial innovations (fintechs) present to financial markets and financial intermediaries. While these innovations might foster efficiency gains, they can also lead to financial stability risks. As new technologies, applications and business models are developing at a rapid pace, empirical evidence on many innovations remains limited. Therefore, authorities may want to consider taking steps to actively study fintechs, both domestically and in cooperation with international organisations and standard-setting bodies.

In the workshop on **“Digital finance – regulatory challenges”**, we note that while fintechs are very heterogeneous in nature, regulators generally face similar overarching challenges when assessing the appropriateness of their regulatory approach to innovations. Regulators face the basic trade-off between the competing goals of ensuring com-

prehensive regulation to mitigate financial stability risks and facilitating beneficial financial innovation. On the one hand, regulators will need to ensure that potential risk created by technological innovations in the financial sector is contained by appropriate regulation. On the other hand, over-regulation might disincentivise the development of innovative solutions and impede market entry. Participants at the workshop will debate these challenges and various strategies for dealing with them.

The workshop **“Digitising finance and financial inclusion – opening up of opportunities and cushioning of hazards”** builds on the High Level Principles of Digital Financial Inclusion endorsed under the Chinese G20 presidency. Financial inclusion that relies on digital financial services like mobile payments or peer-to-peer finance might be especially conducive to growth and to lowering inequality. Digital technologies could be one of the key drivers of financial inclusion in the coming years. Nevertheless, uncontrolled expansion in access to financial services, especially to credit, could lead to instability if supervision, regulation and awareness of financial risks connected with the use of financial services do not keep pace. With these caveats in mind, participants will discuss successful examples of digital financial inclusion and ways to communicate them. Establishing peer exchange with innovative digital media techniques will be another topic of the workshop. Financial inclusion also covers aspects of affor-

bility and the ability to use financial services, which inter alia requires a certain level of financial literacy to properly manage risks.

The workshop on **“Digitising finance and financial literacy – growing importance in a digital landscape and a low interest rate environment”** addresses the challenges presented by the digitisation of financial services to consumers and investors. While consumers and investors may increasingly gain access to such services, they also need to acquire additional skills and competencies to be able to use these services effectively and responsibly. Digitisation, however, also offers opportunities for the development of digital tools to enhance financial literacy. Against this background, the workshop will highlight the significance of adequate data in assessing the effectiveness and impact of financial literacy programmes that can contribute to the design of implementation strategies for augmenting financial literacy levels for different target groups.

The three dialogues on **“Crowdfunding & peer-to-peer lending”**, **“Distributed ledger technology”** and **“Digitalisation in payments”** take an in-depth look at selected technologically-enabled financial innovations that seem to have a strong transformative potential. Experts from the public and private sectors, as well as researchers, will discuss potential benefits and risks of these new developments in the financial sector.

A fourth dialogue on “**Cyber security**” takes into account that the risk of cyber attacks has increased and that the financial sector, in particular, is a prime target among cyber attackers. Experts and researchers will present and discuss the evolving threat landscape and their recommendations for adequate responses with regard to safeguarding measures or procedures to contain negative impacts of cyber attacks in the financial sector.

Concluding remarks will summarise the two days and their joint take-aways, which will feed into the G20 process.

An overview of the programme for our conference is provided on the following pages.

