TORONTOCENTRE
Global Leadership in Financial Supervision

ANNUAL MEETINGS
2019 | WASHINGTON DC
WORLD BANK GROUP
INTERNATIONAL MONETARY FUND

Executive Panel

BIG DATA MEETS ARTIFICIAL INTELLIGENCE:

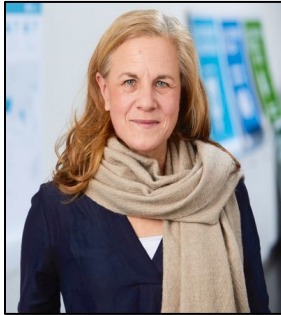## A PERFECT STORM FOR FINANCIAL MARKETS, SUPERVISORS AND SUSTAINABLE DEVELOPMENT?

Annual Meetings of the International Monetary Fund and the World Bank Group
Friday, October 18, 2019, 10:30 a.m.-12:00 p.m.
<u>**Venue:**</u> **IMF Building, Cedar Hall, HQ1-1-660**
700 19th Street NW, Washington, DC, 20431

OPENING REMARKS BY

CECILIA SCHARP
Assistant Director-General
Swedish International Development Agency, SIDA

KEYNOTE ADDRESS BY

TOBIAS ADRIAN
Financial Counsellor and Director,
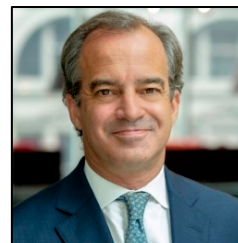Monetary and Capital Markets Department, IMF

PANELISTS

GREG MEDCRAFT
Director, the Directorate for Financial and Enterprise Affairs, OECD

SOCORRO HEYSEN
Superintendent, Peru's Banking, Insurance & Private Pension Funds Authority

CURTIS RAVENEL
Global Head, Sustainable Business and Finance, Bloomberg; Member, Secretariat for the FSB Task Force on Climate-related Financial Disclosures

LISA DAVIS
Managing Director, Treasury and Trade Solutions, Citigroup

MODERATED BY
ADITYA NARAIN
Deputy Director, Monetary and Capital Markets Department, IMF; Board Member, Toronto Centre

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Why You Should Attend

This session is designed for financial sector regulators and supervisors, central bankers, officials from ministries of finance, the IMF and the World Bank, international development agencies, non-governmental organizations and the private sector.

New technological developments have triggered profound changes in the financial sector. This trend is especially driven by the availability of large quantities of data – including big data – and by improved opportunities for using these data that are made possible by artificial intelligence (AI). This trend and the ability to analyze these data offer the potential for financial institutions to make better informed decisions. Combining analytics and the mass of data available helps to generate new insights, which can then be used to facilitate product and process innovations. These innovations can have a disruptive impact on existing value creation processes. Consequently, new providers can enter the market, and established business processes and market structures can change. Innovative developments require supervisory/regulatory attention at an early stage. The panel will draw on market analyses and use examples to outline both potential developments – as seen from the perspective of banks, insurance companies and capital markets – and the impact on consumers.

Big data can play a vital role in achieving the UN Sustainable Development Goals (SDGs). In the Philippines, governments are using GPS data from taxis to reduce accidents and improve emergency services. In Kenya, FinTech companies have already begun using big data sources for tasks that include customizing products to suit different client segments and alternative credit scoring methods for those without a credit history. There are also pragmatic aspects to consider: big data can be wider, deeper, more rapidly provided, and in some cases more cost-effective than traditional data. However, big data analytics also has its limitations and risks. Access to big data may be a challenge as it may be expensive and requires technical knowledge to retrieve, handle and store. There are also major privacy implications. The panel will discuss the benefits of big data, and the risks and policy implications relevant to financial supervision and the SDGs. More specifically, the panel will examine:

- What are the major shifts in the structure and regulation of financial markets and emerging risks due to big data and AI?
- What are the opportunities that big data and AI represent for achieving the SDGs? What is the added value of leveraging big data for SDGs?
- What are the potential impacts of big data and AI on financial markets, market players and financial supervisory authorities? Are all these impacts positive, or could some result in unwelcome consequences?
- Regulatory considerations: how can and where should algorithms be used, and what requirements should apply to their developers and users? Is there any regulatory heterogeneity among jurisdictions?
- How should legal issues relating to privacy and data protection, consumer protection and cross-border issues be addressed?

This is an OPEN EVENT, but we expect seating will be limited due to high demand.
REGISTRATION IS ENCOURAGED
Please inform Ms. Demet Çanakçı at dcanakci@torontocentre.org if you wish to attend.