



Terms of Reference for Membership and Governance of the Global Financial Innovation Network

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Section 1: Overview

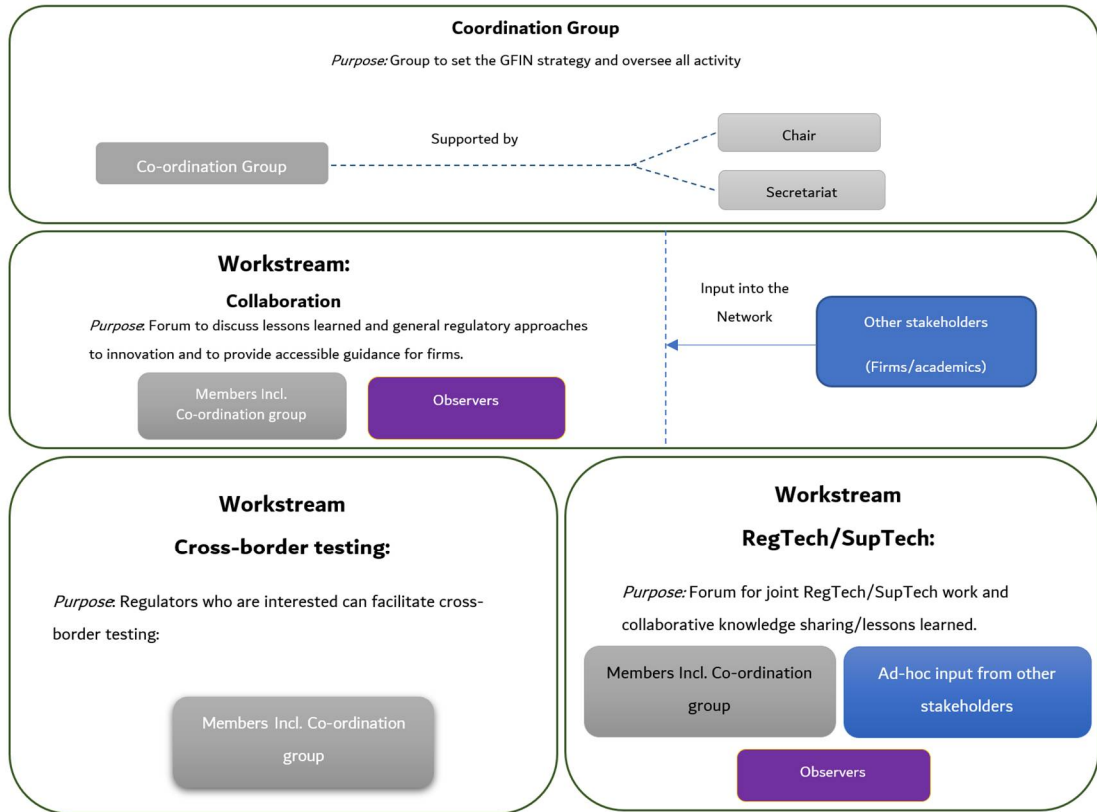
1. This document sets out the membership and governance structure of the Global Financial Innovation Network (GFIN). It will be reviewed periodically and amended as appropriate.¹
2. The GFIN is a collaborative knowledge sharing initiative aimed at advancing areas including financial integrity, consumer wellbeing and protection, financial inclusion, competition and financial stability through innovation in financial services, by sharing experiences, working jointly on lessons learned and facilitating responsible cross-border experimentation of new ideas.
3. The GFIN has three primary functions:
 - a) to act as a collaborative group of regulators to cooperate and share experience of innovation in respective markets, including emerging technologies and business models, and to provide accessible regulatory contact information for firms;
 - b) to provide a forum for joint RegTech and SupTech work and collaborative knowledge sharing/lessons learned; and
 - c) to provide firms with an environment in which to trial cross-border solutions.

Section 2: GFIN Structure

1. The GFIN consists of Members and Observers.
2. The GFIN governance structure is organised around Members, Observers, the Coordination Group and its Chair, as in the schematic below:

¹ This document was last updated in September 2021.

GFIN ToR workstream diagram



3. It is important to note that the GFIN exists based on the goodwill of those regulators involved. In this spirit, the GFIN will endeavour to make all decisions by consensus. Decisions will be taken by majority vote if no consensus can be reached.

