AMIMUN'22

AMITY INTERNATIONAL MODEL UNITED NATIONS

AMITY UNIVERSITY

PERSEVERANTIA OMNIA VINCIT

UNGA

BACKGROUND GUIDE

22ND - 23RD JANUARY 2022

DELIBERATION ON TECHNICAL COOPERATION FOR UNIVERSAL FINANCIAL ACCESS

LETTER FROM THE SECRETARIAT

Dear Delegates,

It gives us great pleasure to invite you all to the second e-Edition of Amity International Model United Nations, a two-day conference scheduled for January 22nd and 23rd, 2022. AMIMUN has established a name for itself on the international stage, as indicated by its status as one of Asia's top MUNs. AMIMUN delegates obtain a better understanding of the UN's inner workings by engaging in diplomatic debates and broadening their awareness of global relations.

Model United Nations allows students to stand up for what they believe in and create a mark on the world. This platform assists delegates in developing into future pioneers who are certain, determined, and energetic. It is hardly an exaggeration to say that MUN has formed us into the people we are today. We are recognized by the United Nations as a conference, and our collaboration with various international and national bodies such as the United Nations Educational, Scientific, and Cultural Organization (UNESCO), the UN Global Compact Network India, Fridays for Future Delhi, Youth for Peace International, the United Nations Population Fund, and PETA India allows us to further enhance the learning experience of the individuals taking part in the Conference.

By adhering to the theme of AMIMUN'22, "***Perseverantia Omnia Vincit*: *Perseverance Conquers All***" the AMIMUN family hopes to inspire delegates from all over the world, to foster powerful discussions that result in solutions, solutions that are borne out of a steel-like determination and perseverance to lead each debate to its rightful conclusion, and to ensure that delegates can navigate the diplomatic complexities that come with representing the agendas and resolutions they have crafted. It is a platform for legislators to conceptualize their opinions in the midst of the COVID-19 pandemic. Whether you are new to Model United Nations or a seasoned veteran, we are confident that you will have a beneficial engagement in the environment of learning that permeates each part of AMIMUN'22.

Please do not hesitate to contact us if you have any inquiries.

Regards,

The Secretariat

AMIMUN 2022

LETTER FROM EXECUTIVE BOARD

It is an honor to moderate the United Nations General Assembly ECOFIN at AMIMUN’22. This letter shall also serve as a concept note for the committee and our expectations from how the committee is to function. MUN’s as a concept is designed to be a simulation more than a conference. This difference is inherent and more obvious in each country’s representation through their delegation. The head of this delegation is usually a diplomat who is firstly representing the government and its goals and is hence tasked with the responsibility of indulging other countries into their own goals and using diplomacy effectively to achieve the aforementioned goals. The end of the simulation then is different for each diplomat and it is the means to that end that shall define the quality of the simulation.

Apart from the simulation, it is important to remember the inherent limitations of every student in terms of using or applying international law. This then implies that it is not necessary to indulge in highly technical discussions that ensure no learning to the delegate, it is rather imperative that all discussions be integrated with logic instead. It is thus expected that this concept note serves as a very important start point to the simulation and the delegates infer a lot more than what is shown as face value.

The agenda has multiple facets and can take a national or international viewpoint. For the benefit of the delegates and the quality of the simulation, the background guide shall give small introductions and an important start-point to your research. It is important to remember, although this has been emphasized throughout your MUN careers, this is only a start point and a quick start to your research while the end awaits you all.

Regards,

Siddharth Kapoor — Shivang Singh

Chairperson — **Research Associate**

COMMITTEE OVERVIEW

The Economic Financial Committee (also referred to as ECOFIN or the UN Second Committee) is one of the six principal committees of the United Nations General Assembly. ECOFIN and its delegates are tasked with tackling the most pressing issues in areas such as economics, global finance, operational development, financing, and the eradication of poverty. In pursuit of this goal, ECOFIN works heavily in solving problems such as economic inequality, agricultural development, sustainable development, and ensuring citizens around the world have the necessary institutions to thrive economically and financially. In the larger context of the United Nations, the General Assembly serves a critical purpose at large as the primary deliberative, representative, and legislative body of the UN. The General Assembly is also particularly important as it is the only UN organ which grants each of its member countries equal representation, drawing its power from Chapter IV of the United Nations Charter. All 193 member states of the United Nations are represented in ECOFIN. Similar to the other principal committees in the UN General Assembly, ECOFIN can craft policies and resolutions to publish out to member states but has no legally mandated enforcement mechanisms. As such, delegates in ECOFIN must pay careful attention to the manner in which they engage in collaboration, as the success of solutions and resolutions at large is contingent upon the support of other member states.

