



صندوق النقد العربي
ARAB MONETARY FUND

Fintech Statistics in the Arab Region

Arab Statistical Initiative (Arab Stat)

**Eighth Meeting
November 9-10, 2022**

Content

- **Building Fintech Ecosystem**
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- **Findings and Recommendations**
- **AMF contribution to promote the Fintech ecosystem within the Region**

Building the Fintech Ecosystem

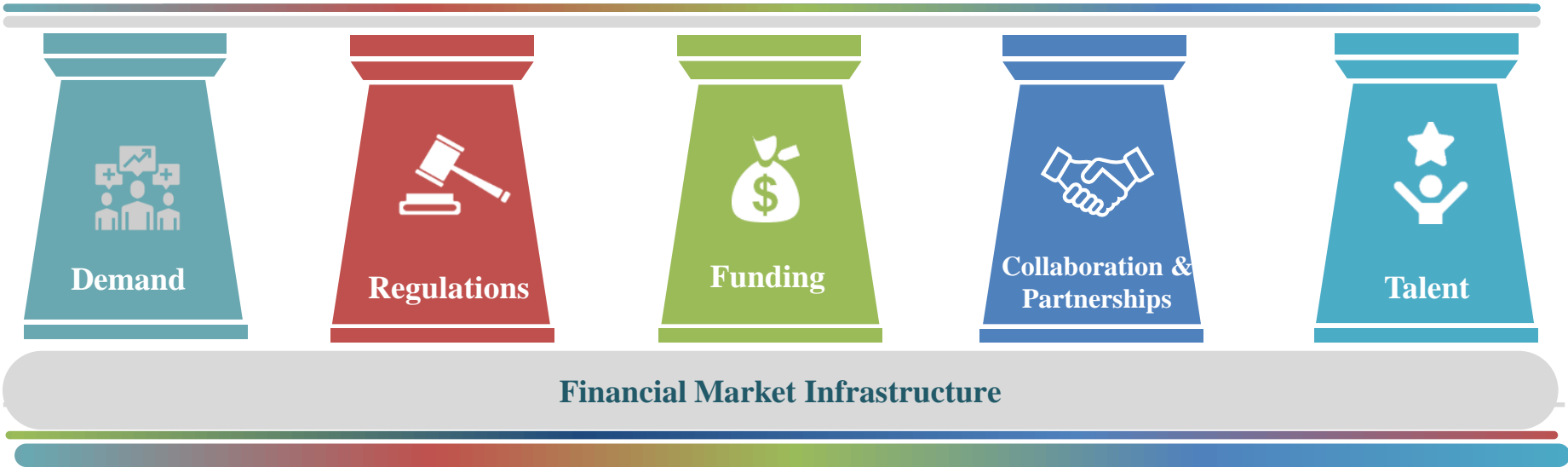
Reasons behind:

- supporting Fintech ecosystem
- initiating depository for data and statistics on Fintech Activities in the Arab region



Central depository for information to set proper Fintech ecosystem as most information on Fintech activities in the region are either scattered or not easily accessible

Fintech Ecosystem Pillars



Policy Enablers:

Digital Identity, Open Banking, Data Protection, Cybersecurity, Innovation Facilitators (Innovation Office- Innovation Hub – Sandbox).



Enabling Technologies :

APIs, Cloud, Biometric, DLT & Blockchain, Artificial Intelligence & Machine Learning (AI & ML).



Current Challenges in Fintech Data

DEFINITION

AVAILABILITY OF DATA

REGULARITY OF DATA

SCATTERED OR NOT EASILY ACCESSIBLE
DATA

AMF Remedies:

“Arab Region Fintech
Guide”

“FinxAr”
*Fintech Index for the Arab
Region*

Collecting and Monitoring information about Fintech activities in the Arab region is crucial

METHODOLOGY

- The index is composed of the six pillars representing main pillars to promote Fintech ecosystem. The weighted index for every single Arab country is composed of 100 points distributed among pillars.
- A composite Fintech index of 100 points reflects all Arab countries, *Finxar*, calculated as a simple average of all weighted indices for Arab countries that responded to the survey.

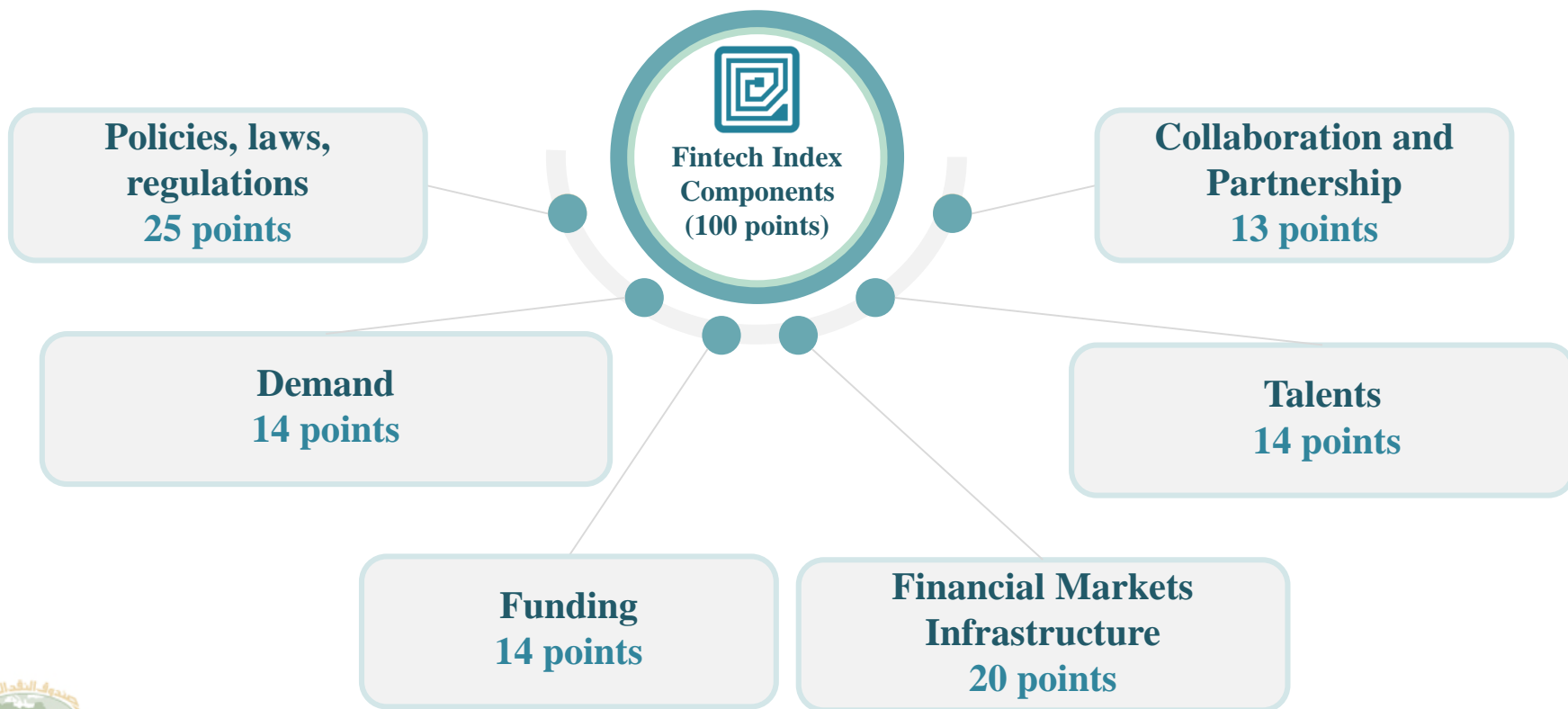
$$FinxAr = \sum_{n=1}^6 ([AVGSUB]_n * W_n)$$

