



IDB-ADFIMI-Bank Zitouna- Zitouna Tamkeen Joint CEO Seminar on

Fintech, Regtech & Development Finance

Utique Hall, Ramada Hotel Gammart, Tunis, Tunisia

03 April 2018, 12.00-14.30



Objective of the seminar is to review the developments in the revolutionary phenomena of Fintech and Regtech (which are considered by some as ingredients of the Fourth Industrial Revolution) and create an awareness of these developments for National Development Finance Institutions (NDFIs).

Fintech covers Money transfers, Payments, Financial planning, Investments, Borrowing, Lending, Microfinance, Insurance, Cryptocurrencies as well as charity. Blockchain, artificial intelligence (AI) and cloud technology are among the outstanding technologies that facilitate fintech applications.

Fintech has disrupted or revolutionized many services, ordinarily offered by the banking sector, causing substantial amount of the transactions to take place digitally outside the domain of traditional banks. It has created new potential for financial services and financial inclusion. At the same time, Fintech has created new risks for the financial system, and some algorithm-based Fintech applications have the potential to create new, or strengthen existing financial exclusion.

Regtech assists regulators and regulated firms to keep some of the new risks for the financial system and for the clients of Fintech firms under control. The seminar outlines the challenges and opportunities prompted by Fintech and analyses the potential of Regtech to optimize the Fintech.

The seminar will address:

- Smart contracts
- Insurance Technology
- P2P Lending
- Crowd funding
- Islamic finance and Fintech
- Fintech regulatory practices, sandboxes and smart regulation
- Regtech and compliance



Dirk Zetzsche

DIRK A. ZETZSCHE holds the ADA Chair for Financial Law at the University of Luxembourg since March 2016. Prof. Zetzsche studied law at Heinrich Heine University in Düsseldorf, Germany, where he obtained a PhD in law (Dr. iur.) in 2004, after completing his LL.M. at the University of Toronto, Canada. As assistant professor, he completed his habilitation thesis (Ph.D. habil.) in 2012, also at Heinrich Heine University, before taking over the Propter Homines Chair of Banking and Securities Law at the University of Liechtenstein. Prof. Zetzsche has served as adviser to and participated in expert working groups initiated by public institutions, such as the Financial Stability Board, the European Commission, the European Parliament, the European Securities & Markets Authority, the German Ministry of Justice, the German Ministry of Finance as well as the Liechtenstein government. Prof. Zetzsche has worked in the private sector, as a lawyer licensed under German law and board member of regulated entities. His more than 200 publications deal with banking, corporate and securities law topics, in particular alternative finance, FinTECH, collective investment schemes, asset management, family offices, shareholder rights, corporate governance, institutional banking law, secured transactions and international financial regulation. His latest publications deal with FinTech and inclusive finance and have found global recognition, in particular *Regulating a Revolution: From Regulatory Sandbox to Smart Regulation*, *The Distributed Liability of Distributed Ledgers*, *Cross-Border Crowdfunding - Towards a Single Crowdfunding Market for Europe*, *From FinTech to TechFin - The Regulatory Challenges of Data-Driven Finance* as well as *The ICO Gold Rush: It's a Scam, It's a Bubble, It's a Super Challenge for Regulators*.



Umar Munshi

Umar Munshi is the founder of Malaysia-based Ethis Ventures, an Islamic Fintech Venture Builder. Its flagship platform, GlobalSadaqah.com, an Islamic Social Finance crowdfunding marketplace was launched in early 2018. Munshi is also the Managing Director of Singapore-based EthisCrowd.com, an award-winning Real Estate Islamic Crowdfunding platform. EthisCrowd.com brings together retail crowd-investors, larger private investors and Islamic Banks to fund Social Housing developments in Indonesia, supported by the National Housing Program. Munshi is also the CEO of NusaKapital.com, an Islamic P2P crowdfunding operator licensed by Securities Commission Malaysia. He is an Islamica500 Islamic Economy influencer and the founding Chairman of the IslamicFintechAlliance.com. 100 words Quote: 'Crowdfunding and Fintech is an opportunity for Islamic Finance and the Muslim world to provide services and marketplaces rooted in Islamic principles to meet unique needs and impact underserved communities.'



