



THE GLOBAL FORCES SHAPING FINANCE

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THE GLOBAL FORCES SHAPING FINANCE

“We are living in a time of accelerating technological change. Long-established business models are being challenged and disrupted. New ideas and ways of doing things flow freely across borders and industries.”

1. The growing importance of **trust**

2. The **accelerating digitalisation** of the economy..

3. The unprecedented **interconnectedness** of global markets.



1. THE GROWING IMPORTANCE OF TRUST

“In the context of low trust in the financial sector, consumers are not only open to alternative ways of banking and finance, they actually demand it.”

Trust in business is low – **especially in finance.**

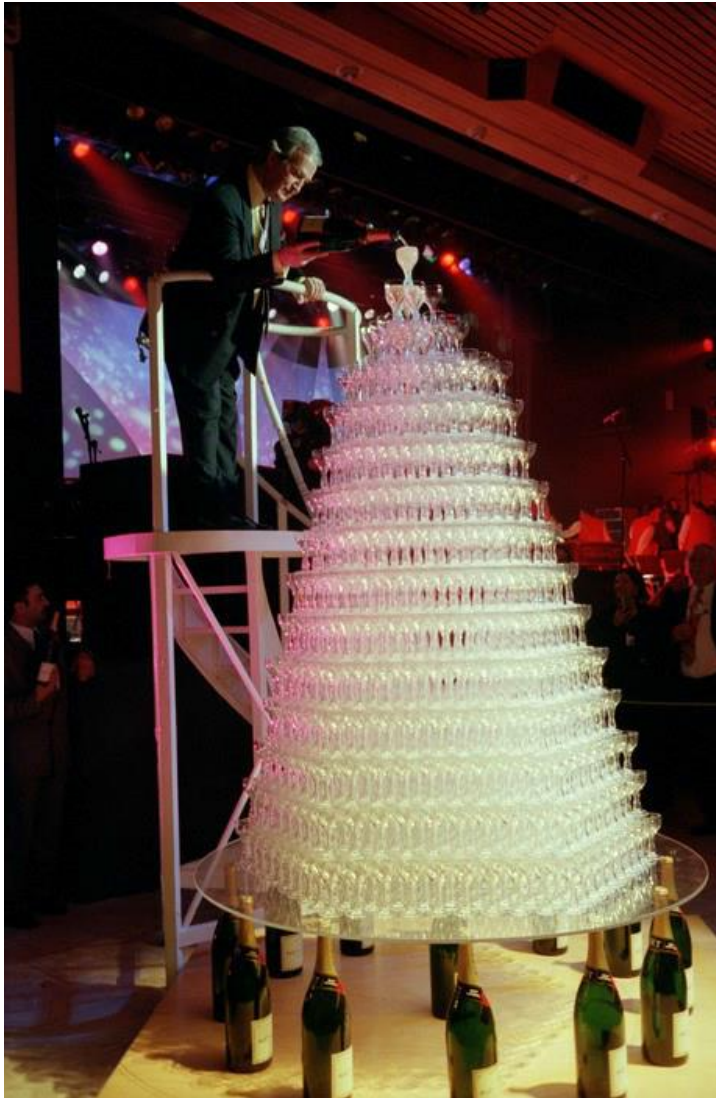
Trust is at the at the centre of **long term sustainability** and **business success.**

Low trust has enabled new players like online platforms and fintechs to **challenge incumbents.**



1. THE GROWING IMPORTANCE OF TRUST

LOW TRUST IN BUSINESS AND FINANCE



The Trust Project
Davos, World Economic Forum



1. THE GROWING IMPORTANCE OF TRUST

THE POWER OF THE CROWD



The Trust Project, *New Hampshire Primaries*



2. ACCELERATING DIGITALISATION

“Digitalisation has spurred innovation, given rise to new business models and brought about efficiencies and better services. It has also meant disruption and a host of new market and regulatory issues.”

Five major technological shifts:

1. Mobile telephone and internet access.
2. Big data, predictive analytics and AI.
3. Blockchain and distributed ledger technology.
4. Rising cyber-security risks.
5. Growing privacy concerns



3. UNPRECEDENTED INTERCONNECTEDNESS OF GLOBAL MARKETS

“Global markets have never been so interconnected.... This has increased the complexity in which businesses operate, and created new cross-border issues that regulators need to manage.”

Example: Initial Coin Offerings

USD 14 bn raised in 12 months - much potential for capital raising

Issues around regulatory oversight, AML, tax and accounting, and industry standards

Regulatory response has been extremely fragmented...

Policymakers need to work together internationally.

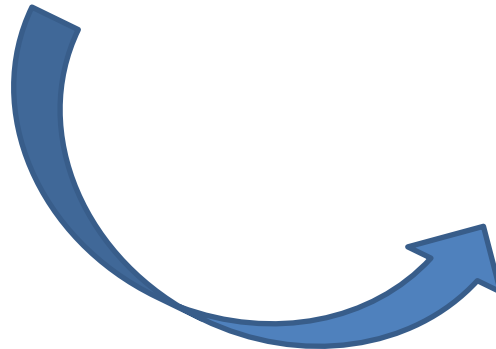


ROLE OF THE OECD

“The OECD is well placed to lead international cooperation efforts.”

Policymaker’s objectives

1. Prevent regulatory arbitrage & fragmentation
2. Establish legal certainty
3. Exchange information & best practice
4. Raise awareness of risks & benefits



OECD capabilities

1. Forum for exchange
2. Standard setting
3. Capacity building



CONCLUSION

“More than ever, policymakers, researchers and industry need to approach developments in financial markets with global perspectives. They also need to and leverage and share their own local insights.”