STATEMENT OF THE PROBLEM

Financial technology continues to advance along with all technology, and this advancement provides opportunity and risk. There is the opportunity for more people than ever before to be able to access global financial entities, but also the risk of this technology leaving behind significant proportions of the world, exacerbating the already yawning divide between the rich and the poor. Broadly speaking, when considering universal financial access, which is synonymous with financial inclusion, there are three primary channels for potential progress which the topic can be separated into. These three channels consist of integrating financially excluded demographic segments into the formal financial system, introducing a comprehensive curriculum for financial literacy, and strengthening financial consumer protections. That being said, delegates should not consider these to be the only avenues of research to pursue – in fact, the dais would look very favorably upon the discussion and introduction of other creative solutions.

The integration of certain segments of the population into the existing financial system in a country or a region is a critical component of financial inclusion. One large demographic is the “unbanked”,which are people who are not currently account holders for any sort of bank accounts. This prohibits them from depositing money, making transfers, and having any lines of credit such as credit cards. Initiating the change of these citizens from “unbanked” to “banked” is harder than it might first appear, as the banking infrastructure in remote and rural areas is incredibly difficult. Mountain ranges can hamper the efforts to do digital banking as there will be significantly limited cell reception, while the raw materials required to build banks and the necessary technology are difficult to transport and then construct. Finally, those familiar with the existing financial systems of the nation must be present to help bring these unbanked citizens into the system and set them up properly.

One of the most common solutions floated for integrating the unbanked into the existing banking system and consequently enhancing the state of financial inclusion is through electronic banking, or “e-banking”. Insofar as this might be possible, there are certain ramifications and issues that could arise from the introduction of electronic banking. Delegates should think through all security considerations of the implementation of electronic banking throughout large regions of the world, which could be a prime target for hacking, as well as ease of access to other financial systems if administered through the public sector. Furthermore, regulation considerations should be discussed in order to determine how electronic banking – which is inherently a difficult industry to regulate – might best be dealt with by governments.

The existence of financial instruments and mechanisms become useless if citizens do not know how to effectively utilize them for their own benefit. This type of knowledge is often called “financial literacy” and is one of the greatest avenues towards true financial inclusion. In many areas of the world, while loans and grants may exist to help out private citizens, the existence of such capital sources may be insufficiently published to the greater populace.

Other times, while citizens will be earning income and have a sustainable livelihood, they are unaware of the solutions which exist to help them save more for their retirement, children, etc. Even something like a mortgage in the Western world has layers of bureaucracy and financial jargon which obscure the real meaning behind it all. All of this culminates in a need for those who engage with the financial system to develop a robust understanding of how the different mechanisms fundamentally come together and interact.

By this, citizens can learn how to most effectively manage their finances and protect themselves, their loved ones, and drive more positive financial interactions with their community and the larger market.

As such, financial literacy should be considered an utmost priority for this committee in order to propagate further benefits and financial inclusion throughout the world. In order for financial literacy to be successful, citizens must be educated properly, but even with a task as seemingly simple as that comes a handful of nuanced complexities. Distribution of information is not as easy as publishing it onto the Internet and letting it spread – directed, targeted action must be taken to spread awareness. Presently undereducated population segments in particular will have little-to-no understanding of what resources exist and how to navigate them, and as such the initiative must be taken by local and federal governments, NGOs, etc. to educate citizens properly. While the education system is often touted as an exemplary manner for spreading financial literacy information, there are significant trade-offs between integrating into a state-led education system versus allowing it to be distributed through third-party institutions. Leveraging the education system requires consideration of the various education infrastructure throughout different regions – rural populations are often those most in need of financial literacy programs but will also have the least robust educational facilities, which will just perpetuate their financial exclusion. With that, delegates should not dismiss the education system altogether; rather, it should be clear that each solution has multiple issues which must be ironed out.

The last piece which should be seriously considered within the context of the discussion of financial inclusion is financial consumer protection. The term “financial consumer protection” encompasses multiple sub-categories, but primarily refers to the set of laws and regulations which allow for the security of consumers to operate within the financial system. These types of protections should codify regulations surrounding privacy protection, unethical commercial behavior, fair and equitable treatment, and ensuring physical safety of consumers. Without the proper set of foundational laws and government-mandated guidelines for consumer protection, citizens will not be protected in the financial system and institutions can quickly spiral to become unethical, unequitable, and harmful to the greater populace.

