The Bali Fintech Agenda
And what it could mean for Albania

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November 1, 2018

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Recent internal survey of IMF country teams in Europe: fintech emerging slowly in South East Europe

Fintech Activity in Europe

Mobile Money Services Available? (Percent)

Fintech Lending Platforms for MSMEs Available? (Percent)
Fintech Activity in Europe

Use of Blockchain Applications?
(Percent)

Plan for Central Bank Digital Currency?
(Percent)
The Bali Fintech Agenda

And some considerations related to Albania
(I) Embrace and…

Wide-ranging social and economic benefits
Enable Fintech

Albania: Basic infrastructure exists
- mobile phone subscriptions 112%
- internet access 66%
- but limited broadband

And challenge to fintech supply from brain drain
(III) Reinforce Open Competition

Albania: Large potential for new services
- limited savings, insurance and pension instruments;
- limited access in rural areas;
- underdeveloped nonbank financial sector
- High costs of sending remittances
(IV) Promote Fintech for Financial Inclusion and Development

Albania: Fintech could make real contribution
- 60% pop. nonbanked
- cash is dominant
- large informal sector
- only 27% of SMEs use credit.

Fintech (digital wallets) is emerging slowly
(V) Monitor Developments Closely

- Support policy development
- Harness opportunities; mitigate risks
Albania: Regulation must strike a balance
• customers may have few bank-based alternatives
• financial literacy is low
• new products may be flawed.

Regulators should be vigilant with maybe a sandbox approach for startups
Albania: fintech can offer channels for illicit payments. But also help detect money laundering and reduce use of cash.
(VIII) Modernize Legal Frameworks

Data Privacy
Data Security
Smart Contracts
Insolvency
Resolution
Payments

Albania: fintech is new territory
Calling for new expertise
(IX) Ensure Stability of Monetary and Financial Systems

Albania: monetary transmission to evolve with fintech
- Transmission currently limited by high euroization and impaired credit channel
- Changes hard to predict
(X) Develop Robust Financial and Data Infrastructure

- Business continuity
- Operational risk management
- Privacy
- Cyber security
- Data ownership
- Consumer protection
- Data security and integrity
- Concentration risk management
Other Bali Elements

XI. Encourage International Cooperation and Information-Sharing

XII. Enhance Collective Surveillance of the International Monetary and Financial System

For Further information, see