

REGATHON

REGTECH HACKATHON

Centrale Bank van Aruba

in collaboration with ATECH

Aruba

October 28th - November 3rd

2017



Business Case

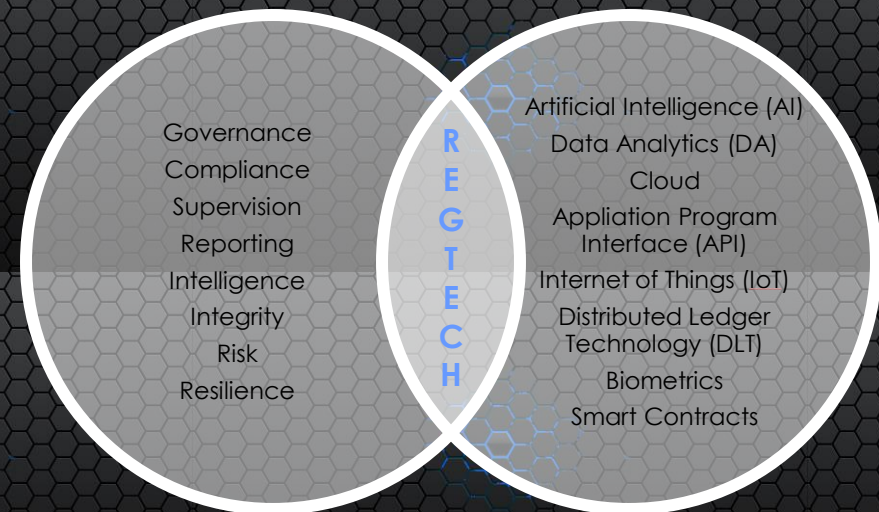
PROBLEM SITUATION

It is no secret that financial markets and institutions are being 'disrupted' by, e.g., increasing (dynamics and complexity of) regulation, more demanding and diverse consumers, and the digitization of financial technologies and competition. In recent times, financial regulators have started to seek to balance the traditional regulatory objectives of financial stability and consumer protection with the objectives of promoting growth and innovation. The result has been a process of regulatory innovation including digital technologies and smart regulation. At the intersection of regulation and digitization lies a phenomenon - **RegTech** - that is accelerating the pace of change and is reshaping financial ecosystems.

Regulatory Technologies (RegTech) are **digital systems, including applications and architectures that facilitate the delivery of regulatory requirements more efficiently and effectively by using new systems for compilation, analysis, intelligence, monitoring, reporting and compliance.**

RegTech aims to improve regulatory quality and increasingly is a source of competitiveness. RegTech covers several regulatory domains, e.g., governance, compliance, identity management, intelligence risk management and transaction monitoring.

The development and implementation of RegTech span a wide range of objectives, from reducing the costs of compliance, enhancing regulatory efficiency and transparency, to increasing market stability, credit intelligence, and identifying real-time risk/fraud through intersecting multiple sources of data and using intelligent engines.



REGATHON QUESTION

Significant business opportunities for RegTech arise from the trade-off between the need to stay compliant with increasing regulations and demands of consumers, in addition to the need to improve operational efficiencies. Oftentimes, the latter involves the smart automation and digitization of analog (manual) processes. The general question for the Regathon - Regulatory Hackathon - is:

How can RegTech be deployed to meet the demands of increasing compliance, customization and connectivity, in order to promote financial transparency, integrity and resiliency?

In addressing this question, four specific regulatory topics are defined, covering: **(I) Market Disclosure, (II) Know Your Customer (KYC), (III) Client's Creditworthiness, and (IV) Investment Intelligence.** The Regathon concentrates on any (combination) of these topics.

I. Market Disclosure:

How can RegTech improve the **transparency of transaction fees** across the financial ecosystem, and disclose the costs of regular financial transactions? How can RegTech provide instant and reliable information to consumers and retail clients regarding transaction fees and costs?

II. Know Your Customer:

How can RegTech accelerate the efficiency (costs and time), quality (customer service and experience), and integrity (privacy, identification and authentication) of **Customer Due Diligence (CDD)** processes? How can RegTech transform the complex task for banks to be able to monitor all financial transactions for fraud prevention and authentication requirements?

III. Client's Creditworthiness:

How can RegTech be used to develop an intelligent system to assess, report and act on a **client's creditworthiness** in 'real-time'? How can RegTech assist in protecting the client from overcrediting?

IV: Investment Intelligence:

How can RegTech provide real-time, on-line intelligence (monitoring, compliance, and control) of **business investments and loan applicants** (start-ups, entrepreneurs)? How can RegTech improve the business investment climate?

