

Terms of Reference for Membership and Governance of the Global Financial Innovation Network

Section 1: Overview

- 1.1. This document sets out the membership and governance structure of the Global Financial Innovation Network (GFIN, or the Network). It will be reviewed periodically and amended as appropriate.¹
- 1.2. The GFIN is a collaborative knowledge sharing network aimed at promoting efficient and effective global financial regulatory and supervisory collaboration, advancing financial regulatory and supervisory knowledge, and facilitating public/private engagement.
- 1.3. The GFIN has three primary functions:
 - a) to act as a collaborative group of regulators to cooperate and share experience in respective markets, including emerging technologies and business models, to identify gaps and opportunities in the regulatory system;
 - b) to facilitate public/private collaboration through insight gathering, knowledge-sharing and data focused initiatives focusing on emerging technologies and policy; and
 - c) to facilitate opportunities for member engagement with the private sector in ways that advance innovation in member jurisdictions.

Section 2: GFIN Structure

- 2.1. The GFIN consists of Members and Affiliates.
 - a) GFIN Members are national or sub-national financial sector regulators and/or supervisors who take an active role in participating and/or leading on GFIN initiatives, contributing to the overall direction and strategy and sharing knowledge and experiences of innovation from their respective markets.
 - b) GFIN Affiliates are non-regulator GFIN participants who are able to participate and contribute to projects developed by the GFIN at the invitation of the Chair (on behalf of the Board), observing certain GFIN activities, facilitating knowledge exchange and collaboration between GFIN and other relevant stakeholders.
- 2.2. The GFIN governance structure is organised around the Chair, the Board and Members.

Section 3: The Board

- 3.1. The Board shall set the overall direction, strategy and annual work programme of the GFIN
- 3.2. The Board shall make all other decisions necessary to facilitate the continued operations of GFIN.

¹ This document was last updated in September 2024.

- 3.3. The Board shall set the GFIN annual workplan and establish the process and timelines for evaluating the progress of existing workstreams and planning for the implementation of new workstreams.
- 3.4. Board members shall review and approve or reject applications for GFIN Members and Affiliates.
- 3.5. All decisions of the Board shall be determined by a vote, which shall be by way of majority other than as set out below / in the Board mandate, if any. Where a decision is split, or cannot be reached for any other reason, the Chair will have the deciding vote.

Section 4: Entering into third party agreements

- 4.1. The GFIN Board shall authorise the Chair, after a vote on the issue at hand, to enter into agreements with third parties or Affiliates on GFIN's behalf. The Chair shall seek the GFIN Board's approval prior to entering into any such agreement.

Section 5: GFIN Chair and Secretariat

- 5.1. The Board shall be led by a Chair, who is an existing member of the Board. The Chair's organisation provides the secretariat function (the Secretariat) for the GFIN or a different GFIN Board member may fulfil the secretariat's position in agreement with the Chair.
- 5.2. Prospective Chairs must demonstrate that they and their organisations can meet the time and resource commitments required.
- 5.3. The Chair shall serve a four-year term and is elected by the Board by majority vote. If no majority can be achieved, the Chair shall be elected by a plurality² of the Board. The Chair may serve multiple terms if re-elected.
 - a) The Chair must account for time and resource commitments necessary to oversee and deliver the quarterly Board Meetings (and any additional commitments), the planning and organisation of the Annual General Meetings, as well as overseeing the overall work of the Network and the Board.
- 5.4. Appropriate resources must be ringfenced to be able to carry out and manage the Secretariat function of the Network. Secretariat duties include (but are not limited to) communication to the GFIN Members and Affiliates, managing the GFIN mailbox, onboarding of new GFIN Members and Affiliates, managing regular meetings of the Board and Network, Spotlight Sessions³ and any other commitments as part of the GFIN work programme (including workstreams/ on-going projects at the time of them convening their seat as Chair). The Secretariat function may be shared.

² A plurality vote describes the circumstance when a candidate polls more votes than any other but does not receive more than half of all votes cast.

³ GFIN Spotlight Sessions enable GFIN members and external stakeholders to share key regulatory updates and insights from their jurisdictions with the wider network in a **structured way**, providing them with a platform to showcase to regulators and other organisations flagship initiatives, publications, projects etc.

Section 6: Board Members

6.1. The Board shall consist of a maximum of thirteen (13) Members and no less than nine (9) Members. Board members will sit on the Board for four years. They can be re-elected and may serve multiple and/or consecutive terms.

