

# Chairman – Opening Remarks

Peter Oakes Board Director & Advisory Committee Fintech and Regtech Fintech Ireland

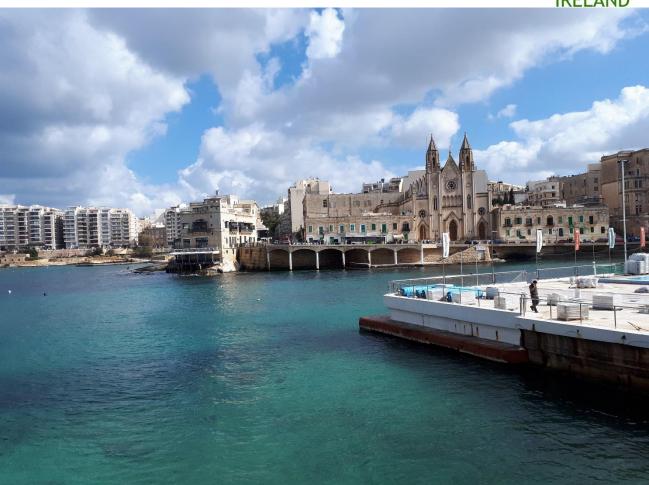
Tuesday 27<sup>th</sup> February 2018



### Welcome

Delegates
Speakers
Organisers
Sponsors
Exhibitors

•... and thank you to Malta!



www.fintechireland.com www.peteroakes.com hello@fintechireland.com © Fintech Ireland © Peter Oakes





### The Forum

Focussed on the online payment ecosystem exploring the areas of:

### • regulation,

security,

- technology; and
- how to keep your competitive edge at a minimum cost.

Leading retail banks, industry shakers, central bankers, and regulators with European (online and mobile) merchants in a close setup.

Discussing the current industry ecosystem, placing payments at the heart of the conversation to further advance strategic industry collaborations.

#### Sunday, February 25, 2018, 00:01

#### Company briefs Finance Malta sponsors Nextgen Payments Forum

Finance Malta is sponsoring this year's Nextgen Payments Forum, which will be focusing on the online payment ecosystem exploring the areas of regulation, security, technology and how to keep your competitive edge at a minimum cost. The event will be held on Tuesday and Wednesday at Le Meridien St Julian's Hotel & Spa from 9am to 6pm.

The forum will bring together representatives from leading retail banks, industry shakers and regulators with European (online and mobile) merchants in a close setup. During the forum the delegates will be discussing the current industry ecosystem, placing payments at the heart of the conversation to further advance strategic industry collaborations.

@QUBEEVENTS
#NPFMalta
#NPF2018



### Company Board & Advisory Board Member -FinServ, FinTech, RegTech & Service Providers





www.fintechireland.com www.peteroakes.com hello@fintechireland.com

@fintechireland @oakeslaw

© Fintech Ireland © Peter Oakes

### What is FinTech & RegTech



Financial technology, also known as **FinTech**, is a line of business based on using software to provide financial services. FinTech companies are generally start-ups founded with the purpose of disrupting incumbent financial systems and corporations that rely less on software

Regulatory Technology, or RegTech, is derived from the definition of FinTech - *primarily signifying the* technology applied to resolving issues regarding regulation within the financial industry. It helps companies to better manage and understand their legal/regulatory risks as well to easily adhere to their regulatory obligations

5

### Diverse Range of Topics



- Payments
- Emoney
- Open Banking
- Blockchain

Anti-Money Laundering

- GDPR
- Brexit
- Chickens!

## Payments & Emoney

The top 10 countries that are embracing a cashless culture



www.fintechireland.com www.peteroakes.com hello@fintechireland.com © Fintech Ireland © Peter Oakes fintech

SOURCE: FOREX BONUSES

## Open Banking

#fintech FT Your essential weekly fintech briefing

# Banks scramble to be open as clients shrug



**By Martin Arnold** February 26, 2018

Earlier this year, the UK launched what may people argue is the biggest revolution in retail banking for a generation. So far, however, the shake-up seems to have been met with little more than a weary shrug by consumers, even if bankers seem to be taking it very seriously. Open banking, as this particular revolution is known, was introduced on the second weekend of January, forcing Britain's biggest banks to provide third parties with access to the accounts of any customers who authorise it.

