



SAN SALVADOR CONSENSUS ON RESPONSIBLE FINANCIAL INNOVATION



**The Maya
Declaration**
Commitments
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I. INTRODUCTION

Responsible financial innovation involves creating and implementing new financial products, channels, and sustainable financial solutions, complemented by financial education, in order to achieve the following key objectives:

- > **Equitable Access and Usage:** Developing financial products and services that ensure fair access for all, particularly underserved groups such as women, youth, people with disabilities, elderly, people in rural areas, forcibly displaced persons, small businesses, and those most vulnerable to the effects of climate change. This includes enabling these groups to effectively use financial services to enhance their financial well-being.
- > **Consumer Protection:** Prioritizing the protection of consumers by implementing robust risk management practices, identifying and mitigating risks associated with new financial products and technologies, ensuring transparency in financial transactions, safeguarding consumer data and privacy and empowering consumers to make informed financial decisions.
- > **Resilient and Inclusive Digital Infrastructure:** Emphasizing the development and maintenance of robust and accessible digital infrastructure and a modern and wide-ranging coverage that securely and efficiently delivers and safeguards financial services. This includes mitigating cyber threats and ensuring continuous access to financial services, especially during disruptions.

Responsible financial innovation aims to achieve positive social and economic outcomes by broadening access to financial services, safeguarding consumers from risks, and establishing resilient digital frameworks that support inclusive and sustainable financial ecosystems.

Data-backed decision making based on continuous monitoring and evaluation are essential to assess the impact, identify areas for improvement, and ensure that innovations remain aligned with their intended goals.

II. OBJECTIVE OF THE SAN SALVADOR CONSENSUS

The San Salvador Consensus on Responsible Financial Innovation aims to bring together AFI members towards developing policies and initiatives that promote inclusive and responsible financial innovations to drive positive social and economic outcomes.

Further, the Consensus will support AFI members prioritize consumer protection, strengthen risk management and enhance financial capability while promoting innovative digital finance infrastructure and solutions.

III. LINKING TO EXISTING ACCORDS AND POLICY MODEL

- > **Sochi Accord on Inclusive FinTech:** Emphasizes leveraging financial technology (FinTech) to promote financial inclusion, especially for underserved populations. It encourages the responsible use of technology to enhance access to financial services and improve financial literacy. This aligns with responsible financial innovation by focusing on equitable access, usage and quality of financial services.
- > **Victoria Consensus on Advancing Responsible and Inclusive Innovation for Financial Inclusion:** Highlights the importance of responsible and inclusive innovation in advancing financial inclusion. It promotes policies and practices that ensure innovations benefit all segments of society, including disadvantaged groups such as women and the youth. This aligns closely with the principles of responsible financial innovation by advocating for equitable access and ensuring consumer protection.
- > **Policy Model on Consumer Protection for Digital Financial Services (CP4DFS):** Provides guidelines for ensuring consumer protection in the context of digital financial services. It outlines practices such as transparency, fair treatment, and data privacy protections to safeguard consumers' interests. Implementing such policies is essential for responsible financial innovation as it mitigates risks associated with digital financial services and builds trust among users.

These Accords and Policy Model contribute to the framework of responsible financial innovation by advocating for inclusive access to financial services, promoting consumer protection, and establishing robust regulatory frameworks to support sustainable financial ecosystems.

While these Accords and Policy Model are member-driven, the pivotal role of public-private partnerships in achieving these objectives by combining resources, expertise, and innovative capabilities from both sectors, cannot be overstated.

IV. KEY COMMITMENTS

These key commitments outline a comprehensive framework for responsible financial innovation.

AFI members hereby affirm the significance of each commitment under this consensus, as essential for fostering an inclusive, responsible, interoperable and supportive financial innovation environment:

A. Consumer Protection

- **Implementation of Robust Frameworks:** Ensuring that consumer protection frameworks evolve alongside digital financial innovations, addressing biases and ensuring fair access to financial services. This involves regular updates to policies to address emerging risks and challenges in the digital financial landscape.
- **Market Conduct Supervision:** Adapting supervision mechanisms to oversee digital financial services, preventing misconduct and ensuring fair treatment of consumers promptly and effectively.

