

Knowledge Partner for PZF



e c o s y s t m



POINT
ZERO
FORUM™

26-28
JUN
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Building Synergy Between Policy & Technology

TEAM ECOSYSTEM

June 2023



The Aim of the Point Zero Forum

Between 26-28 June, all eyes in the Financial and Regulatory industries will be on Zurich, where the **Point Zero Forum** will be hosted for the second time, after a successful launch last year. An initiative by **Elevandi** and **the Swiss State Secretariat for International Finance**, the event aims to promote a policy and technology dialogue in Financial Services, especially with a focus on the adoption of transformative technology that requires the appropriate governance and risk frameworks to promote adoption.

As a knowledge partner of the Point Zero Forum, Ecosystem will keenly follow and participate in the discussions.

Here are the 3 areas that we will be following closely, during the event.





1. The Expanding Role of Data in Keeping ESG Promises

Data is crucial for organisations to fulfill their environmental, social, and governance (ESG) promises. Robust data collection, analysis, and reporting empower companies to monitor and improve their ESG performance.

Advancements in technology and available tools support the collection and analysis of ESG data. Automated data collection and AI/ML algorithms efficiently process large volumes of data, simulate data to bridge gaps, and provide valuable insights. Standardised ESG reporting frameworks like GRI and SASB enable a consistency and comparison of ESG data across industries and regions.

Demonstrating strong ESG practices with reliable and transparent data helps attract investment, build trust, navigate regulations, and deliver business value. It also facilitates benchmarking and peer comparison to drive continuous improvement.



Impact on the Financial Industry

Leading organisations in the Banking and Financial Services industry (BFSI) are playing a crucial role in financing ESG transition, empowering organisations with the right ESG intentions, and empowering their customers to make ESG-friendly choices.

BFSI organisations need to:

- ▶ Enhance transparency by disclosing their own ESG performance and impacts
- ▶ Integrate ESG data into their investment decisions
- ▶ Offer ESG-focused offerings such as green bonds, social impact financing, and ESG-aligned insurance products
- ▶ Assess the risk of ESG factors, implement risk mitigation strategies, and stress-test portfolios for ESG-related risks.



ESG sets the guardrails and a clear path for leveraging the financial muscle of the economy to navigate us towards the well-being of people and the planet. Those who don't embrace it, run the risk of losing future relevance and missing the forest for the trees.



Amit Gupta
CEO
Ecosystem Group



2. The Future of Digital Assets



As technological advancements continue to accelerate, digital assets, such as cryptocurrencies and digital tokens, are gaining traction and reshaping traditional financial systems.

The potential of digital assets includes

- ▶ **Financial inclusion.** Access to financial services for the unbanked and underbanked through digital wallets and decentralised financial systems.
- ▶ **Innovation and industry disruption.** Decentralised applications and new business models that challenge traditional intermediaries and build systems that are more efficient and transparent.
- ▶ **Tokenisation of assets.** Fractional ownership and easier transferability of assets that have been traditionally been inaccessible to smaller investors.
- ▶ **Central Bank Digital Currencies (CBDCs).** Enhancing the efficiency, security, and inclusivity of financial transactions while maintaining regulatory oversight.



Challenges that Need to be Addressed

The future success and uptake of digital assets will depend on the regulatory frameworks that ensure consumer protection, prevent illegal activities, and promote market integrity. Governments and regulatory bodies are working to strike a balance between fostering innovation and managing the potential risks associated with digital assets. Initiatives such as the [MiCA regulations](#) in Europe aim to provide uniform regulation for blockchain-based assets, ensuring security and protection for businesses and investors.

There is also a need to encourage interoperability and standardisation across different blockchain networks and digital asset platforms. This will facilitate seamless integration and transfer of assets between different ecosystems, promoting transparency and market efficiency.



There is an urgent need to address fragmentation and encourage interoperability within the digital asset ecosystem across both primary and secondary markets. This will require standardising data formats, transaction protocols, regulatory harmonisation and smart contract frameworks.



Anubhav Nayyar
Chief Growth Advisor
Ecosystem



3. The Urgency of Regulating the Use of AI

As AI proliferates and we see rampant use of Generative AI, the responsible use of data and AI is a top-of-mind consideration for regulators and enterprises alike.

Despite its positive impact on global growth and innovation, AI regulation is crucial to address potential misuse and protect consumers.

Considerations must include:

- ▶ Ways to avoid bias, discrimination, and inequality.
- ▶ Concerns on the reliability and potential harm of autonomous AI systems.
- ▶ Regulations to establish standards for testing, validating, and certifying AI systems.
- ▶ Mitigating risks in key sectors such as healthcare, finance, and critical infrastructure.
- ▶ Safeguarding customer information, ensuring secure data handling, and maintaining compliance with data protection standards.



The First Steps in the Journey

Different approaches to regulation are being adopted worldwide.

The European Parliament voted in favour of adopting the Artificial Intelligence Act, which aims to ensure a human-centric and ethical development of AI in Europe and impose bans or limitations on certain high-risk AI applications. The UK in their aim to be an "AI superpower", is focused on establishing a framework for identifying and addressing AI-related risks while maintaining a "proportionate" and "pro-innovation" approach. In Canada, the proposed Artificial Intelligence and Data Act is part of a broader update to the country's information privacy laws. Singapore's National AI Strategy includes the introduction of its Model AI Governance Framework, which includes a self-assessment guide and practical examples of AI governance for organisations.

While regulation of AI remains an ongoing and complex challenge, continued collaboration between governments, organisations, and experts will address the risks and promote the responsible development and use of AI technologies.



The widespread adoption of AI in financial markets requires a consolidated approach to safeguard the core values of integrity, transparency and ethical practices. It is also crucial for developers of AI technologies to adhere to the same regulatory and ethical frameworks that govern the industries in which their tools are deployed in.



Ullrich Loeffler
CEO & Co-Founder
Ecosystem



Ecosystem Moderated Roundtables at Point Zero Forum

**Amit Gupta**

CEO, Ecosystem Group

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fighting climate change?**

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**Scaling Tokenisation and Building
Interoperability in the Primary
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