Section 3: Coordination Group

1. The Coordination Group shall set the overall direction, strategy and annual work programme of the GFIN.
2. The Coordination Group shall set the workstreams and establish the process and timelines for evaluating the progress of existing workstreams, and planning for the implementation of new workstreams.
3. Coordination Group members shall review and approve or reject applications for the GFIN Members and Observers.

All decisions of the Coordination Group shall be determined by consensus. If there is not a consensus, decisions shall be determined by vote. Where a decision is split, or cannot be reached for any other reason, the Chair will have the deciding vote.

Section 4: Coordination Group Members

1. The Coordination Group (CG) shall be no less than eleven (11) and no more than twenty-one (21) Members overall. Each Member is chosen by the GFIN Members for a two-year term. Members can be re-elected to the CG and may serve multiple, consecutive terms.
2. CG Members must demonstrate that they can meet one of the following minimum criteria for CG membership:
 - a) Act as a GFIN workstream lead; or
 - b) Contribute to the GFIN Secretariat and/or running of GFIN; or
 - c) Serve as a regional lead to coordinate outreach to membership base/collect regional insight and/or serve as key liaison within relevant region.
3. Members interested in joining the Coordination Group should submit a statement of intent to the Chair explaining their interest and that they are able to meet the minimum criteria and commit the necessary resource. The Chair will circulate the statement of intent to all Members and Observers. If there is not a consensus, Members and Observers shall determine by vote whether to admit the applicant to the Coordination Group. This vote shall be overseen and conducted by the Chair.
4. Once there are a minimum of 11 Members of the Coordination Group, new statements of intent to become a Coordination Group member will be considered at the end of the two-year term.
5. The Coordination Group shall be led by a Chair, who is an existing member of the Coordination Group. The Chair's organisation provides the secretariat function for the GFIN although, as noted under (2b) above, other Coordination Group members are expected to contribute to the secretariat function if an expressed commitment was made in their Statement of Intent.
6. The Chair shall serve a two-year term and is elected by the Coordination Group. Before the vote, prospective Chairs must demonstrate that they and their organisations can meet the time and resource commitments required. The Chair may serve multiple terms if re-elected.

Section 5: Coordination Group interaction

4. The Coordination Group sets the agenda, workflow and timetable for the GFIN. As such, it requires a higher level of commitment than being a Member and Observer. In addition to the quarterly calls, Coordination Group members shall participate in semi-annual, in-person meetings of the Coordination Group² and provide ongoing input and engagement when necessary into the direction, strategy and annual work programme of the GFIN.

² These are set up as in-person meetings to ensure everyone is present in the same discussion, however, members can dial-in.

Section 6: Member Status and Admission

1. Only national or state financial sector regulators and/or supervisors³ are eligible to become Members.
2. Prospective Members shall submit at any time a completed GFIN application form to the Chair of the Coordination Group explaining their interest in GFIN (including commitment, eligibility and areas of interest) and requesting Membership status.
3. Prospective Members must demonstrate a commitment to supporting innovation in the interest of consumers in financial services. This can be done through current ongoing activity or demonstrated through a forward-looking strategy. For example, it could be an approach to authorisation or supervision, or demonstrated through a sandbox or similar initiative.
4. On a quarterly basis, the Coordination Group shall review prospective Member applications. Coordination Group members will consider prospective Members good standing with commonly accepted international regulatory standards.
5. If accepted by the Coordination Group Members, the Chair shall recommend to the GFIN that the applicant be invited to become a Member. Members may submit written comments on any applicant to the Coordination Group after receiving the Chair's notification. Following a time period specified by the Chair for comments by the Network, the Chair shall issue an invitation to the applicant to join the GFIN as a Member unless the comment(s) received require further decision by the Coordination Group.
6. There are no fees associated with becoming a member of the GFIN.

Section 7: Member Rights and Obligations

1. Members are invited to participate in annual meetings, quarterly calls and workstreams. A part of the quarterly call and annual meeting will be reserved for Members only to allow free discussion on challenges and concerns.
2. Members contribute to the overall direction, strategy and annual work programme of GFIN.
3. Members may propose new GFIN workstreams and are expected to be interested in contributing to at least one workstream.
4. Members may choose to participate in any of the GFIN workstreams. Members who participate in the GFIN workstreams are responsible for ensuring that they are able to commit adequate and appropriate knowledge, skills and resources to help deliver the objectives of the relevant workstream.
5. Members are encouraged to share experiences of innovation in their respective markets and lessons learned from GFIN work, including experiences with emerging technologies and/or business models.

