



# 2025 TECHSPRINT

Trust and integrity in scalable  
and open finance



SOUTH AFRICAN RESERVE BANK



**Keynote address by Mampho Modise,  
Deputy Governor of the South African Reserve Bank,  
at the G20 TechSprint launch event,  
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## **Growth and guardrails: The symbiosis of fintech and regulation**

Once again, a very warm welcome to all of you to the 2025 G20 TechSprint.

Today, I would like to share a few thoughts on the dynamic and interdependent relationship between fintech and regulation in this address titled ‘Growth and guardrails: The symbiosis of fintech and regulation’.

Technology in financial services has been around for well over 160 years. Its roots can be traced to the laying of the first transatlantic cables in the mid-1850s, which created network infrastructure and linkages around the world. This era, often dubbed Fintech 1.0, marked the beginning of technology’s influence on finance.<sup>1</sup> However, fintech only started gaining momentum after the 2008 global financial crisis and was further

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<sup>1</sup> R Buckley, D Arner and J Barberis, ‘The Evolution of Fintech: A New Post-Crisis Paradigm?’, *Georgetown Journal of International Law* 47, 2016, pp 1271–1319.

bolstered during the COVID-19 pandemic when the need for online services became more pronounced.<sup>2</sup>

In tandem with these developments, regulators have sought to better understand these technologies, as well as their impact on the provision of financial services to consumers as a utility and the risks they may pose to financial stability, if at all.

In many parts of the world, innovation hubs have been established to grow and enable this endeavour. Let's call them innovation facilitators – of which the South African Reserve Bank, the industry and many other players are a part. These innovation facilitators seek to provide regulatory clarity and sandbox environments where firms can test products, services or business models under regulatory oversight in an enabling and controlled setting.

These facilitators provide innovators with greater regulatory clarity needed to bring new products to market, while also providing regulators with a deeper understanding of emerging technologies and their potential impact on the financial system. This hands-on experience allows regulators to anticipate and respond to existing and future challenges in financial services.<sup>3</sup>

At present, Fintech 4.0 – a term not yet universally defined or adopted – has been used to describe the latest phase in the evolution of fintech.<sup>4</sup> This has been characterised by integrating advanced, intelligent technologies such as application programming interfaces, artificial intelligence (AI) and blockchain-based technology to unlock new opportunities like open finance, generative AI and tokenisation in financial services. Innovators are creating a personalised, autonomous and seamless digital finance ecosystem that consolidates some financial services like banking, payments, investments and credit onto digital platforms and centralised hubs.<sup>5</sup>

Fintech 4.0 marks a shift from reactive to proactive finance – where systems can anticipate needs and respond in real time. The convergence of technology and the maturity of the innovations being pursued not only seek to improve financial services

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<sup>2</sup> Common Market for Eastern and Southern Africa, '[The Role of Financial Technology \(FINTECH\) in Changing Financial Industry and Increasing Efficiency in the Economy](#)'.

<sup>3</sup> [World Bank, How regulators respond to Fintech: Evaluating the different approaches –sandboxes and beyond.](#)

<sup>4</sup> <https://www.linkedin.com/pulse/what-fintech-40-thing-the-banking-expert-9zvbf/>

<sup>5</sup> <https://geniusee.com/single-blog/fintech-industry-trends>

and products, but also represent a major shift in the underpinnings of the financial system and its associated regulation. It also poses ethical and security challenges that demand smart, agile oversight from both public and private stakeholders.

### **The role of central banks as a catalyst**

Central banks have a responsibility to maintain financial stability and the safety of the financial system. Achieving this in relation to fintech has meant striking a delicate balance. On one hand, central banks must promote innovation to drive competition and resilience in financial markets, while on the other, they need to guard against risks, including cyber risks and potential systemic risks associated with new, untested technologies. It is through experimentation and proactive monitoring that central banks are able to create regulatory frameworks that protect financial stability and the public interest, while also fostering the growth of innovative financial solutions.

In recognising the imperfections in the current financial system, central banks are increasingly stepping into the role of catalysts for positive change. They are implementing appropriate regulations based on the principle of ‘same activity, same risk, same regulation’, by building middle mile infrastructure that speaks to both prevailing and anticipated future needs of participants and consumers.<sup>6</sup>

### **Why are they important?**

Today is an example of how central banks and other public sector role players can improve their understanding for decision-making and prioritisation. TechSprints are time-bound events designed to address specific challenges by leveraging technology, co-creation and collaboration. Essentially, they are fast-paced, problem-solving initiatives where diverse teams come together to brainstorm and develop innovative digital solutions within a limited time frame. After consistently hearing from technologists that ‘the technology can do anything’, TechSprints offer a distinct

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<sup>6</sup> See Bank for International Settlements, ‘Finternet: The financial system for the future’ *BIS Working Papers No. 1178*, <https://www.bis.org/publ/work1178.htm>

opportunity to harness the revolutionary capabilities of technology to solve real-world challenges.<sup>7</sup>

The modern financial services ecosystem we want to see requires empowering individuals to take control of their own financial information. This requires explicit consent and creating secured data exchange channels. Doing so reduces the risk of fraud, identity theft and data misuse. It also enhances the accuracy and speed of credit decisions, supports financial inclusion and opens doors to affordable credit for those who may otherwise be overlooked by conventional models.

The three problem statements for the 2025 G20 TechSprint – (i) verifiable, privacy-preserving digital identity solutions; (ii) consumer-consented and secure credit data exchange; and (iii) technology solutions for fraud and cyber-risk mitigation in fast payment systems – are globally relevant and aim to build on the work of previous G20 presidencies.

As more transacting happens online, verifiable and privacy-preserving digital identity solutions are essential to foster trust. And as the world becomes increasingly interconnected, the need for scalable and interoperable solutions cannot be overstated.

Challenges related to data security and privacy are universal. As more data is shared across different platforms, ensuring that this information is protected from breaches and misuse is crucial.

I believe that the insights gained from the 2025 G20 TechSprint will be universally valuable and will not only add to the ongoing dialogue, but will also bring about actionable steps and strategies that pave the way towards improved trust and integrity in scalable and open finance.

Thank you.

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<sup>7</sup> See overview of G20 TechSprints, available at <https://www.bis.org/about/bisih/media.htm?m=271>