This change - the UK's version of the EUwide second payment services directive (PSD2) - blows open the monopoly that banks have long held over people's financia data. Instead of a closed, protected world in which banks dictate who can access an account and what they can do with it, they are now forced to delegate that power to consumers.

www.fintechireland.com www.peteroakes.com hello@fintechireland.com © Fintech Ireland © Peter Oakes



### Blockchain





www.fintechireland.com www.peteroakes.com hello@fintechireland.com © Fintech Ireland © Peter Oakes

### Anti-Money Laundering

#### THE SUNDAY TIMES OF MALTA

FEBRUARY 25, 2018 | 19

### **OPINION**&LETTERS TIMES MALTA

### **Getting tough on money laundering**

opened a Pandora's box that contains evidence of the decades-long practice of some well-connected rich and famous - that of hiding their often illgotten assets from the scrutiny on fiscal and other anti-financial-crime authorities. Money launderers and tax avoiders shrink from transparency more than the devil fears holy water.

A Maltese government minister and the Prime Minister's chief of staff were among the politically exposed persons who chose opaque jurisdictions to park their money in. It is they, not their detractors, who have contributed to Malta's image as an Eldorado for money launderers that the country is now constrained to fight.

Government apologists try to deflect the destructive impact of the lax enforcement of anti-money-laundering directives by saying bigger countries like the UK and Germany are even more permissive in the way they filter banking transactions to ensure they are not tainted with money gained illegally. But the series of events that started

with the publication of the Panama of Daphne Caruana Galizia leaves no doubt in the eyes of many individuals

international regulations aimed at pre- by the State as a result of court action tese legal framework". venting financial crime.

In an anti-money-laundering conference organised by the Malta Institute Handelsblatt states that the German of Accountants last week, former FIAU director Manfred Galdes voiced what many in the financial services industry have known for many years: Malta is sending the message that serious sially, reverse the burden of proof of financial crimes go unpunished.

influential post at Malta's anti-moneylaundering agency was never convincingly explained. He seems to be one of the few people to hold a critical regulatory position who overcome the fear of retribution, speaking out when breaches of the anti-money-laundering directives are tolerated to protect individuals with good connections. Dr Galdes insists that the police

should be proactive in looking for evidence of money laundering by improving their skills in identifying how some people with few visible means manage to acquire assets that are apparently beyond their means.

Some financial services practitioners Papers and continued with the murder and international regulators rightly point out that the number of suspicious transactions reported to the FIAU has and international regulatory bodies been small compared to the volume of that Malta has a high tolerance for transactions passing through Malta's against money launderers.

The German business newspaper government, trying to shake off Germany's reputation as a safe haven for money launderers, is considering introducing a new law that will, controverhow assets are obtained. In future, sus-The departure of Dr Galdes from his pects will have to explain where they acquired their assets. Up to now, it has been up to the authorities to prove gains were ill-gotten. The burden of proof is just one measure to consider in the fight against money laundering.

One of the weakest links in the process of clamping down on money laundering is the police. The MEPs' report about the rule of law in Malta was written off as biased by the government but it raised some issues that international regulators will take seriously. Soon Moneyval, the anti-moneylaundering watchdog of the Council of

Europe, will be undertaking a review of Malta's anti-money-laundering processes. In 2012, it said that "Malta's reporting of suspicious transactions was low for the size of the market". In 2015 it found the country 'largely compliant', but a Moneyval spokesman told Reuters that "the last report was not

The publication of the Panama Papers abuse, despite professing to adhere to banks. Similarly, few assets are seized based on a full assessment of the Mal-

More recently, the European Banking Authority, on the request of a group of MEPs, started a preliminary investigation of Pilatus Bank.

Moneyval will undoubtedly note the comment in the MEPs' report that "the institutions implementing and enforcing rules on money laundering were highly politicised". Here lies the crux of the problem. The perverse networking between government-controlled institutions, which should act as checks and balances to the exercise of political power, is undermining the war against corruption and money laundering.

The growing concern in international circles that Malta may be a less-thanreputable jurisdiction will scare away bona fide investors. They will understandably not want to be associated with a jurisdiction where the application of strict anti-money-laundering directives is not a priority for the authorities. This erosion of trust may be slow but steady, and may be irreversible.

Lack of political will, not just at the local but also at EU level, will only perpetuate the tolerance of abuse committed by a few corrupt people, and allow it to fester for many more years. The time is long overdue to get

tough on money laundering.