³ This also includes a financial regulator of a jurisdiction.

6. Members are encouraged to post GFIN common and substantive content or links on their webpages and social media. However, it is recognised members may make non-substantive edits to common content at their discretion including as required by their organisation.

Section 8: Observer status and admission

1. Observers are non-regulator GFIN participants. Financial services regulators and/or supervisors interested in joining the GFIN should consider Sections 6 and 7 on Member Status.
2. The following bodies are eligible for observer status within GFIN:
 - a) Supranational governmental regulators;
 - b) Intergovernmental international organisations or other international standard-setting bodies; and
 - c) Other governmental, or non-governmental, bodies with an active involvement in enabling financial innovation on a cross-border or international basis.
3. GFIN observer engagement and participation in the Network will differ from that of Members, as they are not financial regulators.
4. Prospective Observers shall submit at any time a completed GFIN application form to the Chair of the Coordination Group explaining their interest in the GFIN (including commitment, eligibility and areas of interest) and requesting Observer status. They must demonstrate a commitment to supporting innovation in the interest of consumers in financial services – this can be done through an ongoing activity or demonstrated through a strategy.
5. On a quarterly basis, the Coordination Group shall review prospective Observer applications.
6. If accepted by Coordination Group Members, the Chair shall recommend to the GFIN that the applicant be invited to become an Observer. Members and Observers may submit written comments on any applicant to the Coordination Group after receiving the Chair's notification. Following a period of time specified by the Chair for comments by the Network, the Chair shall issue a formal invitation to the applicant to join the GFIN as an Observer unless the comment(s) received require further decision by the Coordination Group.
7. There are no fees associated with becoming an Observer of the GFIN.

Section 9: Observer Rights and Obligations

1. Observers are able to participate in, and contribute to, projects developed by the GFIN, that are best aligned with their ongoing work agenda and expertise.
2. Observers will be expected to contribute to the work of the Network in the following ways:
 - a) Apprising GFIN members of insights from both observers' work and global insights on financial innovation, including from those non-member jurisdictions (as relevant);

- b) Observing GFIN activities, extracting lessons learned and sharing with the wider public, while highlighting the unique role GFIN plays; and/or
 - c) Facilitating knowledge exchange and collaboration between GFIN and other relevant stakeholders (such as non-member regulators, financial sector stakeholders, standard setting bodies).
3. Observers are invited to join the quarterly GFIN call and the annual meeting.
4. Observers will not be obliged to take on additional responsibilities. However, their active participation and contribution to specific GFIN activities and projects is welcome where their specific role, skills, experience and expertise support the Network in achieving its objectives.

Section 10: Other stakeholders

1. The GFIN is reliant on feedback and input from private institutions and external stakeholders to ensure that GFIN remains relevant. To share relevant news from GFIN activities, Members are encouraged to periodically publish a 'GFIN Update' drafted by the Coordination Group, on their official websites and social media. Members may make non-substantive edits to the 'GFIN Update' at their discretion, as required by their organisation.
2. All stakeholders are encouraged to submit their views at any time via the Chair, or their relevant GFIN regional lead, as listed on the GFIN web-site.

Section 11: Cancelling Member or Observer status

1. A Member or Observer may resign from GFIN at any time by submitting a letter of resignation to the Chair. The Chair shall communicate resignation letters to the Coordination Group and to the GFIN.
2. A Member may leave the Coordination Group at any time by submitting a letter of resignation to the Chair. The Chair shall communicate the resignation letter to the Coordination Group and to GFIN. The Chair may convene an expression of interest or election for a new Coordination Group member to replace the resigned member. If the number of the Coordination Group members becomes less than 11, the Chair shall convene such an election.

Section 12: Dealing with complaints or issues (related to a Member or an Observer of the GFIN)

1. As a group of regulatory bodies serving the public interest, it is important that the Network is transparent, accountable and holds itself to a high standard on an ongoing basis. As a result, the Network will ensure a clear process for dealing with any complaints or issues (related to a Member or Observer's GFIN activities) that may arise:
2. If an external body wants to complain or has an issue with a Member/Observer of the Network they should set out in writing to the Chair what the issue is and, if appropriate, a proposed course of action. This will be reviewed by the Coordination Group who will decide what is the most appropriate action. For serious or recurring issues, this may include requiring the Member/Observer to leave the Network.