6.2. Prospective Board Members must demonstrate that they can participate in quarterly Board meetings and meet at least one of the following:

- a) Act as a GFIN workstream lead;
- b) Participate on a workstream;
- c) Contribute to the GFIN Secretariat and/or running of GFIN
- d) Be willing to host the GFIN Annual General Meeting at least once during tenure of the Board

6.3. Statement of Intent

- a) Members interested in joining the Board will be required to submit a Statement of Intent to the Secretariat explaining their interest and that they are able to meet the criteria set out in Section 6.2 and commit the necessary resources.
- b) The Secretariat will circulate the Statements of Intent to all Members [and Affiliates]. Members shall determine by vote whether to admit the applicants to the Board. This vote shall be overseen and conducted by the Secretariat and, other than for a special election pursuant to Section 11.2, shall occur at the AGM.

6.4. Existing Board Members

- a) Existing Board Members are required to submit Statements of Intent annually to the Secretariat explaining their current priorities and involvement with the Board and GFIN.
- b) The Secretariat will circulate Statements of Intent to all Members and Affiliates.

Section 7: GFIN Member Status and Admission

- 7.1. Only national or sub-national financial sector regulators⁴ and/or supervisors are eligible to become Members.
- 7.2. Prospective Members shall submit at any time a completed GFIN application form to the Chair of the Board explaining their interest in GFIN (including commitment, eligibility, and areas of interest) and requesting Membership status.
- 7.3. Prospective Members must demonstrate a commitment to supporting innovation in financial services. This can be done through current ongoing activity or demonstrated through a forward-looking strategy. For example, it could be an approach to authorisation or supervision, or demonstrated through a sandbox or similar initiative.

⁴ "Financial sector regulator" includes capital markets regulators and regulatory authorities.

- 7.4. On an ad-hoc basis, the Board shall review prospective Member applications and shall consider any prospective Member's good standing with commonly accepted international regulatory standards.
- 7.5. If accepted by the Board, the Chair shall inform the GFIN that the applicant is invited to become a Member.
- 7.6. There are no fees associated with becoming a Member. Specific GFIN initiatives may require a financial contribution and/or resource commitments on a voluntary ad hoc basis. Requirements for these projects will be communicated with Members in advance.

Section 8: Member Rights and Obligations

- 8.1. Members are permitted to vote and are required to contribute and/or participate in at least one GFIN activity per year. An activity could include attending or presenting at the GFIN Annual General Meeting, hosting a Spotlight Session, or leading a GFIN initiative.
- 8.2. Members are encouraged to participate in the following ways:
 - a) contribute to the overall direction, strategy, and annual work programme of GFIN. This can be done via engagement with the Secretariat or through official calls for input by the Secretariat throughout the year;
 - b) propose new GFIN focus areas and/or initiatives;
 - c) deliver and/or participate in GFIN Spotlight Sessions and initiatives (Members who participate in the GFIN initiatives are responsible for ensuring that they can commit adequate and appropriate knowledge, skills, and resources to help deliver the objectives of the relevant initiative.)
 - d) share experiences of innovation in their respective markets and lessons learned from GFIN work, including experiences with emerging technologies and/or business models; and
 - e) share GFIN common and substantive content⁵ or links on their webpages and social media. However, it is recognised members may make non-substantive edits to common content at their discretion including as required by their organisation.

Section 9: GFIN Affiliates status and admission

- 9.1. GFIN Affiliates are non-regulator, non-supervisor, and non-voting GFIN participants. Financial services regulators and/or supervisors interested in joining the GFIN should consider on the provisions of these Terms with respect to Member status.
- 9.2. The following bodies are eligible to apply for GFIN Affiliate status:

⁵ This could include press releases when participating on GFIN initiatives and links to the GFIN website but is not limited to these items.

