

G20

DATA GAPS INITIATIVE 3

Rec 10 FinTech Credit

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Camille Graciani

Financial Stability Board Secretariat (FSB)





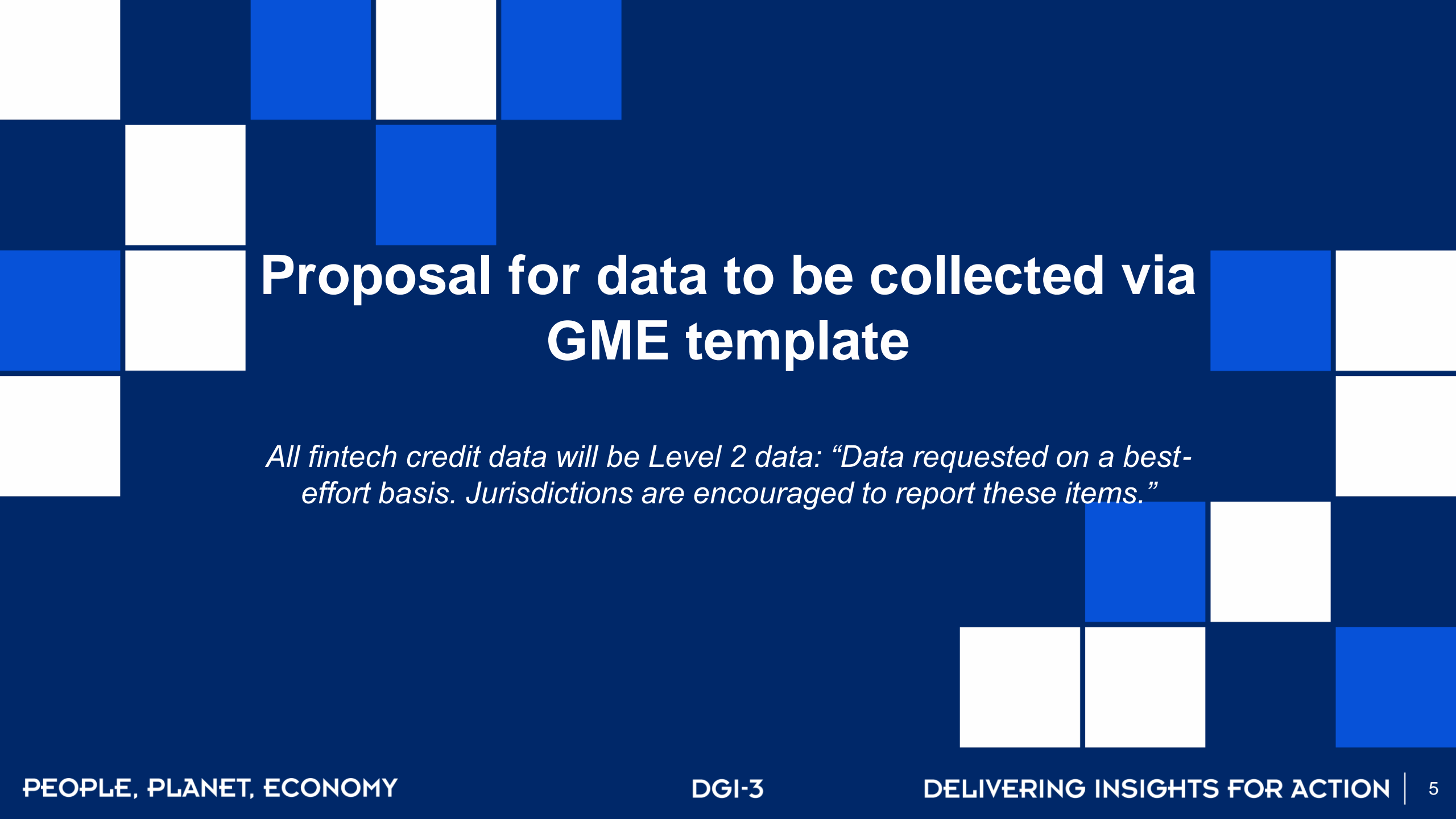
Progress made

Fintech pilot exercise ran in 2023

- Seven jurisdictions participated in the pilot
- We collected data on intermediaries and auxiliaries, per type
 - Finance companies and captive financial institutions were the largest non-bank intermediaries to engage in fintech credit
 - Challenge to collect data for auxiliaries (P2P platforms)
- One lesson learned was the difficulty to collect data on liabilities of intermediaries and on interconnectedness – at least at a granular level

Progress made since the Pilot

- Further to the 2023 Fintech Pilot exercise, we organised a workshop in April 2024 with:
 - Members' presentations on their markets and data collection
 - IMF presentation on the update of statistical manuals
 - Coordination with Recommendation 12 of DGI-3 (FinTech enabling financial inclusion)
- The FSB working group responsible for the Global Monitoring Exercise (GME) on NBFI – in which fintech credit will be integrated – met in May and approved the proposed approach to collect fintech credit data

A decorative background consisting of a grid of squares in blue and white, arranged in a pattern that is denser on the left and right sides and sparser in the center.

Proposal for data to be collected via GME template

All fintech credit data will be Level 2 data: “Data requested on a best-effort basis. Jurisdictions are encouraged to report these items.”

