



**15**  
**17**  
NOV  
2023

**SINGAPORE**  
**FINTECH**  
**FESTIVAL™**



**Event Report**  
Observations from FIDE FORUM

# Report Outline



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  - **Tharman Shanmugaratnam**, President of the Republic of Singapore
  - **Ravi Menon**, Monetary Authority of Singapore
  - **Ajay Banga**, President, World Bank
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# Overview

FIDE  
FORUM

15 | SINGAPORE  
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NOV 2023 | FESTIVAL™

- SFF 2023 theme: The application of AI in Financial Services
- 66,000 participants from over 150 countries
- Close to 700 exhibitors from 36 countries

- 970 speakers
- 2,400 government and regulatory attendees across 530 central banks, regulatory institutions and other government organisations

# Panel Discussion Overview

**Panel sessions** took place at nine (9) venues concurrently. This excludes panel discussions conducted within exhibitor booths by various vendors and sessions that were by invitation.

Topics covered include:

- **Beneficial AI**
- **Regulation**
- **Advancing Talent**
- **Accelerating ESG**
- **Digital Inclusion**
- **Efficient Payments**
- **Empowering Entrepreneurism**
- **Scaling Insurance and Pension**
- **Responsible Tokenisation**
- **Other (ie. Product launches)**



## Key Takeaways

**Kristalina Georgieva**

Managing Director, International Monetary Fund (IMF)

*Topic: The digital money and finance voyage*

1. Governments should accelerate the adoption of Central Bank Digital Currencies (CBDCs).
2. CBDCs are less costly to circulate in island economies and will improve financial inclusion in populations with low bank account ownerships.
3. 50 percent of countries are exploring CBDCs in some form.
4. CBDC facilitate cross-border payments which are expensive, slow, and available to few. Making the process more efficient will allow capital to go more quickly to where it is needed.
5. Recognised the importance of digital banks in financial inclusion. MAS' Project Guardian will explore platforms to exchange digital money and assets.
6. AI solutions, known as RegTech, could reduce the cost of compliance.
7. IMF has launched new handbook to help policymakers speed by the launch of CBDCs.
8. Countries do not need to decide on CBDCs today but should keep the option open.

## Key Takeaways

**Tharman Shanmugaratnam**

President of the Republic of Singapore

**Topic: Fireside Chat**

1. AI would both replace human tasks and enable humans at the same time. This change will take place in the next 10 to 15 years. Ongoing technological revolution will have a more profound effect on the workforce and society than any previous ones.
2. In earlier waves of technology, automation in factories and logistics essentially replaced routine and repetitive work. What's different about LLMs and AI is that it takes over cognitive tasks. It takes over tasks that are done by people with better education and better incomes.
3. While AI will be a huge enabler, some matters still require human judgement and decision making. This requires AI governing rules, not to holdback AI, but ensure decisions made are ethical.
4. Singapore has a shortage of skills required for cybersecurity and AI.
5. We should look for things that surprise us, which are technological advances, and keep in mind of that ideas must out to do good. To do good for either those who are still not included in financial services and do good for people who just start off with less than life and need an uplift.
6. we've got to use everything in human ingenuity, technology, and global coordination to avoid crossing the environmental tipping point.

## Key Takeaways



**Ravi Menon** Managing Director,  
Monetary Authority of Singapore

**Topic: Shaping the Financial  
Ecosystem of the Future**

The financial ecosystem of the future consists of:

- **Instant payments** – Cross-border payments will be more fast, cheaper, and more efficient
- **Seamless end-to-end financial transactions** – Enable financial assets to be transacted seamlessly across multiple trading venues through digital assets, digital money, and interoperable digital networks
- **Trusted sustainability ecosystem** – foster a trusted data and disclosure ecosystem to support sustainable finance for the world's transition to net zero.

