



PEARL INITIATIVE | **ICD** | **FIP** | **DIFC FinTechHive**

**The Elephant In The Room:
Fintech Regulation In The GCC**

Thursday, 3rd November 2022 | 10:00 AM -12:30 PM UAE Time

📍 DIFC Fintech Hive, Dubai , UAE

			
Dishang Patel Founding Partner & COO Leading Point	Baghdad Gherras Chief Data and Product Officer Al Hail Holding	Fauzi Fellal Co-Founder & COO Floos	Kayode Odeleye Co-Founder & CEO Caena

The Pearl Initiative (PI) is the Gulf region’s leading business-led, non-profit organization established in 2010 by regional business leaders in cooperation with the United Nations Office for Partnerships. PI promotes the business case for a corporate culture of accountability and transparency across a wide variety of stakeholders including MNCs, Family businesses, SMEs, Tech entities, youth through different programmes and initiatives. PI recently launched its Governance in Tech programme with the aim of raising awareness amongst tech entities within the Gulf region of the benefits of strong and innovative corporate governance capabilities.

Throughout 2022 PI is hosting a series of roundtable discussions with FinTech executives and entrepreneurs across the Gulf region as we continue to develop and implement a set of activities for the tech ecosystem with the goal of enhancing the competitiveness and sustainability of tech companies and startups and by providing a practical approach to corporate governance that is robust, flexible, and simple to adopt regardless of what stage of maturity the company is.

Pearl Initiative (PI) in collaboration with the Islamic Corporation for the Development of the Private Sector (ICD) in Saudi Arabia and DIFC FinTech Hive organised an exclusive panel discussion on Fintech Regulation in the GCC.

The session moderated by Dishang Patel, Founding Partner & COO, Leading Point featuring Baghdad Gherras, Chief Data and Product Officer, Al Hail Holding, Fauzi Fellal, Co-founder & COO, Floos and Kayode Odeleye, Co-founder & CEO, Caena focused on how fintech startups could leverage the benefits of ethical practices, structures, frameworks and regulatory compliance to achieve high rates of customer satisfaction and growth, together with an increase in the overall revenue and funding.

The session looked at addressing some key questions around the growing fintech regulation in the GCC:

1. Understanding the challenges fintech start-ups face in the initial stages of set up. E.g., structures and processes required to set up businesses
2. Key governance practices fintechs and start-ups should be aware of, when setting up new businesses
3. Processes to acquire licenses, customer satisfaction and ethical business practices

Key Learnings & Insights:

- Strong leadership alongside an organizational focus on values, culture, integrity & ethics, diversity, and standardization form the bedrocks of good corporate governance practices in fintech start-ups
- Diversity in the board brings a variety of different experiences and characteristics which promotes and sustains better and faster decision-making, which is a key driver of growth and sustainable business practices
- By incorporating a 5-step process to designing a go-to-market strategy which involves preparation, understanding, analysing, planning and execution, fintech start-ups are better equipped with insights on the compliance and regulatory impacts of their value proposition along with the key frameworks essential for strong corporate governance
- Having a clear governance structure with credible and well-respected members of the community is a great leadership hack that a startup can possess when presenting themselves to regulators.
- Start-ups need to be aware of the basic standards essential to establish their operations in national and international markets to avoid a breach in compliance or consumer confidence and trust
- Founders should also consider the impact of PCI DSS (payment card industry data security standards) and GDPR (general data protection regulation) as well as other standards when building their tech stack
- A clear understanding of the product user journey is paramount in getting the required approval from regulators to operate in the region
- Partnerships form a key component in the growth journey of early stage fintech start-ups
- Employee wellbeing is a critical component of governance, and companies need to focus their attention on ensuring employee wellbeing to reduce attrition
- Every startup is different in the way they operate. Therefore, having the foresight to build policies that the company needs in the early stages is critical to the growth of the company

The session concluded with some key takeaways for PI and the wider ecosystem to further develop the reach and growth potential of fintech startups in the UAE:

- Organize more convenings, roundtables and discussion sessions on fintech regulation and opportunities in the region

- Networking and partnerships are synonymous to business success in this region. Therefore, leveraging the power of collaborations is a great step ahead in advancing governance best practices in this segment
- Access to guidebooks and resources are a great means of providing new founders with a clear idea of the regulations and the things to be considered when setting up in the country for the first time
- By bridging the gap between corporates, startups, and regulators we can further enhance the competitiveness and sustainability of the fintech ecosystem