RESPONDENTS & FREQUENCY

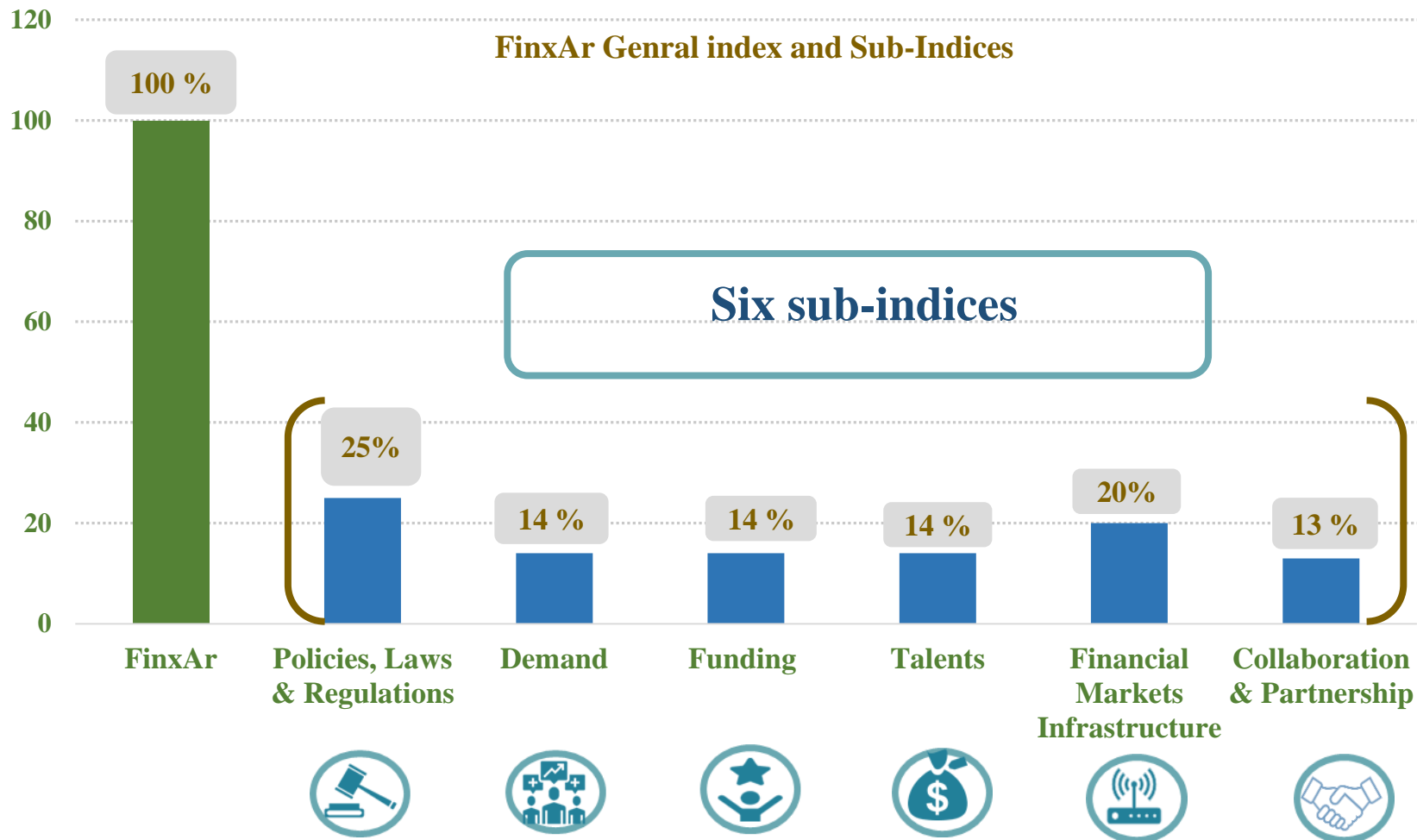
- Arab central banks and monetary authorities as being the leading authorities that lead the Fintech activities in Arab countries.
- Regular index FinxAr: currently two annual versions (2021-2022).
- The annual index covers data of the precedent year (2020-2021).