B. Financial Capability and Digital Literacy:

- **Initiatives for Vulnerable Segments:** Design financial education initiatives that incorporate sustainability, gender and digital financial innovation as cross-cutting themes in order to provide resilience in the face of any disruptions and emerging challenges. These initiatives should be tailored to the specific needs of different demographic groups.
- **Collaborative Efforts:** Partnering with stakeholders to design and implement effective educational initiatives that bridge the digital literacy gap.
- **Data Collection:** Development of regulations, data governance strategies and platforms that allow the collection of results' data from implemented financial education initiatives. This data should be used to refine and improve ongoing and future initiatives.

C. Customer-Centric Approach and Strengthening Risk Management:

- **Policymaking and Development:** Centering on customer needs and feedback to enhance the design and usability of financial products and services.
- **Inclusive Design:** Ensuring accessibility, interoperability, and usability for all consumers, including those from diverse backgrounds. This includes designing products that are easy to use for people with different levels of digital literacy.
- **Governance and Risk Mitigation Practices in AML/CFT areas:** Encouraging robust risk management practices to mitigate potential risks associated with financial innovations, including AML/CFT risks thereby safeguarding consumers and the financial system.

D. Data Protection, Privacy, and Security:

- **Cybersecurity Measures:** Implementing stringent cybersecurity measures to protect personal and financial data of consumers, including regular security audits and adopting (where appropriate) the best security technologies and approaches.
- **Privacy Measures:** Promote best practice and ensure compliance with data privacy and protection regulations to uphold customer privacy. This involves creating transparent data policies and ensuring consumers are aware of their rights.

E. Innovation for Impact:

- **Scalability and Replicability:** Focus on innovations that can be scaled and replicated to maximize wider positive economic and social impact.
- **Empowerment and Poverty Reduction:** Evaluating innovations based on their potential to empower individuals economically, bring about digital, financial and economic inclusion and contribute to poverty reduction.
- **Promoting a digitally savvy and enabled workforce:** Promoting responsible innovation should be complemented by equipping the workforce with the necessary skills to prevent widening skills gap

F. Dialogue and Collaboration:

- **Customer Engagement:** Actively engaging with customers, industry and other key actors to understand their perspectives and needs.
- **Stakeholder Collaboration:** Collaborating with regulators and industry stakeholders to foster a cooperative environment for responsible financial innovation and for the development of digital enablers.

G. Technology, Business Model Neutrality and Diversity of Approaches:

- **Technology-Neutral Approach:** Encouraging innovation that does not favour specific technologies or business models, promoting fair competition and innovation diversity.
- **Contextual Relevance:** Promoting financial innovations that are tailored to local contexts, acknowledging regional differences and needs.
- **Fostering an adaptive regulatory environment:** Ensuring that regulations remain adaptive and proportionate in facilitating responsible innovations.

H. RegTech and SupTech Tools:

- **Technological Tools:** Leveraging RegTech (regulatory technology) and SupTech (supervisory technology) to enhance regulatory efficiency, monitor risks, and improve customer service and oversight.

I. Environmental Sustainability:

- **Green Financial Products:** Continuously advocating and encouraging the development and promotion of financial products and services that support environmental sustainability and climate resilience.
- **Sustainable Practices:** Encouraging financial institutions and industry to adopt and champion innovative sustainable practices in their operations and financial product design.

These commitments collectively strive to create an environment where financial innovation is inclusive, responsible, sustainable, and enhances consumer welfare and economic development. Effective implementation of these principles requires collaboration among regulators, industry participants, and other stakeholders to ensure that the outcomes are sustainable and beneficial for everyone.