



MEDIA RELEASE

PIRI REGIONAL REGULATORY SANDBOX IMPLEMENTATION ROADSHOW

Dili, 4th December 2019

Banco Central de Timor-Leste (BCTL) rounded off a two-month roadshow designed as the first step in supporting in-country implementation of the Pacific Islands Regional Initiative (PIRI) Regional Regulatory Sandbox, the first of its kind in the world.

BCTL's Governor Abraão Vasconcelos, Deputy Governor Nur-Aini Djafar Alkatiri and Deputy Governor Venancio Alves greeted local stakeholders and representatives from the Alliance for Financial Inclusion (AFI) to the event, which was held on 2-3 December in Dili. During the welcome remarks, Governor Vasconcelos reaffirmed BCTL's future contributions to the sandbox's design and evolution. He added that BCTL already has a variant of a national regulatory sandbox, which recognizes financial technology as an important component of the central bank's financial inclusion target and national payment system roadmap.

The regional regulatory sandbox is implemented by seven member institutions of AFI's regional initiative in the Pacific, namely, central bank in Fiji, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga and Vanuatu.

Among the event's key objectives and expected outcomes are to ensure the buy-in and sensitization of sandbox among broader members of the central bank, other regulatory authority and stakeholders, as well as to achieve alignment with the market context and expectations. The roadshow also provided an opportunity to identify potential local applicants for the sandbox and served as a platform for dialogue where key players agreed on various implementation modality and processes. This was evident through its various outcomes, including the nomination and set-up of the sandbox's in-country implementation team, technical administrative team and country representatives to the Regional Sandbox Committee.

Adeyemi Omotoso, AFI's policy specialist for financial technology, said that through the regional sandbox, the region was leading new and innovative approaches to regulation. It was allowing regulators to better understand financial services providers and how their business models can accelerate the access, usage and quality of financial services, and through those insights, provide guidance to providers to be compliant with regulation, ensure consumer protection, mitigate risk and ensure a stable financial market.

The roadshow followed the endorsement and approval of the PIRI Regional Regulatory Sandbox Guidelines on 11 September 2019 at AFI Global Policy Forum in Kigali, Rwanda, where the PIRI technical subgroup and AFI management unit began implementing plans to operationalize the regional regulatory sandbox. The two-day event was designed as a first step in supporting members implement the sandbox through in-country alignment. BCTL is member of both AFI and its PIRI regional initiative.

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