FinxAr Index Methodology (1)

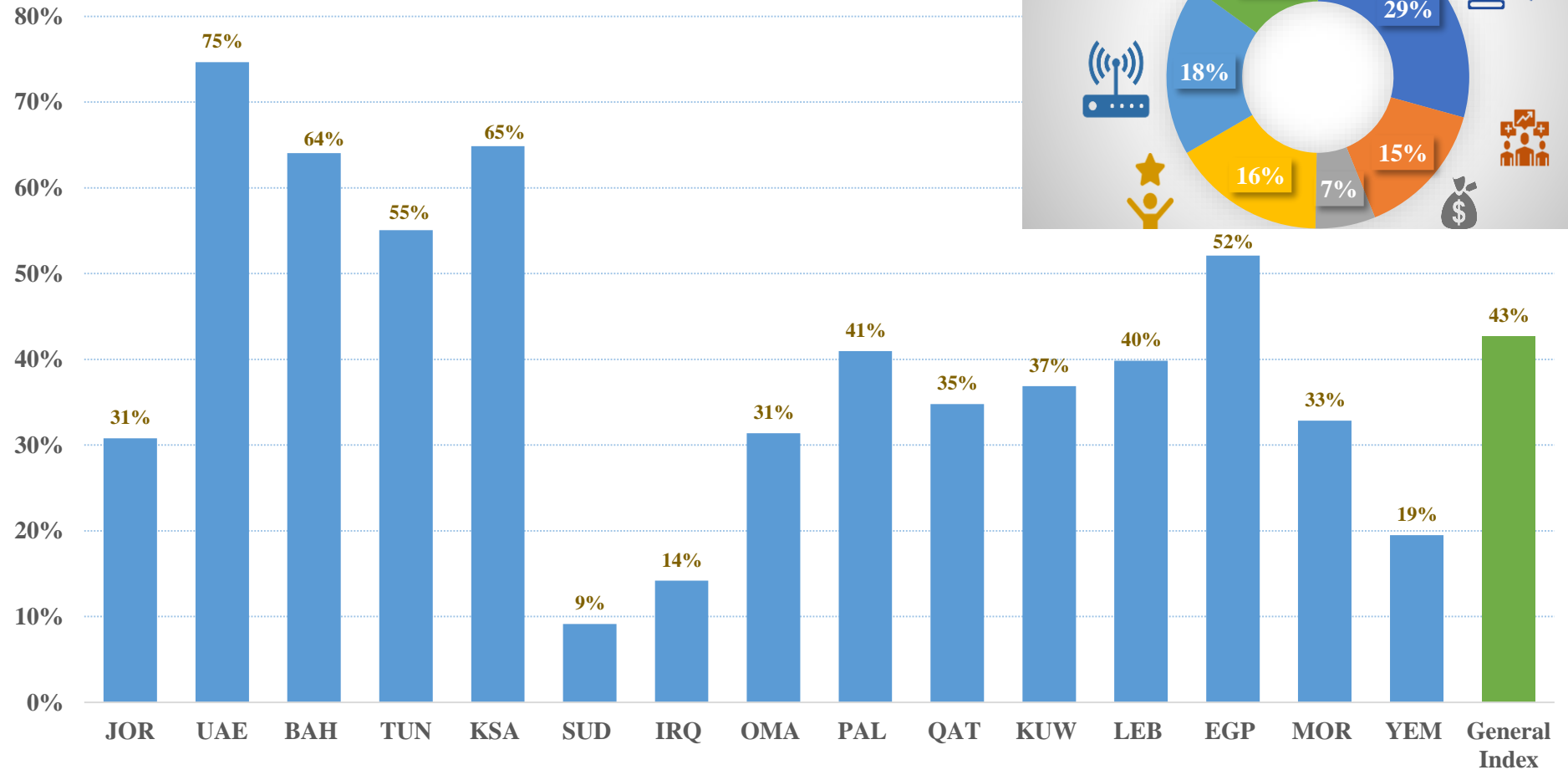
- The Fintech Index for the Arab Region covers the fintech ecosystem and monitor the Arab countries efforts to developing such industry while regulating it.



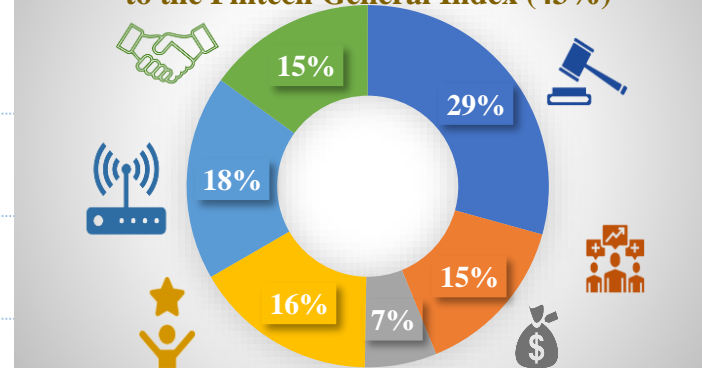
FinxAr Index Methodology (2)



FinxAr General Index (1)



Contribution Results of the Six Indices to the Fintech General Index (43%)