## Key Takeaways



**Ravi Menon** Managing Director,  
Monetary Authority of Singapore

***Topic: Shaping the Financial  
Ecosystem of the Future***

### Cross Border Transfers

- There will be more bilateral payment tie-ups through QR payment linkages. Paynow (Singapore) can transact in real-time with individuals from using United Payment Interface (UPI) (India) and PromptPay (Thailand). Soon this will be the case with DuitNow (Malaysia) and UnionPay (China). Singapore's NETS QR will soon have the same connectivity with QRIS Indonesia.
- MAS and the Bank for International Settlements (BIS) Innovation Hub is introducing Project Nexus, a multilateral real-time payment system between Singapore, Malaysia, and the Eurosystem. Central banks from outside ASEAN have expressed interest to be part of it.
  - Users around the world should be able to send money around the world in a secure, efficient, and affordable way
  - This requires interoperable systems that allow payments, clearing and settlement to take place instantly and seamlessly
  - Key to this is digital assets (tokenized assets), digital money, and digital infrastructure



## Key Takeaways



**Ravi Menon** Managing Director,  
Monetary Authority of Singapore

**Topic: Shaping the Financial  
Ecosystem of the Future**

### Digital Assets

- Digital assets can transform the nature of financial transactions through direct exchange and fractionalisation.
- Tokenisations allows exchanges without the need for intermediaries. This eliminates settlement risk, duplicative reconciliation, and the need for large funding accounts. Tokenisation also allows the fractionalisation of assets that make it possible to partially collateralise assets and grants a broader range of investor access to these assets.
- A digital infrastructure allows the recording of tokenised assets and digital money to be recorded consistently.
- The challenge is making networks interoperable. There is proliferation of digital asset networks due commercial motivations or legal and regulatory requirements. Rather than seeking all to use a single network, it is more feasible to work towards making these diverse networks interoperable.
- **Project Guardian** is Singapore's digital asset programme. MAS and partners are tokenising asses - to free trapped liquidity. There will be tokenised foreign exchange, bonds, funds for issuance and trading.

## Key Takeaways



**Ravi Menon** Managing Director,  
Monetary Authority of Singapore

**Topic: Shaping the Financial  
Ecosystem of the Future**

## Digital Money

- There are four contenders for digital money – privately issued cryptocurrencies, CBDCs, tokenised bank liabilities, and well-regulated stablecoins. Crypto has performed poorly as a medium of exchange where investors have suffered losses.
  - **CBDC** and **tokenised bank liabilities** can play the role of digital money and help achieve atomic settlement. MAS is experimenting with cross-border payments with other central banks and will partner with Singapore banks to test out domestic payments.
  - **Stablecoins**, if well regulated, can play a role as digital money alongside CBDCs and tokenised bank liabilities. Regulations in Singapore are being drafted to adopt this. MAS will allow three entities that can comply with MAS' regulatory framework to issue stablecoins.
- **Global Layer One (GL1)** – Launched by MAS to unify digital infrastructures to address current limitations with existing digital asset networks that lack interoperability. GL1 will allow seamless cross-border transactions and enable tokenised assets to be traded across global liquidity pools while meeting relevant regulatory requirements.

## ESG

- Singapore has developed **Project Gprnt** (Greenprint) which allows the generation of ESG reports from collated data. This allows companies to report ESG data more conveniently.

## Key Takeaways



**Ajay Banga** President, World Bank

*Topic: World Bank of the next decade:  
Reimagining for an inclusive and  
sustainable world*

1. The World Bank announced plans to certify carbon credits. Endorsing certified green credits could potentially streamline the carbon pricing process. This strategy is meant to facilitate the flow of funds from companies and investors in developed nations to developing countries. The latter often provides the forest carbon credits that rich nations are buying.
2. Ajay advocated for the repurposing of subsidies that contribute to environmental harm. He highlighted the necessity to redirect subsidies, which presently support fossil fuels, towards initiatives that combat climate change. Repurposing these subsidies can be enormously helpful in remedying the effects of climate change.
3. Multilateral development banks (MDBs) including the World Bank have a role in mitigating risks associated with climate-related projects. Ajay proposed absorbing initial losses from wind and solar projects to make them more appealing to investors.
4. Digital highways start from people owning a digital identity, but security and privacy must not be compromised.

