

# Words of Welcome

delivered by

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On the occasion of the  
**Bridging Financial Innovation and Regulation Seminar**

**Centrale Bank van Curaçao en Sint Maarten, Willemstad**  
**June 28, 2018**



Your Excellency, the Governor of Curaçao, Mrs. Lucille George – Wout  
The Prime Minister of Curaçao, Mr. Eugene Rhuggenaath  
The Minister of Finance of Curaçao, Mr. Kenneth Gijsbertha  
Distinguished guests, ladies and gentlemen, good morning.

It gives me great pleasure to welcome you all, and in particular our guests coming from abroad, to the **Bridging Financial Innovation and Regulation Seminar** hosted by the Centrale Bank van Curaçao en Sint Maarten. I extend a special welcome to our speakers who graciously accepted our invitation to share their knowledge, experience, and expertise with us. As you may have noticed, we have a line-up of extremely distinguished speakers from all the different corners of the innovation and technology eco-system, and also from Standard Setting bodies and Regulatory Authorities. I do want to acknowledge a very important guest and our keynote speaker of this seminar, no other than Mr. Paul Andrews, the Secretary General of the International Organization of Securities Commissions, also known as IOSCO. IOSCO is the international body that brings together the world's securities regulators and is the global standard setter for the securities sector. IOSCO develops, implements and promotes adherence to internationally recognized standards for securities regulation, and intensively works with the G20 and the Financial Stability Board (FSB) on the global regulatory reform agenda. Thank you Mr. Andrews for accepting our invitation and sharing your thoughts on Innovation from a Regulatory perspective. I also would like to express our gratitude to Mr. Ryan Shaw for accepting our invitation to chair our conference.

As the central bank of the monetary union of Curaçao and Sint Maarten, we are responsible for, amongst other things, promoting a sound and efficient functioning of the financial system in Curaçao and Sint Maarten. To fulfill our responsibilities effectively, we consider it of utmost importance to foster discussions and share experiences with local and regional peers and stakeholders on Innovation, Technology, Regulation and how to bridge these for enhanced and more efficient markets. Through conferences and seminars like this one, the CBCS hopes to foster wider interest and provide more insights into these fields of interest that are particularly relevant for central banks, regulators, governments, and the financial sector. Also, the Bank hopes to make its role more visible and accessible to the general public, thereby demonstrating that the Bank remains a

vital institution in fostering the further social and economic development of both Curaçao and Sint Maarten. You may already know this, but this year we are celebrating the 190<sup>th</sup> anniversary of the founding of our institution. We are proud to say that eventhough the CBCS is the oldest still operating circulation bank in the Americas and the Caribbean, we feel more vibrant than ever to keep evolving with the markets.

In the current innovation revolution, it is increasingly important to address technological advances and the challenges these present to our markets, their participants, and regulators to implement relevant, responsive, and impactful programs and strategies to responsibly usher our jurisdictions into the future. If financial technology and innovation is indeed the future driver of global finance, we need to be committed to build sustainable and resilient financial infrastructures and regulatory environments built upon constant innovation.

Thus, the theme of our conference **Bridging Financial Innovation and Regulation** is not only fitting but underscores a very important issue that we are all facing. Especially considering that it is believed that the digital economic sector is growing 35% faster than the wider economy and that the global investment in burgeoning FinTech sector will likely reach \$8 billion of which financial services providers are the main beneficiaries. Small economies such as Curaçao and Sint Maarten that partly rely on the provision of financial services need to start thinking about creating an environment that promotes innovation, incorporates technology in the provision of financial services, while maintaining a proper regulatory framework that is driven by compliance with international standards and requirements.

Bridging financial innovation with appropriate regulatory innovation and approach has become that much more important, because we need to meet the needs of the present while laying the proper groundwork and infrastructure for the future. Innovation and technology are transforming and reshaping the existing financial system in a way we still do not fully comprehend. However, regulators who are not willing to embrace (regulatory) innovation, risk being left out of the potential advantages and benefits of the current innovation revolution.