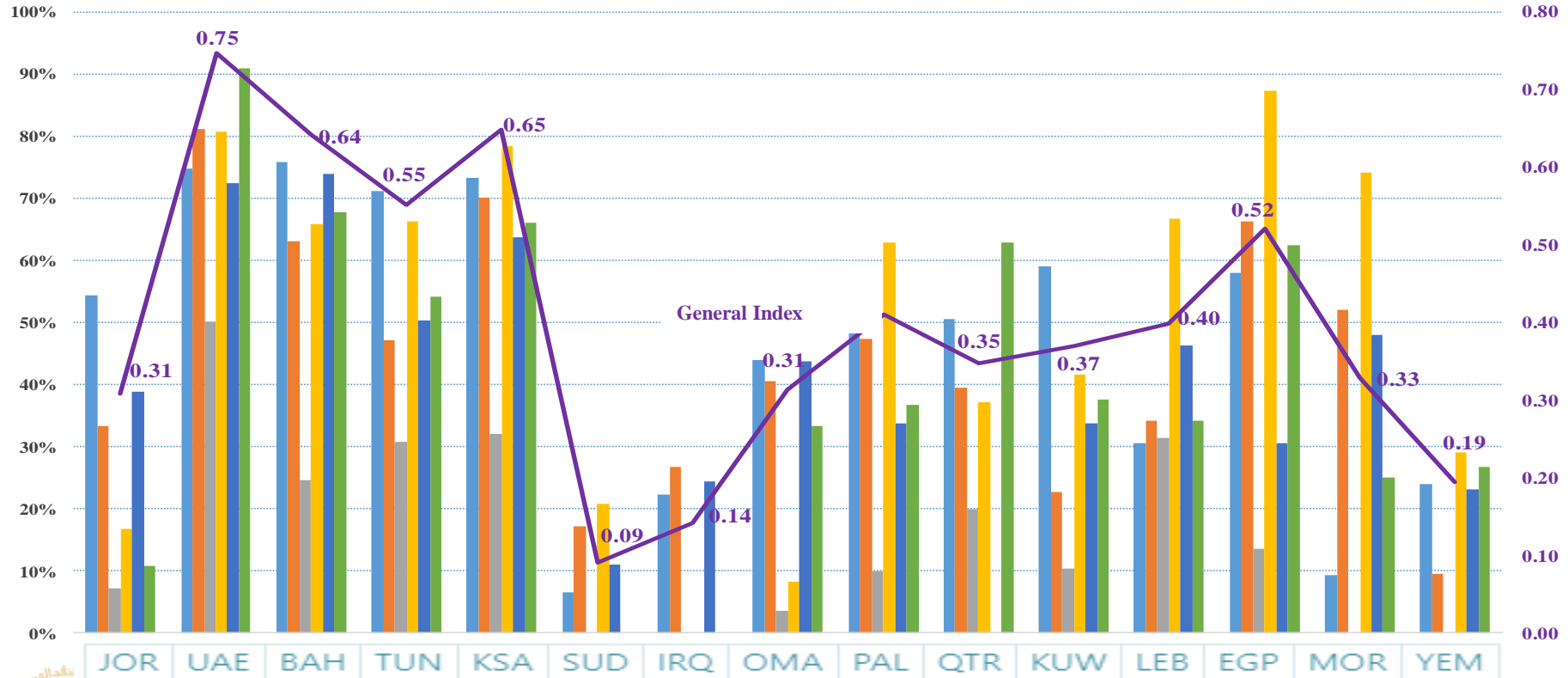


FinxAr General Index (2)

The General Index “FinxAr” Average and the Six Main Indices

% Six Indices

General Index



Policies, Laws and Regulations

Demand side

Access to Finance

Talent Development

Financial Markets Infrastructure

Collaboration and Partnerships


General Index (right pillar)

Policies, Laws & Regulations Pillar

Policies, Legislations, Regulations and Initiatives


Sandbox 







Institutional Framework 

Governance Scheme 

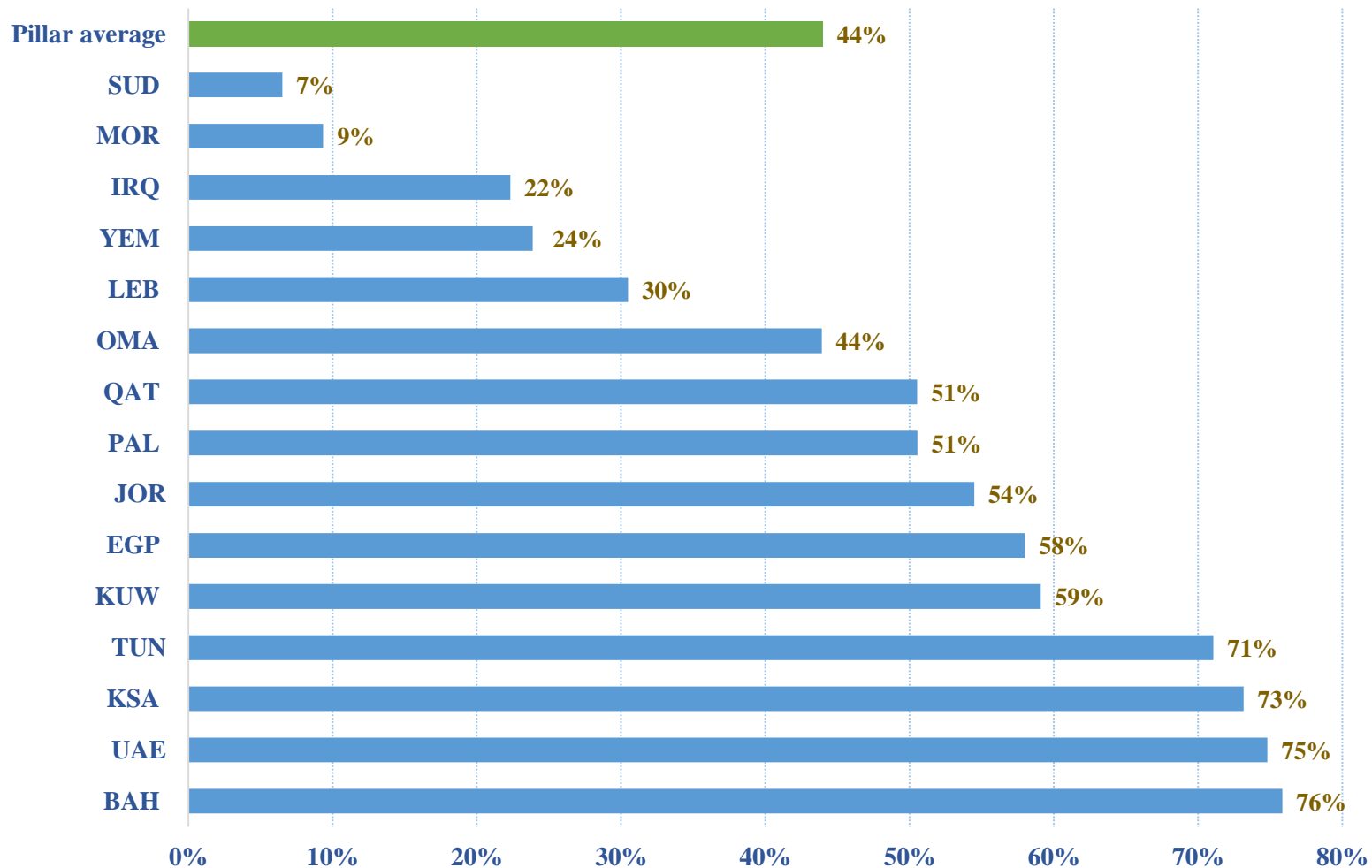
National Strategies for Finetch / Digital Transformation 

