

## **Media statement: SARB joins Global Financial Innovation Network**

Thursday, 31 January 2019

The South African Reserve Bank (SARB) is pleased to announce that it is joining the Global Financial Innovation Network (GFIN) as a member. This is part of the SARB's journey to support responsible financial innovation for the benefit of all South Africans. The GFIN, as a network, provides an efficient conduit for innovative firms to interact with regulators and to help them navigate between countries as they look to scale new ideas in the interest of consumers. Joining the GFIN will provide the SARB with the opportunity to share and gain insights from its fellow regulators on experiences in enabling innovation.

The GFIN will pilot the hosting of cross-border trials by financial entities through the regulatory sandboxes of those members who have chosen to participate in the pilot. Although the SARB supports this initiative, it has elected not to partake in the pilot in order to first focus on determining the appropriateness and feasibility of a SARB regulatory sandbox. The SARB will first put in place a process that is fair and open for South African firms, and ensure that consumer protection is in place for citizens who are clients of those companies participating in the trials.

In February 2018 the SARB announced that it would investigate and decide on the applicability of innovation facilitation structures for the SARB's regulatory work. Structures considered included an innovation hub, an innovation accelerator and a regulatory sandbox. The SARB has since decided to initiate a project to establish innovation facilitators, starting with an innovation hub. The project will commence with a design phase, which will include Intergovernmental Fintech Working Group (IFWG) members, and will consider design features such as having a single point of entry. A further objective of the project will be to conclude on the feasibility and desirability of a regulatory sandbox.

The SARB looks forward to engaging with the industry as well as global and local regulators as it continues on this journey of creating an enabling regulatory framework for responsible innovation.

### **Notes to the Editor:**

The SARB was a founding member of the IFWG in South Africa during 2016, together with the Financial Intelligence Centre, Financial Sector Conduct Authority and National Treasury. The IFWG serves as a platform for South African regulators and policymakers to collaborate on how to approach fintech innovation and engage the fintech industry.

The GFIN is a network that provides an efficient conduit for innovative firms to interact with regulators and to help them navigate between countries as they look to scale new ideas in the interest of consumers. Other members include the Financial Conduct Authority from the United Kingdom, the Hong Kong Monetary Authority and the Central Bank of Eswatini. The GFIN has three primary functions, namely to:

- act as a network for regulators to collaborate and share experiences of innovation in respective markets, including emerging technologies and business models;

- provide a forum for joint regulatory technology (regtech) work and collaborative knowledge sharing; and
- provide firms with an environment in which to trial cross-border solutions.

The [terms of reference](#) for the GFIN as well as a [general public communication](#) from the GFIN providing more details of its functions, the cross-border trials and its members are available on the SARB's website.

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