



Keynote Address

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Launch of
Mekar FinTech Innovation Centre

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Mekar FinTech Innovation Centre
iCentre, Brunei Darussalam

Bismillahir Rahmanir Rahim

Yang Mulia

Chief Executive Officer of Brunei Economic Development Board

Executive Management of Brunei Darussalam Central Bank (BDCB)

Senior Executives from the Public and Private Sectors

Ladies and Gentlemen,

Assalamua'alaikum Warahmatullahi Wa Barakatuh and a very good afternoon.

1. It is a great pleasure to join you today at the opening of the Mekar FinTech Innovation Centre. The establishment of an innovation centre represents a significant milestone in any central bank's journey, underscoring commitment to embracing innovation and staying at the forefront of today's evolving financial landscape.
2. Globally, financial technology or "FinTech" has proven its transformative power, reshaping how we think about and engage with financial services. From innovations in blockchain to the rise of digital currencies, FinTech is revolutionising finance in unprecedented ways. In addition, new trends are also fast emerging such as "FinTech for Good" (F4G), which harnesses FinTech to tackle environmental and social challenges, accelerating sustainable development. The rapid pace and complexity of these changes have also pushed policymakers and supervisors worldwide to rethink their approaches, adapting regulatory frameworks and supervisory tools to better manage the evolving landscape.
3. To stay ahead of the curve, several central banks and financial regulators have launched their own innovation offices. To date, a total of 88 innovation offices have been set up by regulators and financial sector authorities, enabling them to forge a closer partnership with FinTech players. The experience from other countries has shown that

such collaborations have been instrumental in driving growth of FinTech ecosystems, with FinTech investments growing exponentially and innovative financial solutions emerging to meet the needs of both businesses and consumers.

Ladies and gentlemen,

4. Global macroeconomic uncertainties have left a profound impact on FinTech investments worldwide. In its latest report, KPMG noted that global FinTech investments declined to USD51.9 billion in the first half of this year, compared to USD62.3 billion during the same period last year. Despite these challenges, the report noted certain segments within the FinTech space have shown resilience and continued growth, particularly in payments, where there is growing investor interest in artificial intelligence (AI).
5. Indeed, for Brunei Darussalam, we remain committed to enhancing our payments ecosystem. In July this year, His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and Yang Di-Pertuan of Brunei Darussalam, announced the development of a digital payment hub, led by National Digital Payments Network Sendirian Berhad. This initiative will allow consumers to make instant payments to anyone in the country, and in the long run, enable cross-border payments by connecting Brunei Darussalam's payment system with those of other countries. I am optimistic that this initiative will breed more innovation particularly in the space of digital payments in Brunei Darussalam.
6. At BDCB, we will continue to create an environment to enable and support industry innovation while ensuring the stability of Brunei Darussalam's broader financial system. This means continuously adapting our regulatory framework to address associated risks, especially those related to technology, market conduct, and financial integrity, ensuring that our approach remains proportional to the risks associated with new developments and does not stifle innovation.
7. Since the introduction of our regulatory framework for payment system operators in November 2020, I am pleased to share that BDCB has granted approval to a number of companies to provide digital payment services in Brunei Darussalam. Additionally, in August this year, we proudly announced the first FinTech company to graduate from our FinTech Regulatory Sandbox after successfully concluding its testing of digital

remittance and virtual customer onboarding. The company became the first in the country to offer digital remittance services and was granted a full remittance license, effective 1 August 2024.

Ladies and gentlemen,

8. In the face of a rapidly changing environment, particularly with new developments taking place in Brunei Darussalam and beyond, it is important for regulators to be ahead of these developments. Indeed, regulators play a crucial role in understanding the new unknowns and to thoughtfully consider the industry's insights in developing an appropriate response that is aligned with our regulatory objectives.
9. This is one of the key reasons behind the establishment of Mekar FinTech Innovation Centre as it represents the beginning of what will become a flourishing partnership between BDCB and the FinTech community, aimed at reshaping how we engage with the industry. This Centre aspires to become a vibrant, collaborative platform that brings together a diverse range of stakeholders – including entrepreneurs, industry experts, technology providers, academia, and the regulators – to drive innovation and accelerate the growth of the FinTech sector in Brunei Darussalam.
10. Indeed, the name 'Mekar' signifies the journey of a seed growing into a blooming flower. It is thus our hope that Mekar FinTech Innovation Centre will act as a platform where seeds of innovation will be planted and nurtured through meaningful collaboration and support from key stakeholders, to eventually bloom into a buzzing hub of activity, innovation, and collaboration.
11. In closing, I strongly urge relevant FinTech stakeholders today to take full advantage of the resources, expertise, and opportunities that will be made available at Mekar FinTech Innovation Centre. In the coming months and years, I hope that Mekar will serve as a catalyst for more innovative thinking and where bold ideas are turned into tangible realities, benefiting the economy and society.
12. Lastly, with the kalimah Bismillah Hir Rahman Nir Rahim, I hereby officially launch Mekar FinTech Innovation Centre.

Thank you very much.

Wabillahi Taufik Wal-Hidayah Wassalamualaikum Warahmatullahi Wabarakatuh