Initiatives 

Legislations and Regulatory Framework 

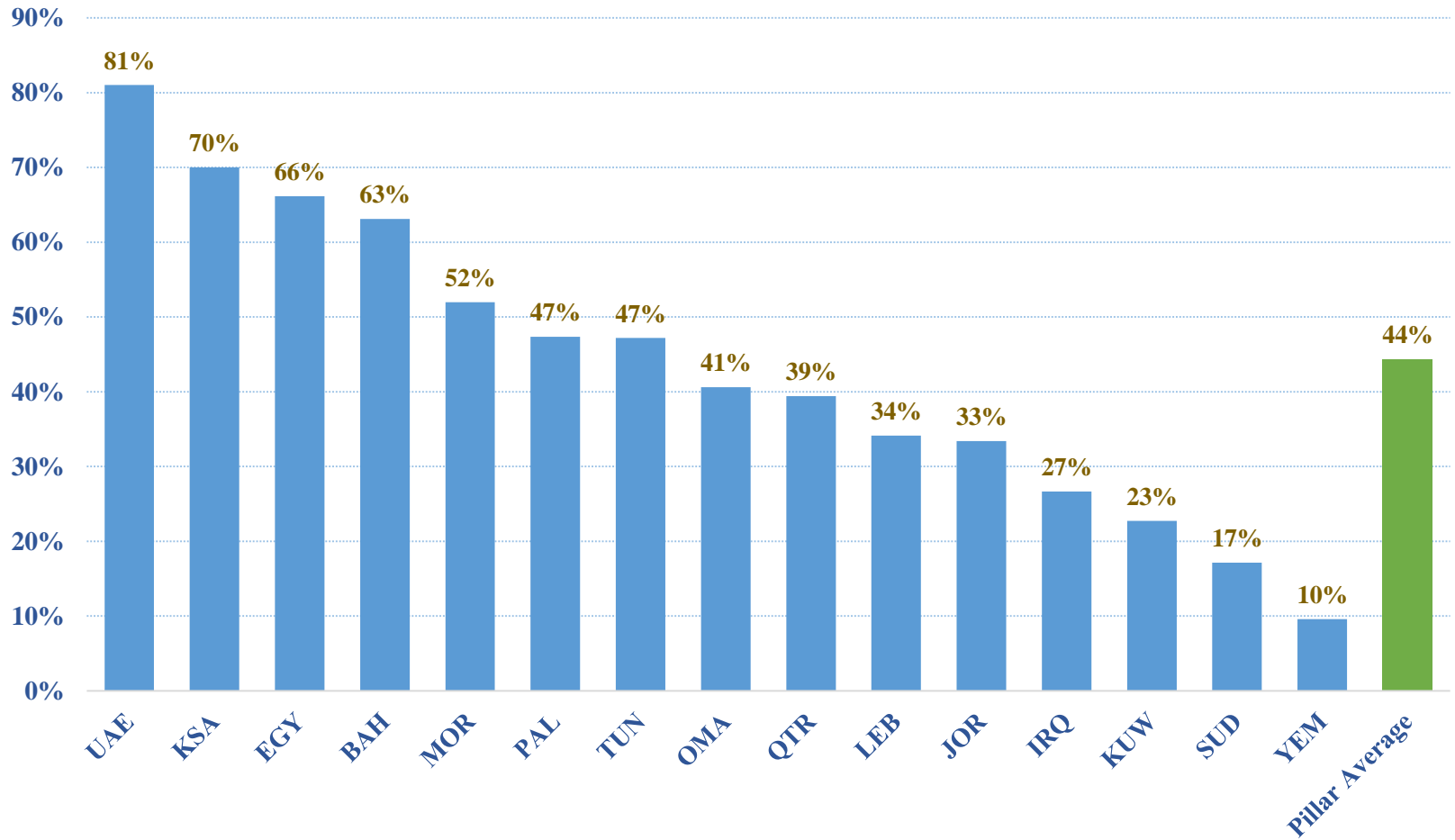
Policies, Laws & Regulations Index



Enhancing Demand Pillar



Demand Index



Increasing Access to Finance Pillar



Access to Finance



National Initiatives for Funding

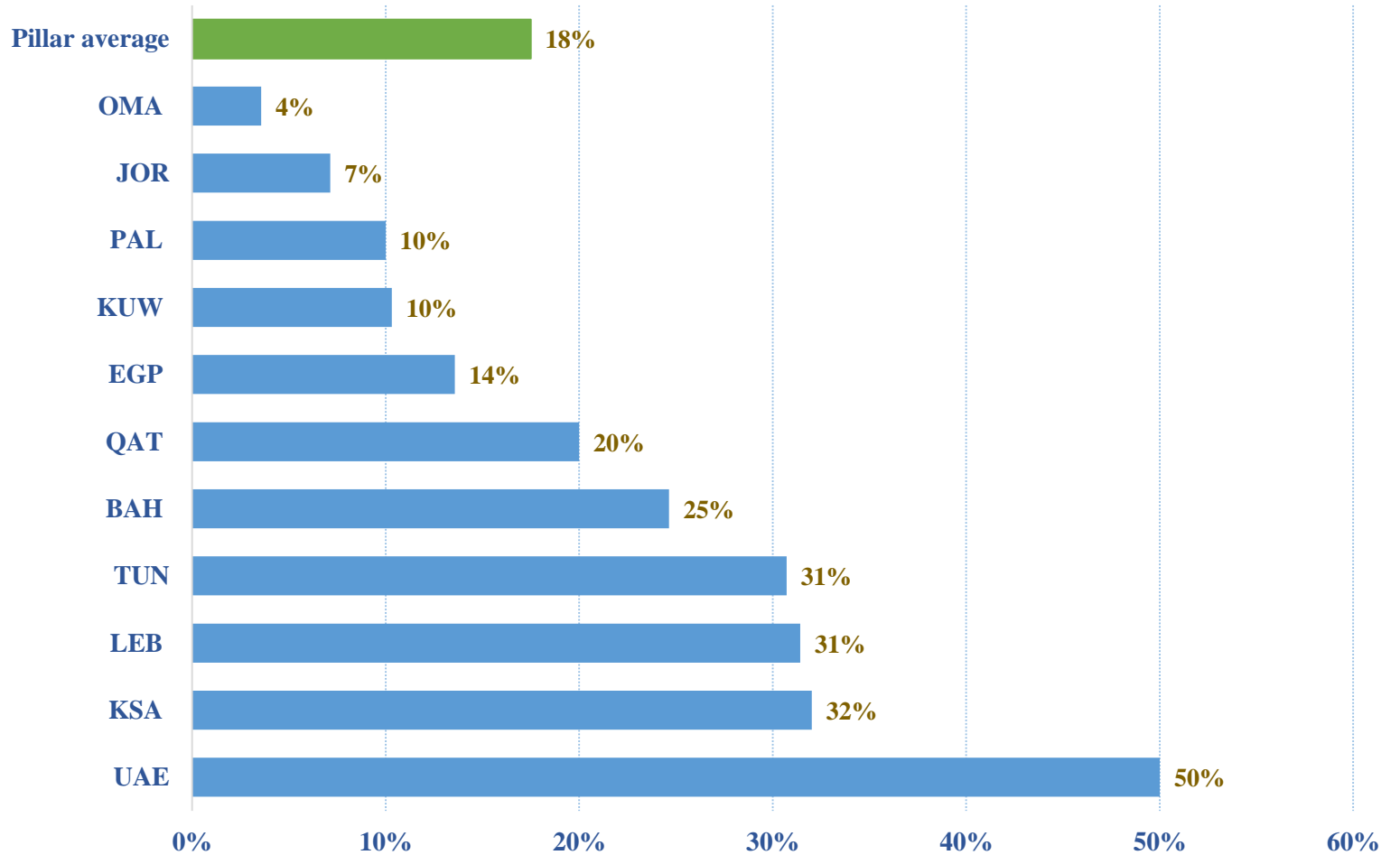


Funding from Financial Institutions

Investment in Fintech Activities



Funding Index



Key Considerations in Access to Finance

No. of Funding Initiatives

- On average low, **between zero and three**, for initiatives dedicated to financial innovations, at large, at the national level.