Datuk Mohd Radzif bin Mohd Yunus

Datuk Mohd Radzif bin Mohd Yunus is the Chairman of Ethis Ventures, an Islamic Fintech venture builder in Malaysia. Mohd Radzif's illustrious career includes entrepreneurship & leadership roles in industries spanning real estate, infrastructure, GLCs and finance, including Group Managing Director of two prominent institutions in Malaysia, SME Development Bank and the National Heart Institute, where he led successful corporate transformations. Datuk Mohd Radzif was recognised with the Malaysian Business Leadership Award for Healthcare in 2009 and CEO of the Year in 2015 by the Association of Development Financial Institution Asia Pacific. Datuk Mohd Radzif was also the Chairman of ADFIM (Association of Development Finance Institutions of Malaysia) and a Vice Chairman of ADFIMI (Association of National Development Finance Institutions in Member Countries of The Islamic Development Bank).



Jamel Bouzaine

With more than 23 years of experience, in the information system domain as well as in the corporate and commercial field in retail banking, Mr. Jamel BOUZAIENE had led large-scale projects as a project manager. Committed to the project of Zitouna Bank's creation, he was responsible for the establishment of the bank's strategy and organization, as well as its information system. His specialization includes strategy, digital transformation, project management, information systems and change management. He holds an engineering degree in Computer Science from the Faculty of Sciences of Tunis, an MA in Banking Techniques (ITB France) and an MBA – Paris Dauphine.

AGENDA

Opening Remarks

12.00-12.25

- IDB Representative (tbi)
- Mr. Metin Özdemir, Chairman, ADFIMI
- Dr. Ezzedine Khoja, Chairman and CEO of Bank Zitouna

12.25-14.15

Regtech

Prof. Dr. Dirk Zetsche, University of Luxembourg, Luxembourg

FinTech has created new potential for financial services and financial inclusion. At the same time, FinTech has created new risks for the financial system, and some algorithm-based FinTech applications have the potential to create new, or strengthen existing financial exclusion. RegTech has the potential to assist regulators and regulated firms to keep some of the new risks for the financial system and the clients of FinTech firms under control. At the same time, RegTech requires significant investment in technical infrastructure and new skills on the side of regulators, supervised entities and customers/clients alike. As ambitious RegTech examples demonstrate both investments and skills may not come overnight; quite the opposite is true: developing tech skills is as burdensome as developing financial skills. The presentation outlines the challenges and opportunities prompted by FinTech, analyses the potential of RegTech to optimize the FinTech landscape and develops a list and hierarchy of voluntary and mandatory policy measures that together have the potential to implement RegTech solutions while furthering financial inclusion at the same time.

Adopting Fintech for Islamic Finance

Mr. Umar Munshi, CEO of Ethiscrowd, Malaysia

Fintech is set to add new solutions to serve the many large market gaps in the finance landscape. This opportunity is especially valuable for Islamic Finance, to allow it to effectively serve Muslim countries and other developing countries, as well as Islamic and Ethical investors from other parts of the world. Explore real-world case studies of Pioneer efforts and solutions in the nascent world of Islamic Fintech.

Fintech & Financial Inclusion

Datuk Radzif Mohd. Yunus, Chairman Ethis Ventures, Malaysia (Former CEO of SME Development Bank of Malaysia)

Fintech promises a new and open approach that breaks down the barriers to finance. This session seeks to address the extent of the financing gap and the current Fintech trends in addressing these gaps to help accelerate development, empowering and transforming lives and improving economic well being.

Fintech in Tunisia

Mr. Jamel Bouzaine, Chief of Support and Digital Transformation Operations, Banque Zitouna, Tunisia

The world of high technologies is evolving very rapidly and forces organizations, regardless of the sector of activity, to integrate digital into their strategy in order to respond to two major pressures:

- A competitive environment, increasingly, strong
- Customers' growing demand

Therefore, digital transformation becomes an unavoidable issue for all lines of business and more and more companies are investing in this transformation. For banks, it's an inevitable change in the face of Fintech and new customer expectations. In order to transform themselves, banks should overhaul their operational model, adapt their information systems, upgrade their competency model to adapt to digital, set up an ambitious data strategy, establish a Fintech ecosystem and evaluate the opportunity of launching disruptive models. Issue: Everyone talks about digital... Everybody wants to do it ... But how to do it?