## G20-Conference agenda "Digitising finance, financial inclusion and financial literacy"

25 January 2017

Venue: Schloss Biebrich, Wiesbaden

From 12.30	Registration
13.00–14.15	Buffet lunch
14.15–14.45	Welcome remarks by President <b>Dr Jens Weidmann</b> , Deutsche Bundesbank
14.45–15.00	Opening speech
15.00–15.45	Moderated bilateral talk between German Federal Minister of Finance, <b>Dr Wolfgang Schäuble</b> , and <b>Hasso Plattner</b> , Chairman of the Supervisory Board of SAP
15.45–16.05	Keynote address by <b>Tharman Shanmugaratnam</b> , Deputy Prime Minister of Singapore and Coordinating Minister for Economic and Social Policies "Technology and inclusive finance" (working title)
16.05–16.30	Coffee break
16.30–17.30	Panel discussion "Opportunities and risks of digitising finance" hosted by <b>Prof Thomas Jordan</b> , Chairman of the Governing Board of the Swiss National Bank with <b>Dr Augustín Carstens</b> , Governor of the Central Bank of Mexico, <b>Prof K C Chan</b> , Secretary for Financial Services and the Treasury of Hong Kong, <b>Dr José Manuel González-Páramo</b> , Executive Board Director of BBVA, <b>Felix Hufeld</b> , President of the Federal Financial Supervisory Authority of Germany
17.30–17.50	Keynote speech by <b>Dr Mark Carney</b> , Governor of the Bank of England and Chairman of the FSB "How policymakers can ensure FinTech benefits – for a well-functioning financial system – are realised, whilst the financial stability risks are mitigated"
17.50–18.15	Coffee break
18.15–18.45	Talk and Q&A session on "Cyber security risks" with <b>Dr Thomas de Maizière</b> , German Federal Minister of the Interior, moderated by <b>Tony Cole</b> , FireEye, Global Government CTO
18.45–19.05	Keynote address by <b>the Hon. Scott Morrison MP</b> , Australian Treasurer "Developments and challenges of fintech with a focus on Australia" (working title)
From 19.05	Transfer to Jagdschloss Platte, Wiesbaden

Venue: Jagdschloss Platte, Wiesbaden

19.30–22.30	Reception and conference dinner
20.15–20.25	Dinner remarks by <b>Volker Bouffier</b> , Minister President of the State of Hesse
21.00–21.20	Dinner Speech by <b>Mateusz Morawiecki</b> , Deputy Prime Minister of Poland and Minister of Development and Finance

**26 January 2017**

**Venue: Schloss Biebrich, Wiesbaden**

9.00–10.30	<p>Workshop on:</p> <p>Digital finance – Disruptive developments of the financial landscape?</p> <p>Moderator: <b>Carolyn Wilkins</b>, Deputy Governor, Bank of Canada</p>	<p>Workshop on:</p> <p>Digital finance – Regulatory challenges</p> <p>Moderator: <b>Jakob von Weizsäcker</b>, Member of the European Parliament</p>	<p>Workshop on:</p> <p>Digitising finance and financial inclusion – Opening up of opportunities and cushioning of hazards</p> <p>Moderator: <b>Daniel Mminele</b>, Deputy Governor, South African Reserve Bank</p>	<p>Workshop on:</p> <p>Digitising finance and financial literacy – Growing importance in a digital landscape and a low interest rate environment</p> <p>Moderator: <b>Prof Annamaria Lusardi</b>, Professor at the George Washington University</p>
10.30–11.00	Coffee break			
11.00–12.30	<p>Industry dialogue on:</p> <p>Crowdfunding and peer-to-peer lending – Potential benefits and risks</p> <p>Moderator: <b>Carolyn Wilkins</b>, Deputy Governor, Bank of Canada</p>	<p>Industry dialogue on:</p> <p>Distributed ledger technology – Potential benefits and risks</p> <p>Moderator: <b>Jakob von Weizsäcker</b>, Member of the European Parliament</p>	<p>Industry dialogue on:</p> <p>Digitalisation in payments</p> <p>Moderator: <b>Dr Morten Linnemann Bech</b>, Head of Secretariat, Committee on Payments and Market Infrastructures, Bank for International Settlements</p>	<p>Research dialogue on:</p> <p>Cyber security</p> <p>Moderator: <b>Tony Cole</b>, Vice President and Global Government CTO, FireEye</p>
12.30–12.45	Coffee break			
12.45–13.15	Concluding remarks by Vice President <b>Prof Claudia M Buch</b> , Deutsche Bundesbank			
13.15–14.15	Farewell lunch buffet			
14.15–14.45	Transfer to the Eberbach Monastery			
14.45–16.15	Social event: Excursion to the Eberbach Monastery			

*Programme as of 8 December 2016, subject to change*

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