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English - Or. English

7 June 2024

**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
COMPETITION COMMITTEE**

Cancels & replaces the same document of 24 May 2024

Latin American and Caribbean Competition Forum

Session I: Competition, Fintechs, and Open Banking – Call for contributions

This document is circulated in preparation of the discussion under Session I of the Latin American and Caribbean Competition Forum (LACCF) that will take place during 9-10 October 2024 in Santo Domingo, Dominican Republic.

Delegates are invited to submit their written contributions to the Secretariat by **31 July 2024, Wednesday**.

In case you need additional information related to this session, please contact:
Ms. Nasli Aouka (Nasli.Aouka@oecd.org); and
Mr. Paulo Burnier da Silveira (Paulo.Burnier@oecd.org).

JT03545542

Session I: Competition, Fintechs, and Open Banking

– Call for Contributions –

1. This year's Latin American and Caribbean Competition Forum (LACCF) will feature a session on "Competition, Fintechs, and Open Banking". This document provides some background information on the topic and invites delegates to make a written submission to the discussions.
2. The sector-specific competition challenges related to financial markets have been subject of several discussions held by the OECD in the past years, including the LACCF Roundtable on Addressing Competition Challenges in Financial Markets (2017)¹ and the Competition Committee Roundtable on the [Role of Competition in Financial Consumer Protection](#) (2014). More recently, the way the financial sector has been impacted by digital transformation has also been at the core of OECD work, for instance the Roundtables on [Data Portability, Interoperability and Digital Platform Competition](#) (2021) and [Digital Disruption in Banking and its Impact on Competition](#) (2020).²
3. Building up on these discussions, this session will focus on two interconnected phenomena that are at the forefront of the digital data-driven transformation of the financial sector: the deployment of innovative technologies to deliver financial services beyond traditional bank branches – known collectively as 'Fintechs' – and the practice of sharing data with third parties for different purposes including to receive services from these third parties, commonly referred to as 'Open Banking'.
4. Significant benefits are associated with the process of innovation and disruption in financial markets, for instance greater transparency and faster banking services for users.. From a competition perspective, these innovations have reduced costs for existing services while creating new market segments and business models in a traditionally concentrated market. The natural outcomes include both economic opportunities to new entrants, such as market diversification and deeper innovations, as well as social opportunities related to the inclusion of new consumers – including low-income population – in financial services, increasing social well-being and reducing social gaps as seen in LACCF discussions last year related to competition and poverty (OECD, 2023).
5. At the same time, this process carries associated challenges for competition policy, such as market foreclosure, price discrimination, and the proper levels of regulatory barriers to entry and operate in financial markets.
6. In Latin America and the Caribbean (LAC), the topic is particularly relevant: nearly 25% of LAC's population still lacks access to financial services (WB, 2021), and 75% of LAC's digital banking customers are either low-income consumers or small businesses (IMF, 2023). Moreover, Fintech firms seem concentrated in a handful of LAC countries: over 80% of these firms have origins in a few LAC countries: Brazil, Mexico, Colombia, Argentina, and Chile, with the first two accounting for more than half of the total (IDB, 2022).
7. Against this background, it seems pertinent to address the topic of Fintechs and Open Banking in LAC countries, exploring, on the one hand, how it is influencing the

¹ DAF/COMP/LACF(2017)6

² Additional OECD Roundtables and discussions include: [Competition and payment systems](#) (2012), [Competition and credit rating agencies](#) (2010), [Competition and financial markets](#) (2009), [Competition and regulation in retail banking](#) (2006), [Mergers in Financial Services](#) (2000), and [Enhancing the Role of Competition in the Regulation of Banks](#) (1998).

competition landscape and, on the other hand, how is it being influenced by competition policy. In this regard, the session will provide an opportunity to examine:

- The extent to which digitalisation is impacting the financial sector, particularly banking services and its competition conditions considering the particularities of LAC countries.
- The institutional responses of LAC countries to this new and dynamic reality, particularly the role that competition authorities have played in maximising these economic and social opportunities and managing the associated risks of these innovations.

8. As in past years, the quality and utility of this session will be greatly strengthened by written contributions, which should be sent to the OECD Secretariat by **Monday 31 July 2024**. In order to assist you with the preparation of your contribution, the Annex includes a number of questions on which you may wish to focus and a suggested bibliography. The list in the Annex is not exhaustive, and you are encouraged to raise and address other issues in your submissions and during the discussion. We also strongly encourage you to discuss and comment on your relevant enforcement experience in this area.

9. The session will be supported by a background paper prepared by an external consultant, which will compile the main issues related to the topic. The LACCF webpage will be the primary vehicle for conveying documentation and related links on this subject. It will become available on its main page at www.oecd.org/competition/latinamerica. Unless explicitly requested not to do so, the Secretariat will reproduce all written contributions on the LACCF website.

10. All communications regarding the documentation for this session should be sent to Ms. Nasli Aouka (Nasli.Aouka@oecd.org). Please address any substantive queries relating to this discussion to Mr. Paulo Burnier da Silveira (Paulo.Burnier@oecd.org).

Annex A.

Suggested questions for written contributions to Session I on Competition, Fintechs and Open Banking

This Annex provides a list of questions for consideration in preparing your written contribution. A contribution does not need to cover every listed question, and you may wish to address issues not listed here. You are encouraged to refer to relevant indicators, cases, or advocacy initiatives where appropriate. Please prepare your contribution as an integrated essay rather than a list of answers to questions.

A. Digitalization of financial sector

- How is digitalisation impacting the financial sector, particularly banking services, in your jurisdiction? Please provide examples of new services and/or new entrants if applicable.

B. Evolution of legal framework

- Is there a specific regulatory framework in place for Fintechs and/or Open Banking?
 - If yes: which objective(s) does it aim to achieve (e.g. ensuring an efficient and competitive market, enhancing data security and privacy, improving consumer protection)? How does it interact with or complement other regulatory frameworks, such as data protection rules? Which actors are responsible for setting and enforcing this regulation?
 - If no: are there any initiatives underway or expressed interests to implement such a framework?
- Are there sector-specific regulatory authorities for finance and data protection? If so, are these bodies independent? How do your responsibilities overlap with those of these other regulatory bodies? What tensions and complementarities do you observe in your roles?
- Does your jurisdiction have a legal definition of Open Banking and/or Open Finance?

C. Competition enforcement responses

- What new challenges has digitalisation introduced in your enforcement activities in this sector?
- Can you provide examples of mergers involving Fintechs and/or Open Banking? If yes, please indicate their outcomes including remedies when applicable.
- Do you have examples of anti-competitive practices that were investigated and/or sanctioned involving Fintechs and/or Open Banking?

D. Competition advocacy actions

- Have you conducted market studies in the financial sector involving Fintechs and/or Open Banking? If yes, please indicate any legislative or enforcement follow-up of these studies.
- How do you interact with regulatory bodies and central banks? What are the formal channels of articulation? Are there also informal channels?
- Has your authority participated in the development of the regulatory framework of the sector or influenced it in any way (e.g. opinions in draft regulations)?
- Have you advocated for or against a particular government program because of its effect on financial markets?

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