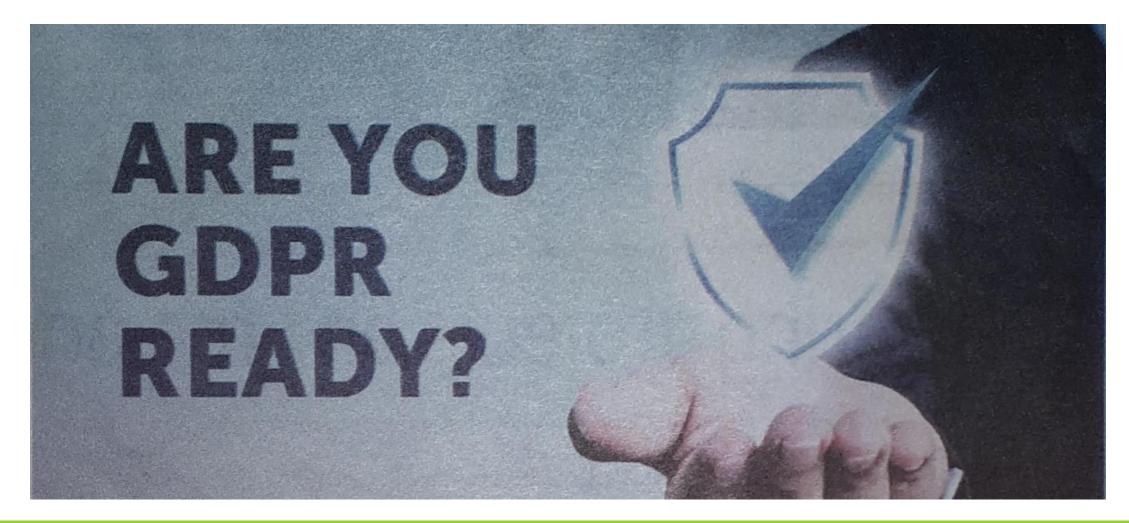


#### © Fintech Ireland © Peter Oakes

#### eland @oakeslaw

### GDPR





www.fintechireland.com www.peteroakes.com hello@fintechireland.com © Fintech Ireland © Peter Oakes



## Brexit – Managed Divergence

**Brexit** - 18 months for "take back control" to become "managed divergence".

On Friday 2 March 2018, Theresa May will explain Britain's preferred future.





## Brexit – Managed Divergence (Baskets)

**Basket 1** – put parts of the economy that are intimately linked to the EU, including those with complex supply chains such as care manufacturers or are heavily regulated like chemicals or medicines. Here Britain would accept EU regulation and a role for EU agencies and the European Court of Justice, a significant blurring of Mrs May's previous red line that judges in Luxembourg would play no future in British life.

**Basket 2** – would be other good and services – including data and financial services – where Britain would agree common regulatory goals but would have some flexibility to set its own rules.

**Basket 3** – would include areas where there is little or no European law, in frontier technology such as robotics or driverless cars.



### Chickens

### 'Shocking' logistics slip sparks KFC's great chicken run

#### ill-judged time wreaks havoo on the group's supply chain

You had one job KFC," the company aid of itself in a jokey Q&A posted on Witter this week. "How did you run out n? Fix it now!" At the huge new depot housing the chicken, the main evidence of Hissing chicken, the main evidence of he distribution crisis that closed as nany as two-thirds of KPC's UK ranches, was the heavy presence of reshly hired, hi-vir clad security guards atrolling the perimeter. After branches started closing last nd, the 180,000 square foot ware-in Warwickshire was suddenly in

tlight because, said KFC, the ms had been caused by a switch its longstanding distributor, Bidvest to DHI. "To put it simply," KFC tweeted we've got the chicken, we've got the

estaurants, but we've just had issues ing them together my's problems have caused around the country but also show

great chicken run of 2018 will btless resonate with UK and Irish anies already concerned about the ential impact of border checks and oms delays after Brexit. Most people in this country simply lon't understand how the supply chain vorks until it goes wrong," said Rod Ackenzie, a director at the Road Haul-

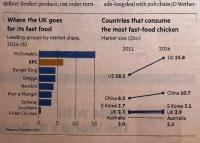
KFC itself said that though a backlog of fresh chicken at the depot had been leared, "ongoing distribution chalnges DHL is experiencing" were likely to mean disruption to restaurants carry-Original Recipe" chicken, it only uses neat from British and Irish farms and – like many rivals - it must be fresh ather than frozen. Fresh chicken storage is heavily reguated because if not done properly, there can be public health consequences. npylobacter bacteria, which are particularly in chicken, are the

(FC imposes even more rigorous con than those required by UK law, [They have] very stringent standsaid Marcos Clowes, a supply ds, said Marcos cloves, a supply ain, logistics and transport consult-t. "It is very unusual to use fresh icken – there are very specific tem-ratures it has to be kept within by law



more stringent than that. That does add round times, and reduce emissions from more complexity into the supply chain." logistics to a net of zero. When DHL - part of Germany's Deut-

sche Post - won the contract from market where there are only a few large But as one person with experience of sity said: "The situation now shows specialist providers, including Brakes, fast food distribution put it, "frozen business continuity was not thought out Bidvest last year, its pitch was to overhaul KFC's UK distribution. DHL would Kuehne + Nagel and Bidvest, and use technology from another European already had some major contracts when KFC takes its chicken seriously. For its partner, Quick Service Logistics, to it signed up KFC. Among these are a dec-



spoon, a food and logistics agreement contingency plans, but as Samir Dani, with British Airways, and a 2016 con- professor of logistics and supply chain DHL has been trying to expand into a tract with catering group Compass. management at Huddersfield univer-

> food is one thing, but chilled food is very well." When things started to go KFC ended up with a chicken shortage somethingelse. You can't afford to make wrong, the single distribution centre given the highly detailed, minute-by any mistakes. It's easy to move a can of beans; it's much more difficult to move delivery system". chicken."