- On average low, **between zero and one**, for initiatives to Finance fintech firms.

Loans from the banking to Fintech sector

- Limited % of loans, (less than 5% of total banks' loans), are deployed by banks to the Fintech sector.
- No available data on the % of loans dedicated to fintech firms.

Funding resources for fintechs from banks

- Limited % of funding resources, (less than 5%), comes from banks.
- Shortage or no available data on such percent.

Size of investments

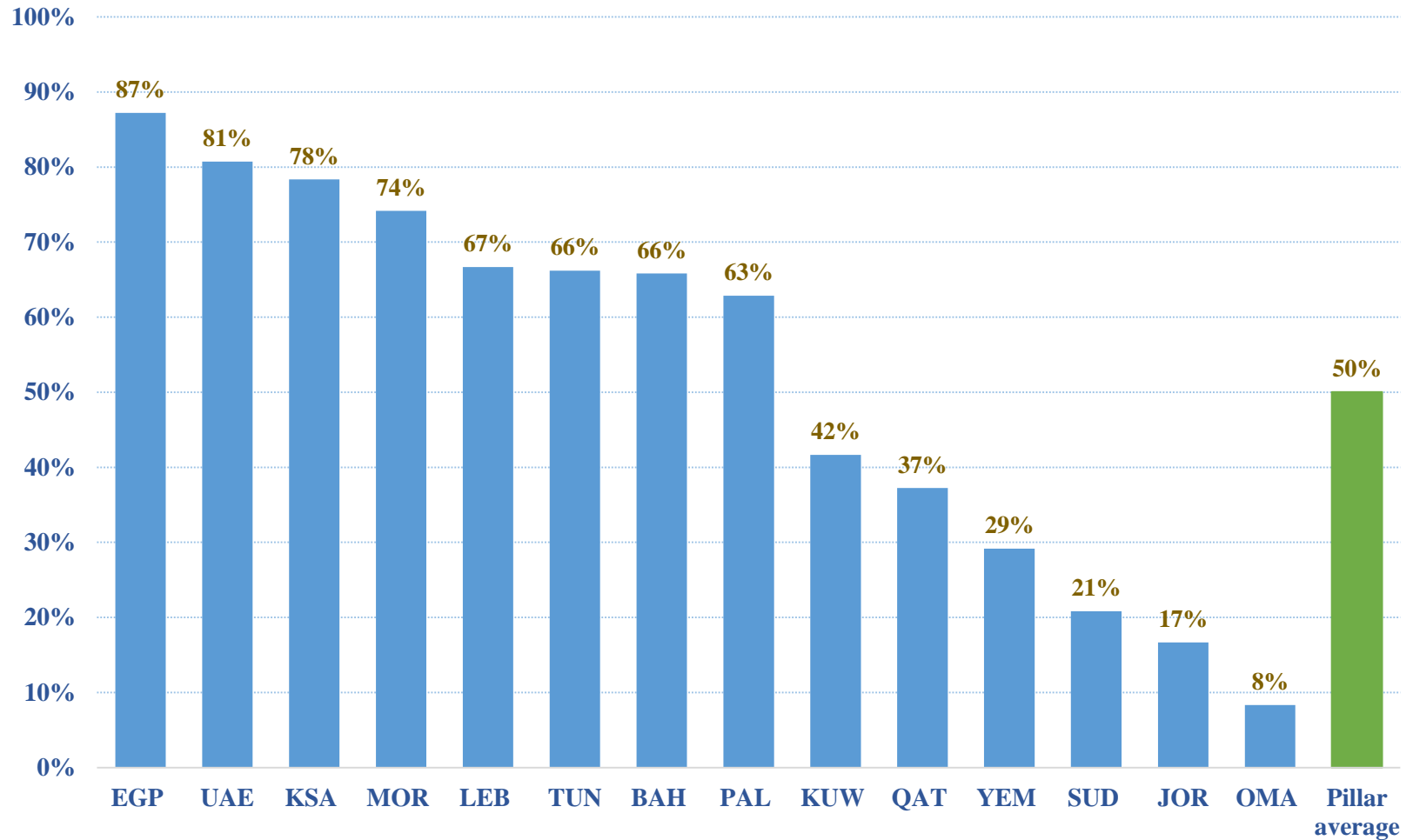
- Shortage of available data on investments size dedicated to the whole sector or fintech startups.