Credit markets and potential sources for credit in developing countries are an incredible example of the need for financial consumer protection. Rural credit markets offer both a formal and informal sector, where the

formal sector is not expansive enough to support the entire population. As such, the formal credit market must be expanded before it can reach its maximum effectiveness.
Consequently, a massive informal sector arises, where absurdly high interest rates and militaristic methods for enforcement are not paid back timely. The physical security of consumers is endangered by not having the proper set of guidelines in place to regulate credit markets, illustrating just how quickly something like financial inclusion can have sizable ramifications for all involved.

HISTORY OF THE PROBLEM

Finance and financial systems have been in place throughout the corners of the globe since the start of society and civilization. The earliest recorded proof of finance in civilization was around 3000 BC during the Babylonian Empire, where the concept of banking was first introduced. During these times, temples and palaces were utilized as storage spaces for the wealthy of society where valuables could be stashed and safeguarded. Quickly thereafter, the notion of "interest" was introduced to society – in fact, during the Hammurabi Reign of Babylon, the legendary Code of Hammurabi helped dictate some of the regulations around banking to include principles for charging interest. At the time, even standardized rates for interest were instituted to guide the general profit which should be accrued by "bankers". Finance, banking, interest, and other related concepts quickly spread around the globe to reach all civilizations, such as using the Cowrie shell in 1200 BC in the Chinese dynasties and Pythius in 600 BC, who was the first banker noted to have records of his transactions.

As the different institutions and variations of finance spread across civilizations, so too did the inequality which naturally arose through financial systems. Priority was almost universally given to the wealthy, as seen by the earliest recorded proof of finance in 3000 BC with storage spaces for the elite. With this prioritization came exclusion of the lower classes, minority groups, and others which did not experience the same level of privilege. Consequently, the concept of financial exclusion has existed just as long as finance itself has existed within society. This was mostly simply a by-product of the financial system and not a top priority for policymakers to address, and thus financial exclusion remained commonplace.

Financial systems have developed quickly in the last several centuries, with academic theories being produced at breakneck speeds and new systems of interest, banking, valuation, and federal intervention being implemented. Countries simultaneously grew at unprecedented rates, with the population following the common trend of remaining unbanked, unintegrated into financial systems, and unable to effectively leverage the financial resources in their communities and nations. This continued to occur until it was officially recognized by the World Bank in the early 2000s. According to the World Bank, financial inclusion has a direct correlation to poverty, which means that as financial inclusion increases, the percentage of those in poverty and extreme poverty decreases. Through the official recognition of the World Bank of financial inclusion as one of the utmost economic priorities moving forward, the further attention of the international community was quickly positioned towards the topic. In fact, in December 2003 the then-UN Secretary General stated the following:

"The stark reality is that most poor people in the world still lack access to sustainable financial services, whether it is savings, credit or insurance. The great challenge is to address the constraints that exclude people from full participation in the financial sector."

The notion of financial inclusion has further manifested itself in the UN Sustainable Development Goals (SDGs), although not as its own SDG. As a component of the various SDGs, it is listed as a core function of eight out of the seventeen goals, such as SDG 1: eradicating poverty and SDG 5: on achieving gender equality and economic empowerment of women. The bottom-line is that financial inclusion does not remain an isolated issue, but is rather interwoven into many of the existential issues of the modern financial and economic systems. From ending hunger to reducing inequality to profiting health and well-being, the international community has recognized financial inclusion as a critical step forward in pushing our society in the best possible direction possible. As such, delegates are strongly encouraged to grapple with the far-reaching consequences of the topic and work towards the greater good which can be achieved accordingly.

PAST ACTIONS

The United Nations Capital Development Fund (UNCDF) is one of the largest steps forward in terms of developing financial inclusion across the world. The UNCDF was founded as an autonomous UN organization which is affiliated to the UN Development Program (UNDP). By providing "last-mile financing", the UNCDF works to enable private and public financial resources across all regions and demographic segments in order to support local economic development. One of the two channels through which this is accomplished is financial inclusion: by expanding economic opportunities for citizens, families, and small and medium businesses (SMBs), greater access to financial systems is fostered and more capital can be developed to stimulate the local economies.

The UNCDF provides risk capital (i.e. funds used for high-risk investments with the hope of receiving a larger return) to the private sector in order to develop financial instruments which can assist the under-served and financially excluded segments. One manner through which this is accomplished is developing new microfinance loan dispersal, creative remittance strategies, and innovative new ways to expand the reach of mobile network operators. For context, microfinance loans revolve around the concept of small lump-sum loans provided to members of the community to facilitate entrepreneurship efforts, which are then paid back in time.