- a) Intergovernmental organisations or standard-setting bodies; and
 - b) Other governmental, or non-governmental, bodies with an active involvement in financial services and enabling financial innovation on a cross-border or international basis (excluding members of the private sector, trade bodies and associations).
- 9.3. GFIN Affiliate engagement and participation in the Network will differ from that of Members, as they are not financial regulators.
- 9.4. Prospective Affiliates shall submit at any time a completed GFIN application form to the Chair of the Board explaining their interest in the GFIN (including commitment, expertise, eligibility, and areas of interest) and requesting Affiliate status. They must demonstrate a commitment to supporting innovation in financial services and how they could contribute to GFIN.
- 9.5. On an ad-hoc basis, the Board shall review prospective Affiliate applications and assess their suitability to be accepted as an Affiliate.
- 9.6. If accepted by a majority of Board Members, the Chair shall recommend to the GFIN that the applicant be invited to become an Affiliate. Members and Affiliates may submit written comments on any applicant to the Board after receiving the Chair's notification. Following ^[OBJ]a period of time^[OBJ] specified by the Chair for comments by the Network, the Chair shall issue a formal invitation to the applicant to join the GFIN as an Affiliate unless the comment(s) received require further decision by the Board.
- 9.7. There are no fees associated with being an Affiliate of the GFIN.

Section 10: Affiliate Rights and Obligations

- 10.1. Affiliates are eligible to participate in, and contribute to, projects developed by the GFIN that are best aligned with their ongoing work agenda and expertise. Their active participation and contribution to specific GFIN activities and projects is welcome where, at the invitation of the Chair (on behalf of the Board), their specific role, skills, experience, and expertise support the Network in achieving its objectives.
- 10.2. Affiliates will be expected to contribute to the work of the Network in the following ways:
- a) Apprising GFIN Members of insights from Affiliates work and insights on financial innovation, including via Spotlight Sessions and contributions to the GFIN Update;
 - b) Observing GFIN activities, extracting lessons learned and sharing with the wider public, while highlighting the unique role GFIN plays; and/or
 - c) Facilitating knowledge exchange and collaboration between GFIN and other relevant stakeholders (such as non-regulatory financial sector stakeholders, standard setting bodies).

- 10.3. Affiliates are invited to join GFIN initiatives and the annual meeting.

Section 11: Ceasing to be a Member, Affiliate or Board member

- 11.1. A Member or Affiliate may resign from GFIN at any time by submitting a letter of resignation to the Chair. The Chair shall communicate resignation letters to the Board and to the GFIN.
- 11.2. A Member may leave the Board at any time by submitting a letter of resignation to the Chair. The Chair shall communicate the resignation letter to the Board and to GFIN. The Chair may convene an expression of interest or election for a new Board member to replace the resigned member. If the number of the Board members becomes less than 9, the Chair shall convene such an election [unless such resignation occurs less than [3] months from anniversary of the previous AGM].
- 11.3. A Member or Affiliate may be removed from the GFIN due to prolonged inactivity and non-participation at the discretion of the Board. This can be done through Board consensus where there are no Board Member objections.

Section 12: Internal communication

- 12.1. The Chair and/or Secretariat shall coordinate general GFIN updates to Members and Affiliates through the GFIN Update/ emails and ad-hoc communications.
- 12.2. Members and Affiliates can raise any queries and suggestions to the GFIN at any time by sending them to the Secretariat. The Secretariat shall coordinate the distribution of such materials.
- 12.3. Members and Affiliates shall meet once a year at the Annual General Meeting. The annual meeting may be combined with an in-person meeting of the Board.⁶

Section 13: Amendments to the Terms of Reference

- 13.1. Amendments to this document will be made by the GFIN Secretariat on the instruction of the GFIN Chair and the Board.
- 13.2. All proposed amendments must be communicated and agreed to by majority by the Board.

⁶ The Board will arrange to meet in-person at least once a year. Such meeting shall allow remote attendance for any Board Member unable to attend in person.

Section 14: Confidentiality Clause

- 14.1. At GFIN, we aim to foster inclusive and open dialogue in our meetings. Therefore, GFIN membership and participation are extended to Members and Affiliates with the understanding that all GFIN-related communications must remain confidential between Members and Affiliates, unless otherwise agreed upon. For this purpose, “GFIN related communications” shall include but not be limited to information shared at GFIN meetings, at meetings of GFIN workstreams, in communications contemplated by sections 12.1 and 12.2, and in any other GFIN forum. Any breach of the confidentiality requirement may result in termination of membership or affiliate status, or any other remedy appropriate to the nature of the breach.

Glossary:

Board Member: Board Members set the overall direction, strategy, and annual work programme of the GFIN and are responsible for making all decisions necessary to facilitate the operations of GFIN.

GFIN Member: National or sub-national financial sector regulators and/or supervisors.

GFIN Affiliate: GFIN Affiliates are non-regulator, non-supervisor, and non-voting GFIN participants.