14.15-14.30

Interactive Discussions and Closing Remarks



IDB

The Islamic Development Bank (IDB) is an international financial institution established in December 1973 and began operations on 20 October 1975. The purpose of the Bank is to foster the economic development and social progress of member countries and Muslim communities individually as well as jointly in accordance with the principles of Islamic Law. The functions of the Bank are to participate in equity capital and grant loans for productive projects and enterprises besides providing financial assistance to member countries in other forms for economic and social development. The Bank is authorized to accept deposits and to mobilize financial resources through Shari'ah compatible modes. IDB has been rated for the 10th consecutive year by the highest AAA rating by Moody's as well as by the other two leading international rating agencies, S&P and FITCH and is currently the highest rated institution in the Muslim World and one of the highest rated MDBs.



ADFIMI



Mr. Metin Özdemir
Chairman of ADFIMI,
CEO of Ziraat Participation Bank

Established in 1986, ADFIMI, Association of National Development Finance Institutions in Member Countries of Islamic Development Bank, is an international non-profit association serving around 45 members in 18 countries with headquarters in Istanbul. The main objective of ADFIMI is to establish networking and solidarity among its members and capacity building of its member institutions. In this context, ADFIMI organizes seminars / workshops / conferences for its members in various cities in its region (like Istanbul, Karachi, Kuala Lumpur, Amman, Tehran, Baku, Cairo, Ouagadougou, Asghabat, Beirut, Dakar, Sarajevo, Prishtina, Lome, Dushanbe, Damascus, Khartoum, Dhaka, Gironne, Islamabad, Kuwait City, Antalya, Tirana, Kampala, Dubai, Almaty, Maldives, Muscat, Tunis). ADFIMI aspires to be "a forum for development".



BANK ZITOUNA



Dr. Ezzedine Khoja
CEO of Zitouna Bank

Zitouna Bank was established in October 2009. It is a universal commercial bank, which operates in compliance with the legislations governing the banking business in Tunisia. The Share Capital of Zitouna Bank, on 12/31/2016, is divided into Tunisian State's shares attending 69,15%, Islamic Development Bank's shares representing 20,9% and private shares reaching 9,94%. Zitouna Bank is intent on being a Citizen Bank with a high social responsibility, endeavoring to take part in the country's economic expansion. Zitouna Bank offers a full range of products and services that are in keeping with the principles of Islamic Finance and with a view to meeting the specific needs of corporate clients, individuals as well as professional ones. Zitouna Bank provides individuals and professionals with an innovative range of products and services pertaining to deposit accounts, financing and equity investments. Zitouna Bank aims to consolidate its commercial network through its presence on Tunisian territory. In order to meet the expectations of current and potential customers, as well as the growing demand of products and services offered by Islamic Finance, Zitouna Bank is adopting a commercial policy, based on accelerated network densification, leading to a presence with 115 branches. The purpose of this expansion is to improve the bank's financial indicators.



ZITOUNA TAMKEEN



Mr. Nabil Ghalieb
CEO of Zitouna Tamkeen

Zitouna Tamkeen is the first Microfinance/Economic Empowerment Institution in Tunisia using Islamic financial instruments. The mission of Zitouna Tamkeen is to contribute to the economic inclusion of disadvantaged people through promoting the entrepreneurship and supporting self-employment projects. Its vision is to become a major pillar of Islamic microfinance at a national and international levels. The institution enjoys the strong presence of reputable local and international partners among them Islamic Development Bank, Zitouna Bank (the largest Islamic Bank in Tunisia), Zitouna Takaful (the largest Takaful company in Tunisia), two of the top 5 largest group in the country namely Delice Holding Group and Poulina Holding Group, the Tunisian Sovereign Fund (CDC) and Jaïda Fund from Morocco. Zitouna Tamkeen is adopting an innovative approach called the Economic Empowerment approach to reach and finance vulnerable populations. The process is triggered with the Identification of the economic and strategic partner (Value Chain Leader) and obtain a firm commitment from its side to absorb the production of the beneficiaries of the financing over a specific period of time. Then, Zitouna Tamkeen Institution should develop and engineer its own development project and expand its scope of services to business development for the benefit of the poor. Once all the variables and components of the project are sealed in a realistic business model, capacity building modules are developed and beneficiaries are contacted and selected to be part of the project. Ultimately, funding is dispensed and a partnership is concluded between the marginalized populations and the strategic and commercial partner. And finally, assistance and project follow-up is to be done during the lifetime of the contractual agreement. The objectives of Zitouna Tamkeen over the next five coming years can be summarized as follows: deploying a network of 40 branches, 6 mobile branches, 5 regional offices and disbursing a financing portfolio of TND 600 millions to reach 80,000 beneficiaries countrywide.