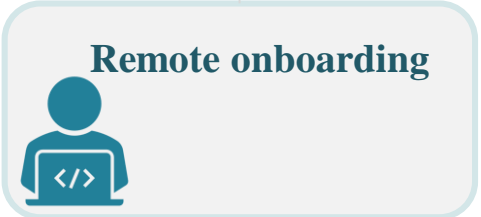
Developing Talents Pillar



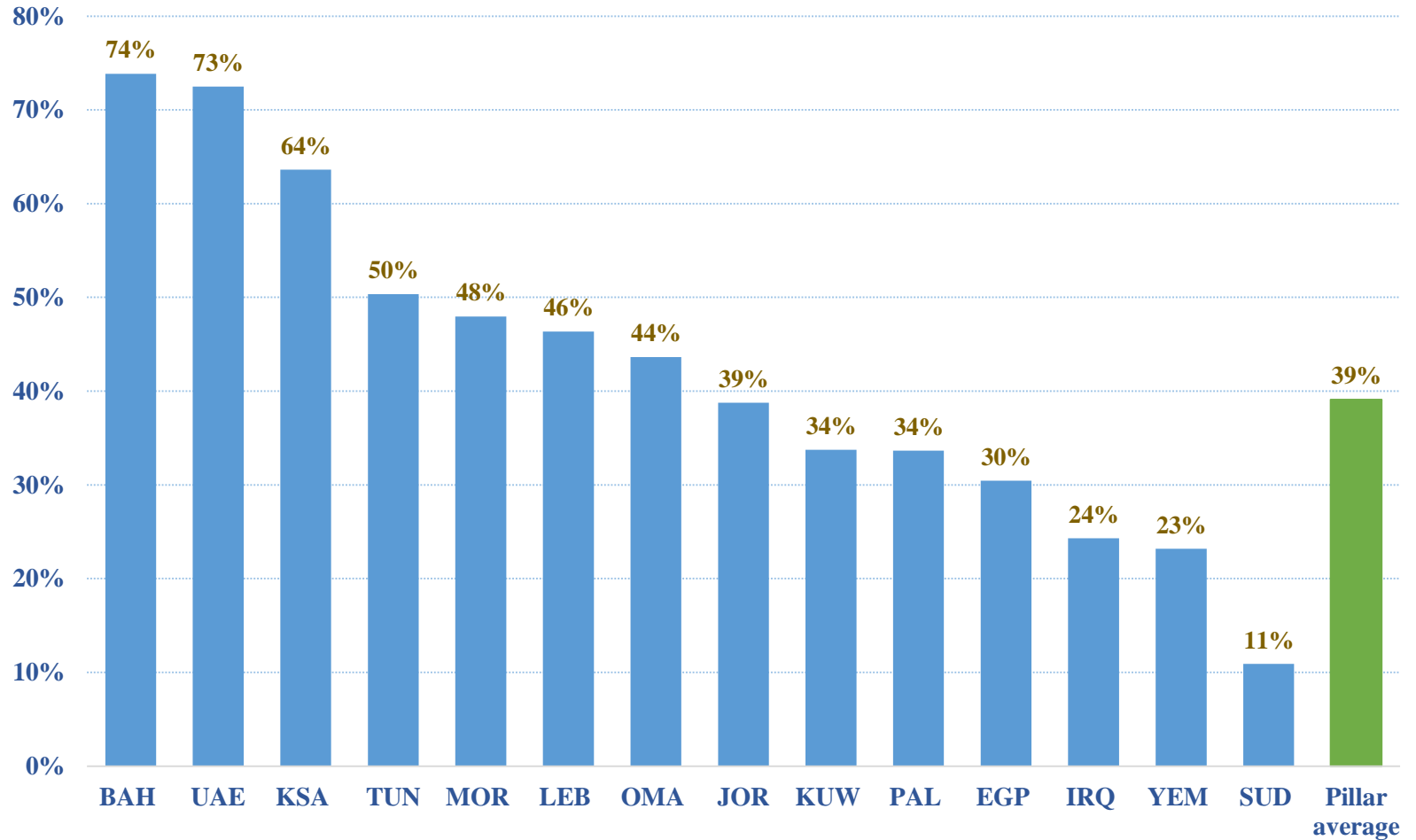
Talents Index



Strengthening Financial Markets Infrastructure Pillar



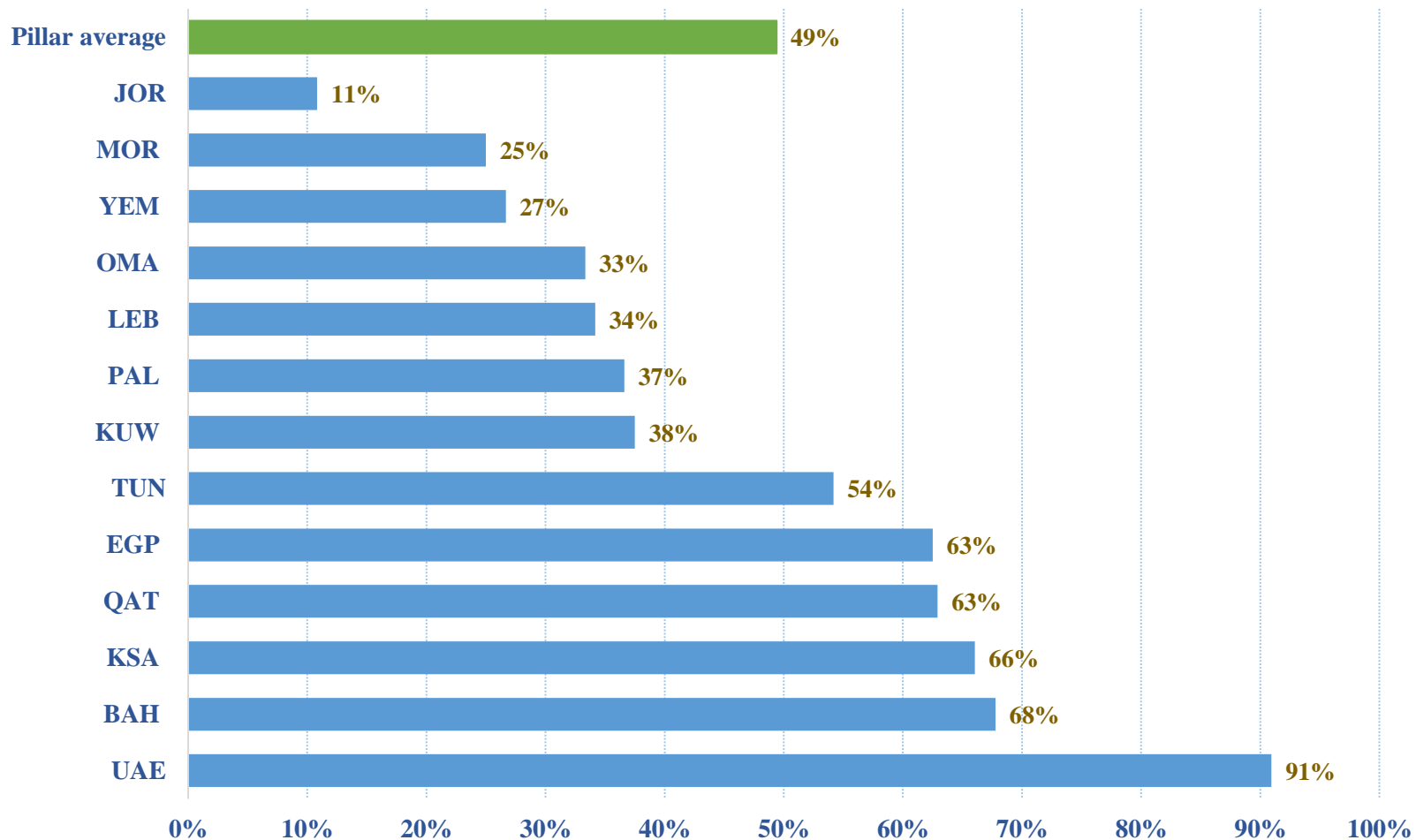
Financial Markets Infrastructure Index



Collaboration & Partnerships Pillar



Collaboration & Partnerships Index



Main Considerations and Recommendations



Enhancing data, establishing national data base for the industry including investments, financing, startups ..etc.



Continue efforts related to policies & regulations to foster innovations within a balanced environment, including the fintech firms.



More initiatives are needed to support access to capital and raising funds



Continue strengthening the financial markets infrastructure



Considering formulating Fintech Strategy to outline and coordinate initiatives, and document the governance scheme.



Enhance collaboration among all stakeholders at the national level, and cooperation on regional & international levels.



Ensure feedback loop and strengthen the role of the Innovation Office.

Support Fintech Ecosystem and promote development of the Fintech activities

Establishing the Arab Regional Fintech Working Group

Knowledge & Expertise
Sharing Platform

Building Capacities:
trainings & workshops

Issuing Guidelines, policies & working
papers

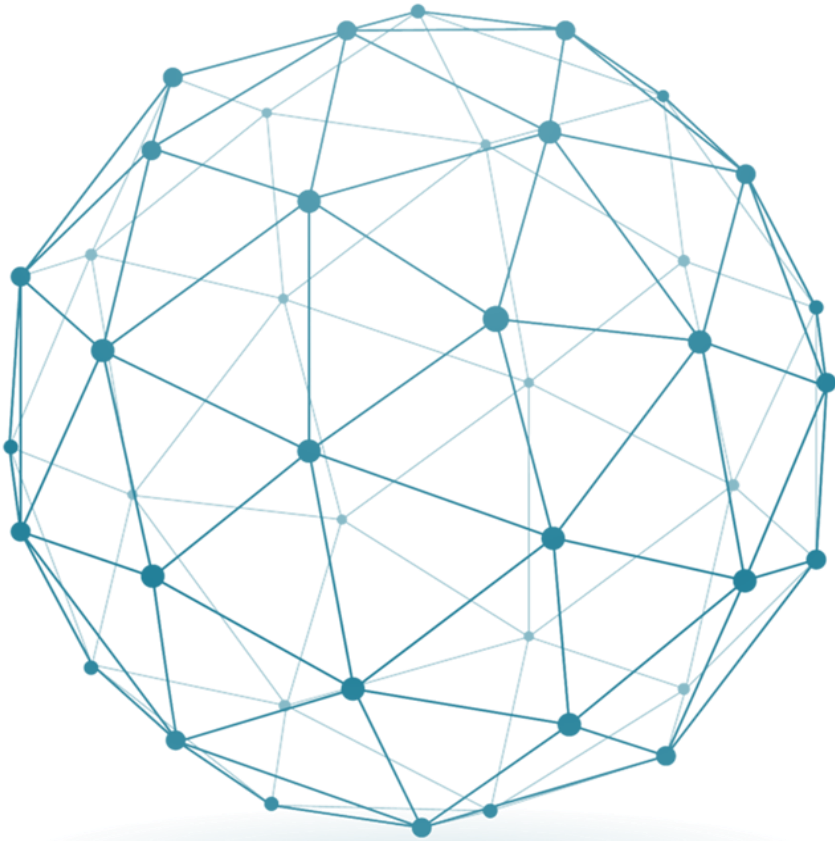
Regulatory Fintech Guide

Regional Fintech Index

AMF Remedies

Fintech WG Publications

- **Introduction to Non-Fungible Tokens: From Regulatory and Financial Perspectives (Arabic):** [Click Here](#)
- **Digital Identity, eKYC and Remote Onboarding in the Arab Region:** [Click Here](#)