Definitions (1/2)

- The guidance on definitions for members has been amended to provide a definition of “fintech *lending*” and not “*credit*”, to avoid members reporting deposit assets.
- We use a similar definition to that of the pilot exercise and complement it with examples.
- Fintech lending is defined as “*lending activity facilitated by electronic platforms that are not operated by commercial banks*”.
- The template *focuses on lending* (i.e. deposit assets are excluded), either via a loan (secured or unsecured), the purchase of debt-based securities (a bond, debenture, or subordinated debt), or the purchase of invoices or receivables from a business.

Definitions (2/2)

- Fintech lending platforms can act as *auxiliaries*. They can be in the form of a “marketplace platform”, which is an online market that allows lenders to trade directly with borrowers (peer-to-peer lending and crowdfunding platforms).
- Fintech lending platforms can also act as *intermediaries* when they use their balance-sheets to originate the lending. They may provide a guarantee on the interest rates.
- *Examples of platforms* are: marketplace business/consumer lending platforms, business/consumer crowdfunding platforms, balance-sheet business/consumer lending platforms, debt-based securities platforms, invoice trading platforms, real estate crowdfunding platforms, buy-now-pay-later lending.

Fintech lending assets (1/2)

We focus the data collection on “fintech lending” data to complement data on credit assets already being collected:

- Added columns to the template for each intermediary type to collect data on “fintech lending” as an “of which” category – *this makes it consistent with upcoming update of statistical manuals*
- Note that this includes *non-bank* deposit-taking corporations, as well as the main non-bank intermediary types (insurers, pension funds, finance companies, etc.)

	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8
as of end-year	DTCs				Insurance Corporations			
	Credit Assets (Note 2)	of which : loans (Note 3)	of which : deposits (Note 4)	of which : fintech lending (Note 5)	Credit Assets (Note 2)	of which : loans (Note 3)	of which : deposits (Note 4)	of which : fintech lending
macro-mapping reference	Col 3				Col 7			
2002								
2003								
2004								
2005								
2006								
2007								
2008								
2009								
2010								
2011								
2012								
2013								
2014								
2015								

Fintech lending assets (2/2)

Added new columns for the entity types not yet covered by the template

- Captive financial institutions and money lenders
- Non-financial corporations that may engage in fintech lending as a secondary business activity
 - *For both these intermediary types, we focus on fintech lending and do not cover other credit assets. We also carve out intragroup transactions*
- Financial auxiliaries, in which case the outstanding amount of loans provided through platforms should be reported, assuming that they register the new provided loans and the redemptions (or write-offs/write-downs).

[illegible]

Interconnectedness template

- Template collects “claims on” and “liabilities to” for the main types of intermediaries.
- Though there have been continual improvements, significant challenges remain for interconnectedness data.
- In light of these challenges and given the feedback from the pilot exercise, we propose to collect data on the linkages *at a highly aggregated level*.
 - High-level categories are proposed (e.g. OFI sector not split) *with different levels of data granularity on a best-effort basis* to capture as many data as possible.

at end-2023			Col 1	Col 2	Col 3
			Banks	Insurance Companies (Note 1)	Pension Funds (Note 1)
macro-mapping reference			Claims on / liabilities to Col 4	Claims on / liabilities to Col 2	Claims on / liabilities to Col 3
Banks'	claims on			-	-
	liabilities to		-	-	-
Insurance Corporations' (Note 1)	claims on		-		
	liabilities to		-	-	
Pension Funds' (Note 1)	claims on		-		
	liabilities to		-		-

Interconnectedness template

- The interconnectedness data would cover
 - Usual ‘claims on’ and ‘liabilities with’ of the fintech intermediaries
 - The users of platforms: both borrowers and lenders using fintech lending auxiliaries.

Interconnectedness for fintech lending auxiliaries														
			Total residents of the world										Of which: Households	Of which: Other than households
				Total residents								Rest of the world		
					Government	Non-financial corporations	Households	Total financial institutions						
									Deposit-taking corporations	Insurance corporations	Pension funds	OFIs		
Auxiliaries engaging in fintech lending														
2022	Borrowers													
	Lenders													
2023	Borrowers													
	Lenders													

Intermediaries engaging in fintech lending		
2023		Claims on
		Liabilities to

Qualitative information

- To complement data to be collected, we propose to request qualitative information on fintech lending.
- The questions are:
 - Which types of fintech lending platforms exist in the jurisdiction?
 - Whether platforms are supported by banks through non-financial linkages (such as IT support, credit quality assessment, etc.)?
 - Whether loans are collateralised with crypto-assets?
 - What is the primary business activity of non-financial corporations?



Next steps

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- The data collection exercise will be launched in June and will include a data collection on fintech lending on a best effort basis.
- FSB jurisdictions will provide fintech lending data where feasible by early August.
- The fintech credit data workstream (Task Team 10) may be consulted in the second half of the year if needed to discuss data received.
- The fintech credit data workstream will be wound down by end 2024.
- The Global Monitoring Report (GMR) should include some of the data received, assuming data quality permits.
- The GMR should be published in December 2024, together with the template used for the data collection.



THANK YOU