3. If a Member/Observer wants to complain about, or has an issue with, another Member/Observer within the Network then the same process as above would be followed.
4. The Member or Observer who proposed the complaint and/or the Member or Observer who is the subject of the complaint are not permitted to be involved in the Coordination Group discussions on the matter. If they are an existing Coordination Group member, they must remove themselves from the discussion.

Section 13: Workstreams

1. The GFIN shall engage in different workstreams on specific topics relating to innovation in financial services. The workstreams are on cross-border challenges, opportunities and problems that fit with the GFIN mission statement. Workstreams are primarily driven by Members but they may be supported by Observers and third parties (e.g. firms/tech providers/philanthropic organisations), subject to any conflict of interests concerns being properly addressed.
2. Any Member or Observer may propose a workstream by written submission to the Chair. The Coordination Group will review workstream proposals, provide input, and publish the workstream proposals to the GFIN in advance of the quarterly GFIN call. The Chair will submit the workstream proposal to Members and Observers for discussion. If there is enough interest the workstream will be established. The Chair will designate a Coordination Group Member to lead each workstream; where possible, this will be done on a voluntary basis.
3. Any Member can participate in a workstream. Observers are also welcome to participate in workstreams where their specific role, skills, experience and expertise support the Network in achieving its objectives. Third parties may participate in a workstream either by direct invitation from the workstream leader or by responding to a public expression of interest on the GFIN's Members websites or social media.
4. The workstreams will set their own timetable for delivery of work and their own meeting plan. These will be co-ordinated by a lead Member who will take responsibility for the workstream and for reporting to the Coordination Group. All participants in a workstream will be coordinated by the workstream lead.
5. The workstreams have regard to the work being undertaken by global standard setting bodies. However, as the GFIN is not a standard setting body, these workstreams do not focus on policy as such, but more on identifying lessons learnt and sharing of experiences around the practical application of technology to provide regulatory clarity. It is envisaged that the workstreams will include insight and/or lessons learned from cross-border tests and innovative technology trends.

Section 14: Internal communication

1. The Chair and/or Secretariat shall coordinate general GFIN updates to Members and Observers.
2. Members and Observers participate in quarterly calls of the GFIN organised by the Chair. A part of the call will be reserved for Members only, to provide an opportunity for all Members to raise any challenges they are experiencing. Through these calls, Members and Observers can contribute to the overall direction, strategy and annual work programme of the GFIN. The Chair shall circulate an agenda and related materials to the GFIN prior to the quarterly call.
3. Members and Observers can raise any queries and suggestions to the GFIN at any time by sending them to the Chair. The Chair shall coordinate the distribution of such materials.
4. Members and Observers shall meet in-person on average once a year,⁴ a part of this meeting will be for Members only. The annual meeting may be combined with an in-person meeting of the Coordination Group.
5. The Coordination Group will arrange to meet in-person on average twice a year.⁵

Section 15: External communication

1. While other stakeholders including industry, firms and private institutions are not formally a part of the GFIN due to the conflict of interests, their views are welcome and necessary to ensure that the GFIN remains relevant for all stakeholders.
2. Providing periodic updates on the work of GFIN is important. The Coordination Group will draft a 'GFIN Update' after each in-person meeting. In addition, there will be ad-hoc general updates on GFIN and the workstreams. Members may choose to publish the 'GFIN Update' and ad-hoc updates on their websites and social media. Members may make non-substantive edits at their discretion, as required by their organisation.
3. The Network will provide easily accessible information about relevant contacts for firms, including signposting the opportunities for support and/or ongoing initiatives within members of the GFIN. This information will be made available through creating common online content for the members' websites, or via the GFIN website. Members are encouraged to include common content on their websites and social media. Members may make non-substantive edits to common content and their discretion, as required by their organisation.
4. Other stakeholders, including industry, firms and private institutions, who are interested in GFIN are invited to respond to the updates by emailing the Chair or their relevant GFIN regional lead. The same applies for other inquiries as well.

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