At the heart of any analysis of what went wrong are questions about DHL's safety rules, he believed "there should decision to opt for a single, new and have been at least two sites". untested distribution centre, which also had new staff and technology. KFC's chicken, fries and sides out from more. three sites across Britain. Nonetheless, lots of businesses now have a similar model of cheaper centralised operations: a national hub dubbed the "logistics golden triangle" roughly bounded by the M1, M6 and M42 motorways, the blame does not lie with DHL. which offers easy access to many of the UK's biggest cities. DHL itself has oper-scale of the switch," said one. The deci-until this incident. ated a national distribution centre for

Wetherspoon's for about a decade. DHL and KFC also undoubtedly had busier times for fast-food restaurants - See Editorial Commen

While logistics have been to blame for the KFC chicken shortage, previous UK food failures have often been caused Food flight Why the UKis y bad weather and poor crops. prone to Not long after a supply crisis led to periodic avocado thefts in New Zealand in shortage shops in Europe, frustrating customer of goods and driving up prices. Snow-covered fields in souther Spain caused shortages of iceberg lettuces across the continent in January 2017, while wholesale courgette prices more than tripled Guacamole began to fall off menus i May as global demand for avocados outstripped supply. Meanwhile, butter shortages mean prices rose 50 per cent between January and October. For the UK, which imports 90 per cent of its fruit and 50 per cent of its vegetables, the impact of shortages elsewhere in Europe was hard to avoid Some supermarket shelves were empty, and wholesaler Nick Matthews even resorted to stationing security quards next to his courgettes Most UK A report published last July by branches of food policy specialists warned that a lack of clarity about UK agricultural policy after Brexit and the potential close after a for logistical hold-ups could cause switch from chaos! longstanding "At least the UK entered world war distributor two with emergency plans. No one has Bidvest to warned the public that a Food Brexit DHL brought carries real risks of disruption to problems sources, prices and quality," it said Camilla Hodason

was naive and KFC should have known better, according to another. Tony Harris, a supply management specialist at procurement business SAP Ariba, described it as "shocking" that "becomes a major constraint to the minute logistics information that should be available from technology. He added that because the product "With that level of insight, this should

was perishable and subject to strict food just not happen, period," he said. "Because you would have had the early warning signals that there was a stock That would have provided a back-up out issue and you'd either be able to go to and helped deal with the potential for an alternative distribution channel or Before DHL took over, Bidvest sent problems, but would probably have cost kick in that risk mitigation plan - let's go to that alternative supplier KFC said the decision to switch to Still, KFC can take some comfort from

DHL and QSL was made for a number of the crisis. "One of the big surprises . reasons, including "their focus on inno-vation, quality and sustainability". has been the public response to the non-availability of chicken", because of the vation, quality and sustainability". Logistics experts are also clear that all store closures, Prof Dani mused. "In my opinion KFC would not have "[KFC] seriously underestimated the imagined the strength of their brand

sion to change suppliers during UK school half-term holidays – one of the Camilla Hodgson



fintech IRELAND

www.fintechireland.com www.peteroakes.com hello@fintechireland.com 😼 @fintechireland @oakeslaw © Fintech Ireland © Peter Oakes



## Chickens – Supply Chain & Brexit

"To put it simply," KFC tweeted "we've got the chicken, we've got the restaurants, but we've just had issues getting them together." The company's problems have caused mirth around the country but also show the serious consequences for business of a supply-chain hitch. The great chicken run of 2018 will doubtless resonate with UK and Irish companies already concerned about the potential impact of border checks and customs delays after Brexit.

www.fintechireland.com www.peteroakes.com hello@fintechireland.com © Fintech Ireland © Peter Oakes



## Thank you

in	https://ie.linkedin.com/in/peteroakes https://www.linkedin.com/groups/8321352
	hello@fintechireland.com hello@fintechuk.com peter@peteroakes.com
	Ireland: +353 87 273 1434 UK: +44 75 635 26834

www.fintechireland.com www.peteroakes.com hello@fintechireland.com **y** @f © Fintech Ireland © Peter Oakes