# Key points from other prominent speakers



AI is revolutionising programming, predicting codes, and even complex algorithms. AI developer tools could boost global GDP by \$1.5 trillion. At the moment the US is dominating in private sector investment in AI followed by China. Regulation environment key in allowing innovation to thrive.  
- **Thomas Dohmke, CEO, GitHub**

Tokenisation will make cross-partner settlements cheaper and allow SMEs to take part in cross-border trade.  
- **Eric Jiang, Chairman & CEO, Ant Group**



AI use must consider ethical financing by avoiding the “looping” of human bias in processes during the development of AI tools.  
- **Dr. Margaret Mitchell, Chief Ethics Scientist, Hugging Face**

# Special Announcements

## DuitNow-PayNow Linkage

- Real-time Cross-border Payment System Connectivity between Singapore and Malaysia was launched on 17 Nov 2023.
- This was a joint effort by MAS and BNM using Singapore's PayNow and Malaysia's DuitNow.
- MAS Managing Director Ravi Menon and BNM Governor Abdul Rasheed Ghaffour marked the launch by executing live cross-border fund transfers to each other during the Singapore FinTech Festival.
- This allows daily transfers of up S\$1,000 or MYR3,000 by using the recipient's mobile phone number or VPA.



- Singapore has become the leading FinTech centre in the region and will continue to grow from strength to strength. Since 2022, the number of fintech experts in Singapore increased 30% and is predicted to grow by another 30% by 2024.
- In jobs of the future, technology will be embedded in all forms of work. 65% of total talent in the market will be fintech-related.
- There will be an uptake of CBDCs and tokenisation. There will also be greater uptake of blockchain technology to support digital identities as it provides security and privacy.
- AI – generative and predictive, will dominate the fintech space, revolutionising programming/coding processes, as well as decision-making in the financial sector. (Watch video demo on how Sumitomo Mitsui Banking Corporation and OpenAI created AI tool to simplify work processes. [Link](#))
- Future investors will consider companies without AI and LLM to be less appealing and will be concerned about investing in them.
- Regulators need to learn and listen to the industry to promote fintech democracies.

- The Singapore fintech industry is able to thrive due to direct and proactive support from the Monetary Authority of Singapore (MAS). Support is given in terms of grants and enabling regulations. There is also access to capital with many VCs seeking to invest.
- MAS' direct support also comes in the form of its Fintech Regulatory Sandbox, API Exchange, and sharing of blockchain technology through initiatives like Project Ubin. This is all coordinated by MAS' Financial Technology and Innovation Group (FTIG).
- Singapore's fintech scene also benefits from a diverse, international talent pool. The training and development of fintech-related skills domestically has also contributed to this booming talent base. International entrepreneurs recognise Singapore's thriving fintech ecosystem and choose to set up in Singapore before taking their products elsewhere.
- FIs in Singapore have been willing to collaborate with fintechs to develop and launch products with the aim of improving customer experiences. Many FIs also have their own fintech incubation hubs.

## Implications for Malaysia

- Singapore’s “sandbox culture” allows new financial tech products to be launched and tested before being introduced elsewhere (the Singapore market is not the main target for these fintechs – it is too small). Therefore, product innovations there will likely be made available to Malaysia and other countries.
  - However, Malaysia risks becoming consumers of products based in Singapore (and other foreign-based FIs/fintechs) if domestic players fail to develop their own products.
- Without an ecosystem that supports fintech innovation in Malaysia, the country risks a brain drain situation where upcoming programmers/developers and potential fintech unicorns will take flight to Singapore (e.g. Grab).
- Yet, there are opportunities in Malaysia as talent cost and setup are lower in Malaysia. If the right support ecosystem can be made conducive enough, Malaysia will do well in the fintech space. More dialogue is needed between Malaysian regulators and Malaysian fintech players such as the Fintech Association of Malaysia (FAOM) to determine steps forward.