Kick-Start @ ATECH

The Regathon will be organized in collaboration with **ATECH** during their annual conference (at Hilton Hotel). The kick-start is on **Saturday October 28th at 9:00 am**. All teams should be present for the registration and briefing at 9:00 am sharp!.

The competing teams will have 12 hours straight to complete the hack, after which several rounds of pitching will take place for a panel of judges. You will have 10 minutes max to convince the expert panel that you have the winning hack! Teams are responsible for bringing their own (digital) hack tools, including but not limited to computer, laptop, design materials etc.

The two (2) remaining semi-finalists will compete for the final (cash) prize at the **CBA RegTech summit on November 3rd, 2017**.



Rules of Engagement

- Participants must be 18 years of age or older.
- Proposed solutions and submissions must be submitted in English.
- Multidisciplinary teams of 2-5 people are allowed to compete. Regulators, compliance/risk officers, developers, designers, programmers, coders, etc. with innovative ideas are encouraged to participate.
- Teams must register their interest, team name and chosen Regathon topic(s) by **emailing arubafintech@cbaruba.org before 2:00 pm on Friday October 20th, 2017.**
- Organizers' employees are not eligible to participate in the Regathon.
- Pitch presentations are limited to a 10-minute presentation, followed by Q&A from the panel of judges.
- Teams will not submit content that is unlawful or encourages conduct that would be considered unlawful.
 - Teams will not post advertisements or solicitations of business
- Teams will own the IP rights for all their work. Any designs created, code written, products built, presentations, marketing material etc., created during the regathon will belong to creators (i.e., registered members of the participating team).
- By registering your team, you agree to these rules of engagement

Evaluation

- The Regathon is organized by a committee appointed by the Centrale Bank van Aruba ("Organizers")
- The overall Regathon winners will be selected by a predefined panel of judges consisting of regulatory and digital technology experts. The panel will be chaired by an independent member.
- The Regathon is organized in two rounds of elimination. During the first round, 50% of teams will be eliminated. In the second round of evaluation (pre-finals), two teams will be selected to compete in the finals.
- The Organizers have the right at their sole discretion to determine whether an entrant is eligible for the Regathon and the Final. The Organizers may disqualify, at the organizers' sole discretion, any entries (including, without limitation, content submitted in connection therewith) that (a) are in violation of third party rights or law or regulation, (b) use inappropriate or explicit language or images, or (c) display content that Organizers otherwise finds objectionable.
- A panel of judges appointed by the Organizers will be in charge of reviewing all submissions deemed eligible. The top 2 (two) submissions, based on predefined criteria, will be chosen to compete in the finals.

CRITERIA

The following criteria (* weighted) will be used to assess the submitted Regtech solutions:

Innovation / Ambition*

Is the idea unique, or a different take on an existing/similar solution? What is added to the solution that made it special or more useful? Is the solution comprehensive and ambitious? How creative is the idea? How original is the solution? Does it push the boundaries of regulatory innovation?

User Interface / User Experience

Does the user interface (UI) of the solution look professional/fun? Is the solution user-friendly? Does the functionality enhance the user experience (UX)? Does the workflow of the solution make sense, is it intuitive?

Overall Quality*

Does the solution meet the design requirements? Does the solution represent a well-balanced (RegTech) solution? How well does the solution fit the chosen RegTech theme? Does the solution work completely from start to finish? Did the team scope their solution's features well given the time frame of the Regathon?

Quality of Pitch / Value

Was the team able to explain their idea and what the solution entails? Is the uniqueness and added-value of the solution clearly presented? Does the team engage the panel of judges during the final presentations?

Usefulness / Practicality*

How will it help modernize regulatory systems? How likely are financial institutions/regulators to adopt the proposed RegTech solution?



Regathon Registration Form

Please sign, scan and send a copy of this registration to

arubafintech@cbaruba.org before 2:00pm on October 20th 2017

Team name:

Names of individual members:

- | | | |
|----------------|------------|----------------|
| 1. First name: | Last name: | Date of birth: |
| 2. First name: | Last name: | Date of birth: |
| 3. First name: | Last name: | Date of birth: |
| 4. First name: | Last name: | Date of birth: |
| 5. First name: | Last name: | Date of birth: |

RegTech topic selection:

Our team will focus on the following theme(s). Please select your **main focus area**:

Market Disclosure Know Your Customer Client's Creditworthiness Investment Intelligence.

I herewith acknowledge the rules of engagement of this Regathon and inform organizers that we shall abide by all rules as set forth in this document.

Team leader (Name):

Signature:

Date: