

PRESS RELEASE

ASIFMA Releases Report on the Implications of Data Privacy Regulations for Fintech in Asia

The comprehensive new report provides best practices for data privacy regulation for fintech in Asia

Hong Kong, 11 October 2018 – [ASIFMA](#), the financial industry's leading regional trade association, today released its white paper "[Implications of Data Privacy Regulations for Financial Technology in Asia](#)".

Fintech innovations such as distributed ledger technology, artificial intelligence, big data and cloud computing, among others, have great promise in improving access to financial services and driving efficiencies within the Asia-Pacific region. However, the region's patchwork of data privacy-related regulations and laws threatens to upend the potential of these innovations. ASIFMA's paper highlights the challenges faced by firms in grappling with varying personal data privacy regulations and suggests that policymakers develop a principles-based regulatory framework for data privacy that provides sufficient flexibility for firms looking to employ fintech solutions in the interest of growing Asia's fintech ecosystem.

The report was developed in partnership with Refinitiv, Latham & Watkins and Herbert Smith Freehills.

"Data privacy rules have a particularly strong impact in the fintech space, where solutions are largely driven by the use of data and rely on cross-border data flows to scale their products," said Mark Austen, CEO of ASIFMA. "Different interpretations of data privacy rules and definitions can create legal uncertainties which impact confidence to operate across markets, and data localization requirements present significant costs to new firms that keep them from expanding into new jurisdictions."

The paper makes the argument that a principles-based approach should replace reliance on overly-prescriptive rules that are not well suited for a rapidly changing fintech ecosystem. ASIFMA recommends that data privacy laws should: (1) be focused on outcomes rather than process; (2) ensure technology neutrality of regulation (3) be consistent with existing international best practices, (4) focus on how data is stored rather than geographic locations, (5) allow mechanisms to facilitate cross-border sharing, and (6) preserve the ability of firms to outsource functions to third-parties.

"While there should be limits on what can be transferred across borders and minimum protections for how information is stored, regional harmonisation would provide a level of legal certainty," Mr. Austen added. "This would help facilitate the continued growth of new technologies and innovative fintech ecosystems across the region."

"A principles-based approach will help regulators meet their statutory objectives by focusing on operational results rather than technical details. It can also provide a solid basis for open dialogue between regulators and fintech firms which can yield better results for all stakeholders," concluded Mr. Austen.

The full report can be downloaded [here](#).

DEVELOPING ASIAN CAPITAL MARKETS

For media queries, please contact:

Corliss Ruggles, Head of Communications, ASIFMA

Tel: +852 2537 3029 / +852 9359 6996

Email: cruggles@asifma.org

About ASIFMA

[ASIFMA](#) is an independent, regional trade association with over 100 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative and competitive Asian capital markets that are necessary to support the region's economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the [GFMA](#) alliance with [SIFMA](#) in the United States and [AFME](#) in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region.

More information about ASIFMA can be found at: www.asifma.org.