- **Central Bank Digital Currencies: A Practical Guide for Arab Central Banks:** [Click Here](#)
- **Open finance: A framework for the Arab region is more than a question of scope:** [Click Here](#)
- **Islamic Fintech in the Arab Region: Imperatives, Challenges and the Way Forward:** [Click Here](#)
- **Fintech Glossary:** [Click Here](#); [Online Search Here](#); [Electronic Content Here](#)
- **Strategies for Adopting DLT/ Blockchain Technologies in Arab Countries** [Click Here](#)
- **Fintech Role Post COVID Era:** [Click Here](#)
- **The Arab Region Fintech Guide (second edition):** [Click Here](#)
- **Digital Wallets Providers Best Practices and Recent Developments:** [Click Here](#)
- **Open Banking Regulatory Principles:** [Click Here](#)
- **Fintech index for the Arab Region “FinxAr” – Arabic Note:** [Click Here](#)
- **Fintech index for the Arab Region “FinxAr” – English Note:** [Click Here](#)
- **Open Banking: A Vision from the Arab World:** [Click Here](#)
- **Alternative Finance & Tokenization – An Overview and guidelines for the Arab Countries:** [Click Here](#)
- **Central Bank Digital Currencies: An Analytical Framework for Arab Central Banks:** [Click Here](#)
- **The Arab Region Fintech Guide (first edition):** [Click Here](#)
- **Digital Identity and e-KYC Guidelines for the Arab Region:** [Click Here](#) [Click Here](#)
- **Cyber Resilience Oversight Guidelines for the Arab Countries, concerning Financial Market Infrastructures:** [Click Here](#)
- **Fintech Strategy Guidelines for the Arab Region:** [Click Here](#)
- **Digital Customer On-Boarding, e-KYC and Digital Signatures in the Arab Region:** [Click Here](#)



Thank You
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