Modernization and Harmonization of the Legal Ecosystem for Payments

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Vision: Payments as a Global Network
Challenges

Access

- 1.7 billion lack of access to financial services accounts (0% to 93%)*
- 0.3 billion lack of access to identification (0.3% to 84.3%)**
- 11% no access to electricity (0% to 88%)***
- 50% internet access (3% to 99%)****
- 106% mobile cellular subscription (4% to 193%)****

Legal framework to support innovation and investment in infrastructures related to payments

*https://globalfindex.worldbank.org/
**https://id4d.worldbank.org/global-dataset
***https://www.irena.org/newsroom/pressreleases/2019/May/More-People-Have-Access-to-Electricity-Than-Ever-Before
****https://data.worldbank.org/indicator/IT.NET.USER.ZS
Challenges – cont’d

Interoperability

- Varying legal requirements and standards
  - Licensing
  - Safeguarding
  - KYC/AML
  - Data privacy

Global collaboration in harmonizing payments laws and regulations
Challenges – cont’d

Gap between legal requirements and innovation

- New players: vacuum or overlapping governance
- Insufficient legal infrastructure for digital payments
  - 60 countries adopted e-signature laws*
  - 81% countries adopted e-transactions laws**
  - 56% countries adopted online consumer protection laws**
  - 66% of countries adopted data privacy laws**
  - 79% of countries adopted cybercrime laws**
  - Lack of legal support for digital identification/eKYC
  - Lack of clarity over digital currency

* https://rightsignature.com/legality/electronic-signature-laws#:~:text=More%20than%2060%20countries%20have%20some%20form%20of%20electronic%20signature,the%20legality%20behind%20electronic%20signatures.


- Intra-governmental collaboration
- Modernization of the legal ecosystem for payments
Existing Initiatives of Modernization and Harmonization

- Domestic
  - Modernization of payments laws
  - Intra-governmental collaborations

- International
  - Global efforts led by international organizations
  - Bilateral/multilateral digital trade commitments
  - Bilateral/multilateral/regional innovation collaborations
  - Regional license passporting
Call for Actions

- Agile governance
- Public-private collaboration
- Risk based approach
- Collaboration at a global level
  - Legislative guides and recommendations
  - Model Law
Thank You!
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