Microfinance loans have historically been heavily implemented for minorities and women to improve their ability to take on business endeavors in regions where they are often hampered from such opportunities. Furthermore, the UNCDF works extensively with large data sets to reach "data-driven financial inclusion diagnostics", which allow national strategies to be more accurate about what is being targeted and potential solutions. Delegates should note that the dais will look favorably upon achieving data-driven solutions and analyzing original data sets to develop new strategies. That being said, entirely new solutions revolving around technical formulas and complex engineering solutions will not garner the most credit; rather, the goal should be to adapt previous ideas to different contexts and bring new perspectives to this incredibly difficult topic.

In Kenya, the telecommunications company Safaricom launched a mobile money transfer company named M-Pesa. This product allows anyone with a SIM card and working phone to transfer money to contacts, receive money, and even pay for goods and services – down to something as fundamental as a taxi ride or a trip to the grocery store. M-Pesa grew at rapid rates and became one of Kenya's most widely used products, servicing around 7% of the total national payments in 2014 in terms of throughput and 67% of the total national payments in terms of volume. The benefit of such a product extends beyond the sheer convenience – it removes an extensive number of barriers to integrating into the financial system, such as the burden of carrying large amounts of cash on-hand. There is no doubt that financial inclusion was significantly perpetuated by the development and subsequent growth of M-Pesa, but one product alone will not suffice: 90% of transactions in Kenya are still conducted in cash. Comprehensive strategies to capture the largest possible percentage of those financially excluded should be devised in order to remain effective in today's nuanced set of circumstances.

Banking regulations have also adapted towards the various needs of the unbanked and others which are not entirely integrated into the financial system. Newly-developed No Frills Accounts (NFAs) and Basic Savings Bank Deposit Accounts (BSBDAs) were designed to remove the barrier of mandating an opening balance, and normally have either a zero or incredibly small required balance to open and maintain.110 Overdraft fees on NFAs/BSBDAs are additionally intentioned to be as small as possible in order to incentivize the use of these accounts for personal and commercial use for the unbanked. Another set of banking regulations which is heavily considered while integrating the unbanked is "Anti-Money Laundering Know Your Customer" (AML KYC) compliance.

The objective of AML KYC is to verify the customer's identity and status, monitor and assess customer risk, and ensure that legal requirements are met to combat money laundering. These regulations require banks to conduct a significant set of due diligence for each new customer, which is often burdensome and sometimes impossible with the unbanked. As such, banks have started to relax their AML KYC regulations in order to further financial inclusion – some banks in India have even started to only require the referral of an account holder which has undergone the full AML KYC screening.

The private sector, especially the technology sector, has become heavily invested in the development of financial inclusion. Financial technology (fintech) companies have been one of the most rapidly growing industries in the world, with an expected compound annual growth rate of 23.8% from 2019-2025. Fintech is being used to deliver digital and remote banking services to those in rural and inaccessible regions of nations, furthering the inclusion of the unbanked. Because of the development of these technologies in some of the most security-centric markets in the world (e.g., Silicon Valley, the EU, etc.), these technologies necessarily have to maintain compliance with strict regulations such as the European General Data Protection Regulation (GDPR), ultimately ensuring consumer protection. GDPR has stringent guidance on different privacy rights, such as the right to erase data which organizations hold and restrictions on profiling and AI-driven assumptions based on personal data.

In 2018, the International Monetary Fund (IMF) took advantage of the fintech sector, ripe with innovation and development, through the Bali Fintech Agenda. This Agenda provided a framework by which fintech could become effectively integrated into national strategies for financial inclusions, promoting greater coalescence between the public and private sector efforts. Some of the components of the Bali Fintech Agenda include reinforcing competition and free, contestable markets within the fintech space through enabling policy frameworks, promoting fintech as a method to increase financial inclusion efforts, and ensuring the stability of domestic monetary and financial systems. The framework set henceforth by the IMF has enabled governments to move forward with a greater sense of where the implications of fintech lie and the benefits which can be reaped through this surge of innovation and disruption. Through the concerted effort of the IMF to bring fintech to the forefront of the international community, partnerships have developed – such as that between the IMF and World Bank to use fintech to deepen financial markets, improve the state of technologies for cross-border transfers, and ensure that financial inclusion is as effectively improved as possible.

