



Support to an Enabling Business Environment for MSMEs Development & Financial Inclusion



Financial Inclusion Policies and Innovative MSME Financing in the South Med

Crowdfunding beyond borders and other regulatory innovations

The Case of Tunisia

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Central Bank of Tunisia engagement for innovation

- Promoting innovation is part of the CBT vision and strategic plans for 2020-2022 and 2023-2025.
- Several important achievements :
 - Active involvement in Startup Act 1.0 drafting.
 - Payment services providers introduction in banking law amendment.
 - Private sector involvement in Decashing task force.
 - Fintech committee creation.
 - Mobile banking regulation.
 - Regulatory Sandbox creation (1st cohort) & BCT Lab.
 - MOU with Information Technologies Ministry.
 - Crowdfunding regulatory framework.
 - Credit bureaus regulatory framework.
 - CBT ambition is to be a catalyst for change, supporting innovation with due consideration to its financial stability mandate.



Crowdfunding in Tunisia

- The drafting of the law was a collaborative work involving the authorities and the private sector with a leading role for the Agency for the Promotion of Industry and Innovation.
- 2. Support from the EU, EU4Innovation, Expertise France, GIZ, FSVC and Tunisia Jobs.
- 3. The objective is to provide the financing for the projects and companies in order to promote investment, entrepreneurship, creativity and innovation.
- 4. The law was adopted in 2020 with three types of CF and three authorities involved :
- Crowdfunding through investment in transferable securities regulated by the Financial Market Council,
- Crowdfunding through loans regulated by the Central Bank of Tunisia,
- Crowdfunding through donations and gifts regulated by Microfinance Control Authority.



Crowdfunding in Tunisia 2

- 1. Crowdfunding PACT is an action plan agreed by all stakeholders (authorities, regulators, private sector and donors) to achieve readiness for the operationalization of CF in Tunisia.
- 3 decrees were published in September 2022, each covering a CF type.
- 3. The decrees regulated:
- licensing (first time and modifications) and managers requirements,
- The maximum amounts that the project promoter can obtain through a "Crowdfunding" platform and that the contributor can grant.
- 4. The 3 authorities are committed to finalize the regulatory framework (objective end of Q1 2023) and to coordinate their actions.
- 5. CBT will publish circulars concerning:
- Platforms obligations (governance, internal controls, organization...),
- Contributors access to platforms and registration to participate,
- Information concerning the projects,
- Reporting to CBT,
- The interest rate ceiling.



Crowdfunding cross-border dimension:

- Many platforms working on projects located in Tunisia are run from abroad.
- One goal of CF law is to mobilize Tunisian Diaspora resources.
- The Tunisian law is requiring that the licensed platforms provide financing for projects located in Tunisia.
- Commitment to increase flexibility for foreign transactions regulation.
- One proposal tested in the sandbox was a platform promoted by 2 fintechs (sqoins & coinsense):
- Social impact project,
- Mobilising diaspora funds,
- Tokenization/smart contracts are used as a way to create a community means of payment.





Regulatory Sandbox

- An innovative way to collaborate with the private sector.
- The testing environment is intended:
- > to facilitate exchanges with the fintech ecosystem on regulatory issues,
- > To deepen CBT knowledge about emerging technologies.
- After requesting proposals, the BCT selected four solutions to be tested in the first cohort which is about to close:
- Crowdfunding platform with tokenisation,
- Distance Onboarding,
- Retail CBDC,
- Real time central banks clearing system based on blockchain (participation of Libyan Central Bank).



Insights from cohort 1

- This was really an important learning experience for the CBT and fintechs.
- As other experiences around the world have shown, testing new solutions is challenging with many issues arising like operations mode changes and difficulties in mobilizing needed third parties.
- Having the needed expertise and resources is key for all parties.
- Monitoring the test and interacting with fintechs is an intensive task for central banks.
- It is crucial from the beginning to be clear about the mission of the sandbox (what kind of support to be provided) and the stage of development of the solutions (not at the ideation phase).
- CBT has chosen a generalist model. This was a very ambitious endeavor with the need to cover several technologies and financial services.
- Focusing on a specific theme for the next cohort could be a solution to resources scarcity.



Regulatory Sandbox cross border dimension

- One solution tested was a Real time central banks clearing system based on blockchain, another one was a crossborder tokenized CF platform.
- CBT has joined the Global Financial Innovation Network GFIN.
- CBT followed with interest the results of running the pilot and then cohort 1.0.
 - The testing was challenging but the lessons learnt will be helpful to further streamline the process and could also inform the design or alignment of domestic sandboxes.
- Some difficulties are common with domestic sandboxes,
 but others are inherent to the global nature of the test.
- Our actual priority is exchanging information and experience with other sandboxes.
- Some regional testing could also be envisaged if needed.







Open banking

- PSP activity already started (4 licensed firms) and 5 other asking for a license.
- Streamlining mobile banking is underway with a national switch designation.
- Some practical difficulties to be tackled (optimizing business models, interoperability, costs...).

Next steps:

- Reflection on open banking: CBT is working with a consultancy firm to draft a report (GIZ support).
- The paper is based on the latest benchmark and best practices.
- The objective is to support authorities on their thinking about the opportunity, the feasibility, the perquisites and a proposal for a road map on open banking.



