

Modernization and Harmonization of the Legal Ecosystem for Payments



Yan Xiao, Project Lead, Digital Trade, C4IR, World Economic Forum

COMMITTED TO
IMPROVING THE STATE
OF THE WORLD

July 9, 2020



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://globalindex.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

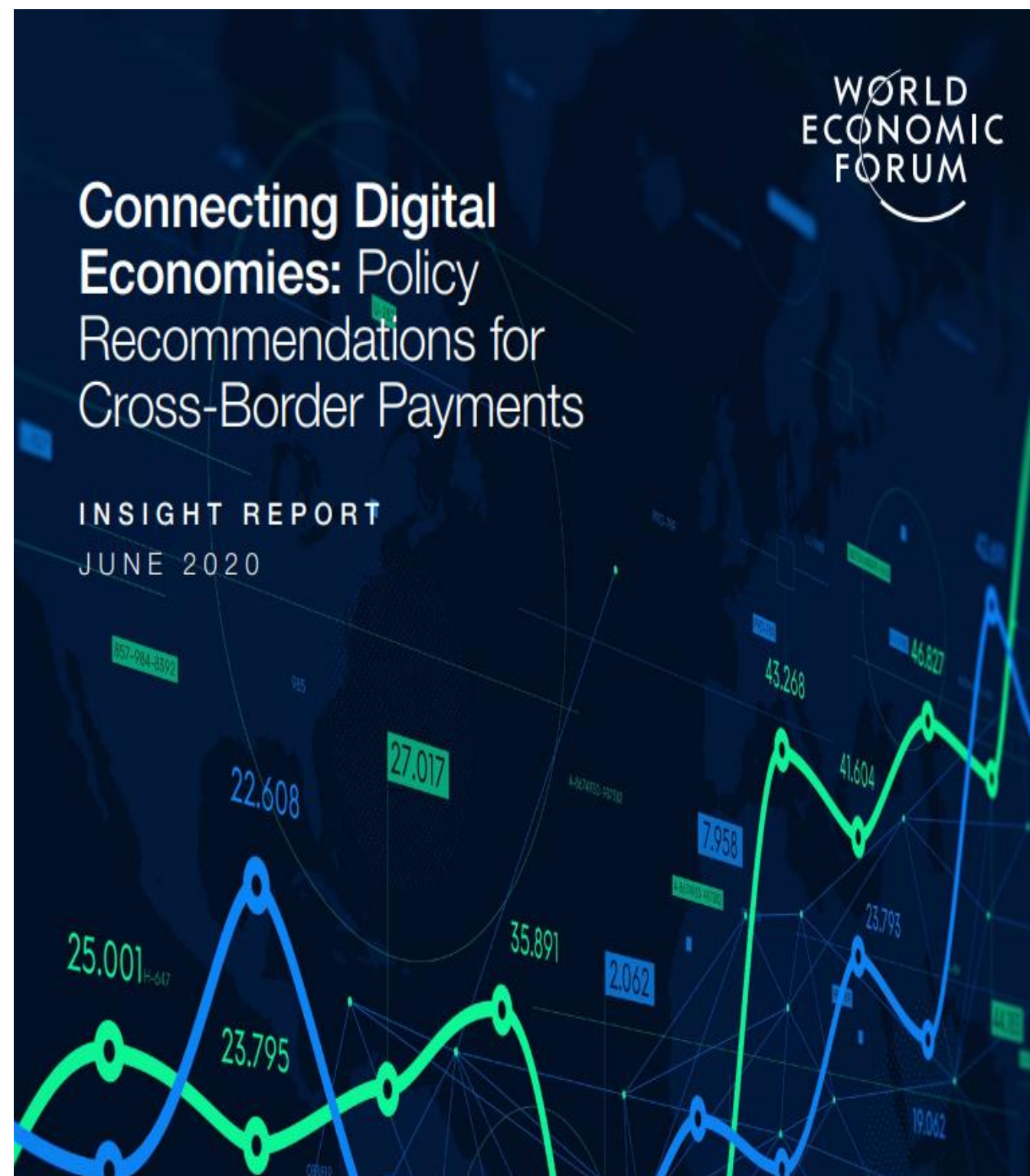


- Intra-governmental collaboration
- Modernization of the legal ecosystem for payments

*<https://rightsignature.com/legality/electronic-signature-laws#:~:text=More%20than%2060%20countries%20have%20some%20form%20of%20e%2Dsignature,the%20legality%20behind%20electronic%20signatures.>

**https://unctad.org/en/Pages/DTL/STI_and_ICTs/ICT4D-Legislation/eCom-Global-Legislation.aspx

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!
Yan.xiao@Weforum.org