POSSIBLE SOLUTIONS

The rise of technological prowess in even the most remote corners of the world shows an essential path forward towards achieving greater financial inclusion. With over 5 billion people connected to telephones, and emerging markets adopting new technologies at unprecedented speeds, it is foolish to overlook the impact technology can have. As mentioned previously, fintech is developing innovative solutions towards financial inclusion, from traditionally under-served demographic segments like minority groups in developing nations to more “unorthodox” segments such as recovering drug addicts and senior citizens unable to operate technology and manage their finances effectively. The deployment of such technologies can be interwoven with national strategies followed by federal, local, and municipal governments to bring together the resources of both the public and private sector. Furthermore, the public sector can often facilitate greater fintech growth by promoting innovation and education in these fields, such as through re-designed vocational training. Encouraging fintech technologies, however, is not without risk: there is always a risk when investing in new technologies that they will not achieve product-market fit and will return nothing on investment. For example, the Indian government opened up 240 million digital bank accounts for citizens, but over a quarter of them maintained an empty balance after a few years. Consumer adoption of fintech technologies must be accomplished in order to make this strategy effective in the long run, potentially prompted by strategies such as clearly delineated household economic incentives, hitting a critical mass of users, and an increase in consumer choices for competition.

The enablement of auto-enrollment policies has proven to be successful by working with both the rational thinking of humans and their psychology. Oftentimes those facing poverty will have the largest issues with their finances, experiencing high interest rates on loans, poor retirement policies, and general insecurity in their financial status.This is not always due to the lack of potential resources offered by the government, but rather a lack of awareness on the part of the citizen of these programs. By being automatically enrolled in these programs, whether it's 401K plans in the United States, pension plans in the UK, or Neyber for debt consolidation through employee payrolls, citizens immediately benefit from the programs. That being said, delegates should ensure that they are not being overly paternalistic and prescriptive with the way that citizens engage with their respective financial systems and allow for autonomy and agency.

New forms of credit for citizens in developing nations is a natural way to encourage financial inclusion and economic development simultaneously. In developed nations, there are predetermined and well-documented credit markets which citizens can access; however, in emerging markets, these credit markets are much more obscure and inaccessible.As such, informal credit markets can be formed, with unnecessary physical and financial dangers and ramifications necessarily following. The first step in creating more robust credit markets is to determine who the regulators for these sources and markets should be – whether central banks, credit regulators, international agencies, etc., a decision must be made on that front. Once that has been accomplished, adequate competition in credit markets must be facilitated through enough data transparency, relatively standardized interest rates, and reducing the cost of credit by determining creditworthiness of potential clients. Finally, innovative solutions to distributing credit across communities must be implemented, such as through credit cooperatives which are increasing their prevalence in credit markets (up to 7.6% of total assets in the Brazilian financial system).Credit cooperatives is a form of financial institution which is owned, managed, and operated by the members which comprise it.

By pooling the capital of the members together, the cooperative can function as a traditional bank and maintain competitive interest rates to win further business.

The primary takeaway of this section should not be a strict set of solutions which can be promulgated, but rather prove that the range of solutions in the financial inclusion space is vast and ripe for creative solutions. From auto-enrollment policies to assist in retirement planning and financial stability to credit cooperatives, the world of fintech and financial inclusion is critical for assisting people around the world. When considering the set of solutions to bring to the table as a delegate, hyper-focusing on one segment of this problem will not be the foundation for a strong resolution. The three core pillars of financial inclusion – integrating financially excluded citizens into the financial system, comprehensive financial literacy curriculums, and financial consumer protections – are all fundamental to developing a more robust formal set of financial institutions. By spanning those three categories, an effort can be made to both ensure that citizens are well- equipped to navigate the financial system and protected from any potential exploits and parties which are looking to take advantage of new consumers.

BLOC POSITIONS

When considering the various bloc positions across the globe towards financial inclusion, there is no clear-cut story to be told. One cannot simply draw a straight-line correlation between developing economies and financial inclusion (or a lack thereof), as the data does not support that hypothesis. Similarly, there is no singular geographic region where the problems are heavily concentrated – rather, the problem of financial inclusion is a universal one with its ramifications felt in every corner of the globe. As seen in the graphic below, while there are certain countries in which financial inclusion is a greater issue, most regions must grapple with this issue and reconcile rural and socioeconomically disadvantaged populations with their financial system.