Against this background, the CBCS has engaged all the stakeholders to identify the challenges, vulnerabilities and also the benefits and endless possibilities of bridging regulation with financial

innovation. We can no longer sit back and hope that these new developments will just go away or catch the next train. We are of the opinion that it is time to act, to not only build bridges but also open these bridges to usher our jurisdiction into a new era of growth, leadership and development. Therefore, we are extremely happy that today, Mr. Paul Andrews from the IOSCO will provide us with insights on how innovation is impacting our financial markets. We hope to gain more insights into the main challenges of this innovation development and how we can make our institutions, jurisdictions and region more resilient in order to achieve efficient markets that foster growth whilst adhering to the main principles and standards.

Furthermore, during the course of these two days, several local and international experts from both the private sector (innovation and technology sectors) as regulatory authorities and standard setting bodies such as: the IOSCO, the CBCS, the Centrale Bank van Aruba, the Securities Industry and Financial Markets Association (“SIFMA”), and the U.S. Commodity Futures Trading Commission (“CFTC”) will provide insights on how innovation and technology are impacting and changing the global market place and the financial services industry.

While our sessions of tomorrow will be provided by a blend of technology experts and regulators such as Mr. Robert Toomey of SIFMA, Mr. Jason Mahoney of the U.S. CFTC, our own Mr. Errol Cova of the CBCS, and Mr. Bradley Holt of IBM, I do want to focus on today’s program and speakers.

Ladies and gentlemen, to bridge regulation with financial innovation, we first need to understand innovation and how the technological advances can aid regulation and vice versa. Regulation should not stifle creativity, innovation and technological advances that can aid our markets to the benefit of participants in our markets. However, technology and innovation should also not be a negative disruptive force that ultimately adversely and negatively affect our reputation. Therefore, we kick off our seminar with experts in the technology space to provide the needed information on the latest developments that we will certainly face sooner rather than later. Mr. Olivier Rikken from Blockchain and Smart Contracts will provide all we need to know of the new technologies and how block chain and smart contracts function and can potentially change how we do business.

Dr. Ryan Peterson from the Central Bank of Aruba will then elaborate on how we as regulators need or can navigate the innovation wave. Financial technology is not a new concept, however, keeping

abreast of the current financial innovation pace is key for regulators to guarantee a sound and efficient financial market while also keeping the good reputation of our jurisdictions intact. I am very interested in listening how we can navigate this innovation wave and how regulatory innovation needs to catch up.

Following the presentation of Dr. Peterson, we have yet another extremely important and interesting presentation by Mr. Jerry McArthur Hultin of the Global Futures Group. As we could already have noticed, we are facing a “new normal”, where disasters, disruptions, and volatility are becoming recurring events. Unfortunately, we experienced a mayor disaster in our region where Hurricane Irma caused severe damage in Sint Maarten destroying homes, infrastructure, and commercial and public property and having a severe negative impact on Sint Maarten’s economy. While such phenomena cannot be eliminated, much can be done to mitigate the impact of natural occurrences from leaving a country devastated, so we need to strive to become resilient and smart. Therefore, we are very glad that Mr. Hultin will provide us with insights into how to build a smart economy and jurisdiction and how innovation and technology can aid us in our quest to become resilient and smart.

We will cap our day with a paid lunch during which Mr. Paul Andrews, the Secretary General of IOSCO, will provide us with a keynote address on how innovation is impacting financial markets and discuss whether there is a new paradigm for Central Banks and Regulators. We look forward to that address, since Mr. Andrews heads the Standard Setting body of securities regulators who are now at an important crossroad.

Ladies and gentlemen, once again thank you for being here at **Bridging Financial Innovation and Regulation Seminar** of the CBCS. Please enjoy the conference, and we trust that the presentations and discussions during this conference will provide you with the needed insights on innovation and our path forward.

I wish you a fruitful and exciting seminar.

Thank you for your attention.