



INTERNATIONAL MONETARY FUND

Caucasus, Central Asia, and Mongolia
Regional Capacity Development Center



DEVELOPMENT PARTNERS: ASIAN DEVELOPMENT BANK | CHINA | KOREA | POLAND | SWITZERLAND

MEMBER COUNTRIES: ARMENIA | AZERBAIJAN | GEORGIA | KAZAKHSTAN | THE KYRGYZ REPUBLIC | MONGOLIA | TAJIKISTAN | TURKMENISTAN | UZBEKISTAN

CCAMTAC Regional Webinar on “Supporting Development of Financial Innovation and Fintech Sector”

Thursday, March 2, 2023

Introduction and Moderation:

Mr. Norbert Funke, Director, CCAMTAC

Presenters:

Mr. Jan Ziomek, Team Manager, FinTech Department, Polish Financial Supervision Authority

Ms. Adrianna Kołacińska, Senior Specialist, FinTech Department at the Polish Financial Supervision Authority

Intervention:

Mr. Varlam Ebanoidze, Head of Financial and Supervisory Technology Development Department, National Bank of Georgia

Fintech by now is a very important development, which encompasses many categories including payments, financial management, crypto assets, crowd financing, insurance, and innovations in the credit sector. While it increases efficiency and facilitates the user interface, fintech can also raise some interesting supervisory and regulatory challenges. The webinar focused on the progress of Poland and Georgia in supporting financial innovation and the fintech sector.

In his presentation, Jan Ziomek and Adrianna Kołacińska outlined the main functions of the Polish Financial Supervision Authority (UKNF) and shared some innovative approaches it uses in raising fintech education. Firstly, since 2018, every year authorities published a map of Polish fintech, which is based on survey responses to a questionnaire sent out to entities representing fintech. Around the same time regulator established its Fintech Department, which promoted interesting initiatives, such as an *innovation hub*, *virtual sandbox*, *individual interpretations*, *communication*, *a working group for developing financial innovations*, and *education*.

For instance, under the innovation hub, UKNF is undertaking information activities for entities qualified for the Program, whose activities include designing, developing, or using technological solutions in relevant areas. Authorities also provide the sandbox as a testing environment that allows a simulation of selected functionalities and services, offered on the financial market. To support fintech entities planning to engage in activities related to products and services that aim to develop financial market innovation, UKNF Commission issues individual interpretations, which increases legal and regulatory certainty about these products. Positions and communication of the regulator also aim at promoting fintech innovations and eliminating legal uncertainty among the market participants. The most prominent communication in this area



INTERNATIONAL MONETARY FUND

Caucasus, Central Asia, and Mongolia

Regional Capacity Development Center



DEVELOPMENT PARTNERS: ASIAN DEVELOPMENT BANK | CHINA | KOREA | POLAND | SWITZERLAND

MEMBER COUNTRIES: ARMENIA | AZERBAIJAN | GEORGIA | KAZAKHSTAN | THE KYRGYZ REPUBLIC | MONGOLIA | TAJIKISTAN | TURKMENISTAN | UZBEKISTAN

covered cloud computing, crypto assets, robo-advisory, and crowdfunding. Another initiative - the working group for the development of financial innovation - identifies legal, regulatory, and supervisory barriers to the development of financial innovation in Poland and prepares proposals for solutions that could eliminate or reduce the identified barriers. To ensure further financial inclusion, UKNF created an educational platform that provides free courses on open banking, investment crowdfunding, and cryptocurrency. The regulator is also engaged in social campaigns, promoting financial awareness in dealing with innovative financial products.

In his intervention, Varlam Ebanoidze explained how Georgia's supervisor has responded to the new opportunities and potential challenges associated with fintech development. National Bank of Georgia (NBG) started its journey by joining the Global Financial Innovation Network and establishing its Financial Innovation Office. So far, authorities managed to create a legal foundation for open banking and digital banking; they are also working on developing digital lari. Varlam Ebanoidze gave a detailed overview of the Fintech Development Strategy of Georgia, explaining countries' unique resources and capabilities, strategic approach, as well infrastructure that NBG plans to build for market participants and customers. All these building blocks are expected to lead to the creation of the next fintech unicorns and the setting of a regional fintech hub in Georgia.

During the general discussion, the questions to the speakers and comments focused on (i) the open banking framework in Georgia; (ii) the take up of financial education in Poland; (iii) the fintech map development.