ASIA & OCEANIA

This region faces incredible difficulty with their unbanked population and with financial inclusion efforts at large, ranging from economies such as China and India to Southeast Asian economies like Indonesia and Vietnam. That being said, other countries in the region, such as Malaysia and Australia, have significantly less issues. The key takeaway from this bloc of countries should be that even within a region, local issues and domestic economic policies can greatly distinguish the end result of financial inclusion. Another consideration when comparing countries in the Asia & Oceania geography is the population size: the Chinese population of 1.4 billion and India's population of 1.35 billion require materially different regulations and efforts than Laos or Singapore.

MIDDLE EAST

The Middle East is working tirelessly to increase the level of financial inclusion within their population, with certain countries taking the lead on this front. Iraq, for example, has developed an electronic payment system for roughly 7 million citizens, has been an incredible push forward by a country whose banking and financial sectors have been ravaged by internal conflict. Many of the companies playing in the financial and fintech spaces in these countries, however, are state-owned, adding additional complexity and bureaucracy to the efforts underway. Delegates representing countries from this region may want to consider the benefits and trade-offs of state-owned enterprises and how greater projects can be spurred within the context of the heavy government influence.

AFRICA

Historically one of the largest regions for the unbanked and those not integrated into formal financial systems, Africa has been making incredible leaps in recent decades through the heavy adoption of technology. One example of this, of course, is Kenya's M-Pesa, but other examples include Egypt's Commercial International Bank, which has developed predictive analytic software to gain a more comprehensive understanding of any given individual's ability to repay loans. However, underlying norms have caused some roadblocks towards greater progress, such as the heavily-predominant "cash culture" that keeps many citizens from engaging with digital or formal financial institutions.

EUROPE

Europe has been a bastion for consumer protection and financial inclusion for decades, working to ensure that citizens are both integrated into formal financial systems yet also protected from exploitation of personal data as technology has developed. This can especially be seen in Western countries, such as

Germany, Spain, and the U.K., which have been strong advocates for these types of projects. That being said, it is by no means at an ideal state – many eastern European countries, such as the Ukraine, countries in the Balkan regions, Poland, etc., still have problems achieving the same level of financial inclusion. This divide is a major friction point between the two geographic halves of Europe and requires delegates to think both within the context of the EU and Europe at large.

LATIN AND SOUTH AMERICA

Unfortunately, in recent years, the Latin and South American geographies have not made major advances towards financial inclusion – in fact, one report shows that as compared to countries with a similar degree of development, the gap of financial inclusion has actually increased.Some of the underlying drivers of this are the lack of enforcement of the rule of law which reduce trust in formal financial systems, insufficient competition in the banking sector, and minimal policies focused on increasing financial inclusion. Countries in Latin and South America must determine an understanding of how to cope with these prevalent institutional weaknesses before instituting forward-looking financial inclusion measures.

NORTH AMERICA

As a historical hub of innovation, much of the fintech sector has been stimulated by entrepreneurs and programs set out by countries such as the U.S. and Canada. The heavy adoption of digital alternatives to traditional banks has led to a significant increase in the financial inclusion of its citizens. However, looking past the urban hubs of New York, San Francisco, Toronto, etc., rural populations in North America face similar problems due to a lack of technological access to these services. Minorities also tend to have a more difficult time integrating into the formal financial systems, often being less able to explain financial outcomes of savings and consequently having less incentive to engage with these institutions.

GLOSSARY

Consumer Protection: Regulations and standards which protect the assets of each citizen, as well as their personal information and data

Credit Line: A source of capital which a citizen can access under predefined conditions, such as a specified interest rate and/or payback period

Credit Market: The set of offerings to citizens for sources of capital, where different creditors offer cash or other forms of capital, usually with an interest rate and a predefined payback period

Electronic Commerce: Utilization of the Internet and other technology to conduct business and transactions remotely

Financial Inclusion: The inclusion and integration of citizens into the formal financial institutions and regulations in a country.

Financial Literacy: Provision of the necessary skills and information to be able to make informed and rational decisions regarding one's financial resources

Financial Technology (Fintech): The use of new technological developments to provide new solutions to citizens to manage their wealth more effectively

Liquid and Illiquid Assets: Liquid assets are tangible or intangible possessions which can be easily converted into cash or cash equivalents; illiquid assets are tangible or intangible possessions which cannot readily be converted into cash or cash equivalents

Overleveraged: Taking on too much debt, to the point where it is either financially burdensome or to the point where a citizen's assets cannot repay the debt which they have been issued

Unbanked: Citizens who have no access or currently do not have any engagement with the banking sector, such as possessing a bank account.