

afi Alliance for
Financial Inclusion

Ways Forward in Financial Inclusion and Integrity

The 2010 AFI Global Policy Forum
28 September 2010

AFI Financial Integrity Working Group

- Impetus for the Working Group
- Local approaches
- Financial inclusion and integrity
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- Mandate

Impetus for the Working Group

Discussions at the **2009 AFI Global Policy Forum**, Kenya

Membership-driven requests for work in the area of:

- Financial integrity and financial inclusion
 - Fraud, lack of ID, safety mechanisms
- Challenges of AML/CFT implementation (CDD & KYC)
- Challenges faced in mobile banking and new channels

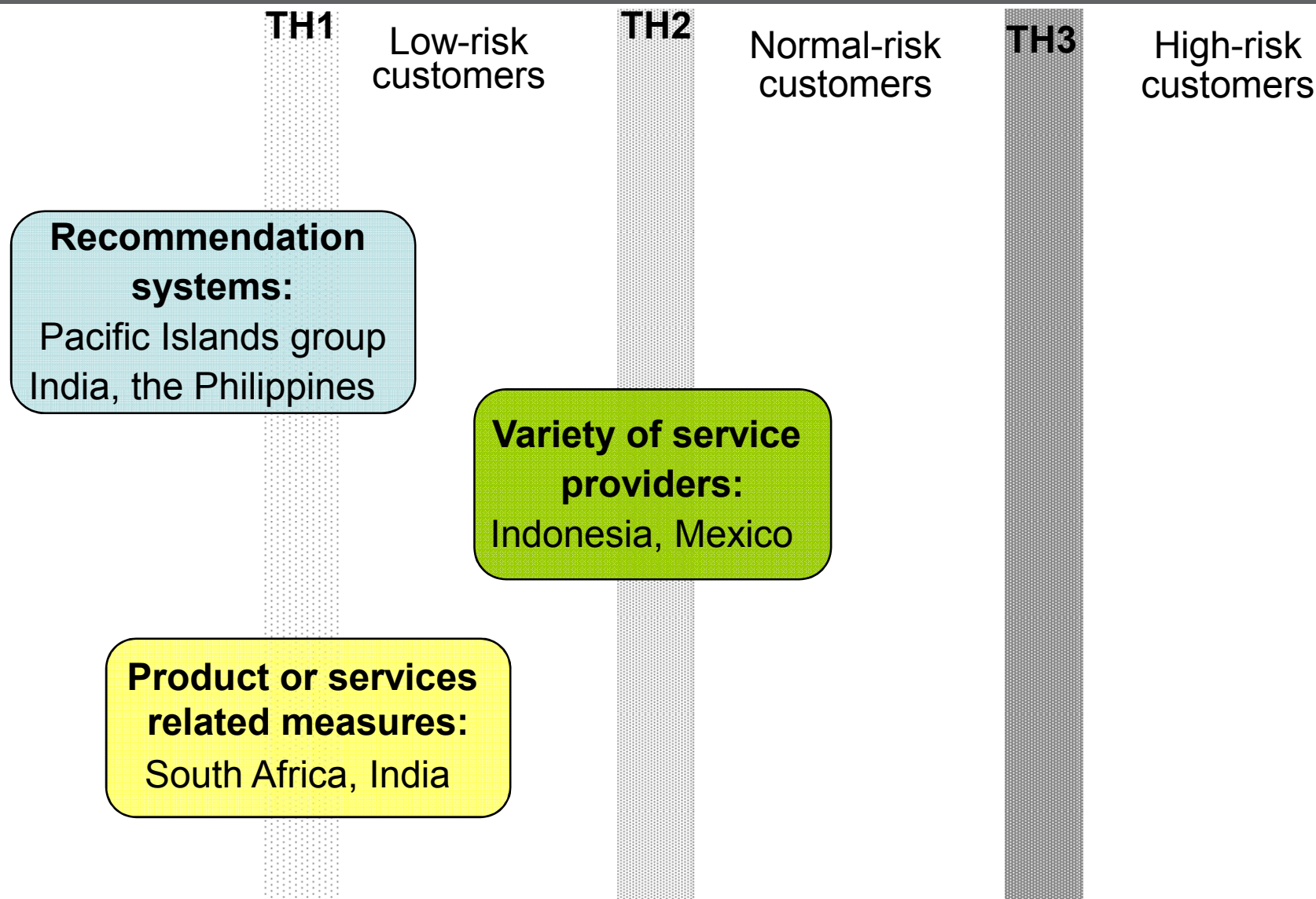
Interaction with FATF greatly appreciated:

- At the 2009 AFI forum FATF Vice President stressed:
FATF implementation flexibility & risk-based approach
- AFI to potentially provide platform for exchange

Requested key points for the exchange from members:

1. Flexibility of FATF recommendations
2. Policies with complementary goals of integrity & inclusion
3. Potential input to FATF processes:
 - *Review of recommendations*
 - *Evaluation/assessment process*
4. Peer exchange on local solutions

Local approaches



Financial Inclusion and Integrity:

- There is not a conflict between the two policy goals
- Shift from informal to formal services
- Increased monitoring possible
- Contribution to fight against ML/FT, corruption
- Increasing convergence of policy goals

Challenges:

- Safe and efficient identification tools
- Prevention of identity theft and financial fraud
- Proper regulation of personally identifying information

Objectives



The Working Group's **objectives** are:

- Understanding of the **flexibility** of the FATF 40+9 *Recommendations*
- Identifying cases on how **regulation** (emerging in developing countries) has responded to new business models
- Providing a **platform for policy makers for mutual learning**
- Establishing **consultative mechanism** for the different stakeholders, including international standard setters and FATF as well as FSRBs

Exploring ways to engage in global dialogue



Exchange of policy makers

AFI Financial Integrity Working Group

Other international efforts to promote the integrity of FS

The Working Group's **mandate and tasks** include:

- Analysis of country cases with flexible approaches with respect to the implementation of the *40+9 Recommendations* that are relevant for financial inclusion
- Draft of AFI Policy Notes as demanded by the members
- Global/regional gatherings with face-to-face meetings, peer learning and exchange in virtual meetings and conferences
- Publication of a final report

Terima kasih

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