



# **Best Practices for Financial Consumer Protection: Regulation and Cooperation in the Digital Economy**

## **Financial consumer protection in e- commerce: international experience**

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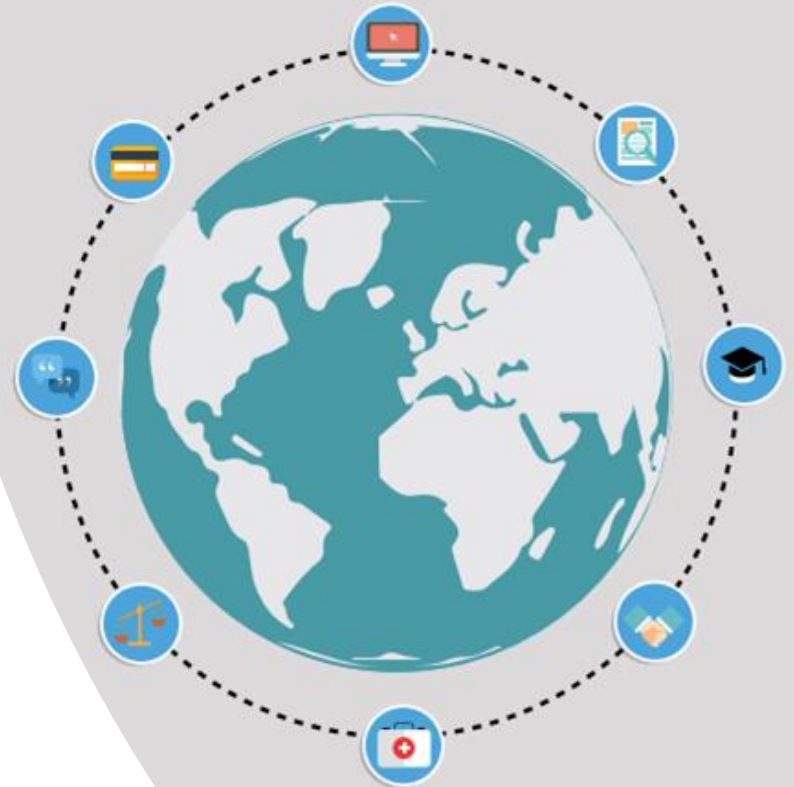
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# UN Guidelines for Consumer Protection

- UNCTAD BECOMES THE FOCAL POINT FOR CONSUMER PROTECTION WITHIN THE UN SYSTEM
- UN GENERAL ASSEMBLY RESOLUTION 70/186 OF 22 DECEMBER 2015:
  - APPROVED THE REVISED UN GUIDELINES FOR CONSUMER PROTECTION (1985, EXPANDED IN 1999),
  - CREATED THE UNCTAD IGE ON CONSUMER PROTECTION LAW AND POLICY,
  - CONFERRED UNCTAD A NEW MANDATE THAT IS CLOSELY LINKED TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS 12/ 16 / 17).

Организация Объединенных Наций  
 Руководящие принципы  
 Организации Объединенных Наций  
 для защиты интересов потребителей



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# Consumer Protection legal framework

- To **build trust and ensure fairness for consumers**: without consumers' confidence trade, in particular across borders, will not reach its full potential;
- To **provide predictability and market transparency for business development and economic growth**;
- To pursue an effective Consumer protection policy it is necessary to combine different tools - law enforcement, education and awareness raising campaigns, business self-regulation, association with consumer organizations - and to engage with different stakeholders;
- International cooperation is vital in the context of the increased globalization and rise of the digital economy.



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# UN Guidelines for Consumer Protection

- POLICY GUIDANCE FOR TACKLING THE XXI<sup>ST</sup> CENTURY CHALLENGES
- ✓ DEFINITION OF CONSUMER: FIRST TIME IN AN INTERNATIONAL INSTRUMENT;
- ✓ NATIONAL POLICIES FOR CONSUMER PROTECTION: CHECKLIST OF ADEQUATE LEGAL AND INSTITUTIONAL LANDSCAPE;
- ✓ DISPUTE RESOLUTION AND REDRESS: ADR (ALTERNATIVE DISPUTE RESOLUTION), COLLECTIVE REDRESS, COMPENSATION FOR CONSUMERS;
- ✓ E-COMMERCE: NEW GUIDELINES;
- ✓ FINANCIAL SERVICES: INSPIRED IN OECD/G20 HIGH LEVEL PRINCIPLES;
- ✓ ENERGY, PUBLIC SERVICES, TOURISM: NEW EMERGING ISSUES;
- ✓ GOOD BUSINESS PRACTICES: FIRST TIME RECOMMENDATIONS AIM AT THE PRIVATE SECTOR, RECOGNIZING SHARED RESPONSIBILITY;
- ✓ INTERNATIONAL COOPERATION: ESPECIALLY IMPORTANT FOR CROSS BORDER CASES.



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# UN Guidelines: e-commerce

- GUIDELINE 63: ENSURING A LEVEL OF PROTECTION THAT IS NOT LESS THAN THAT AFFORDED IN OTHER FORMS OF COMMERCE.
- GUIDELINE 64: REVIEW EXISTING CONSUMER PROTECTION POLICIES TO ACCOMMODATE THE SPECIAL FEATURES OF ELECTRONIC COMMERCE AND ENSURE THAT CONSUMERS AND BUSINESSES ARE INFORMED AND AWARE OF THEIR RIGHTS AND OBLIGATIONS IN THE DIGITAL MARKETPLACE.
- GUIDELINE 65: MEMBER STATES MAY WISH TO CONSIDER THE RELEVANT INTERNATIONAL GUIDELINES AND STANDARDS ON ELECTRONIC COMMERCE (GUIDELINES FOR CONSUMER PROTECTION IN THE CONTEXT OF ELECTRONIC COMMERCE OF THE OECD).



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# UN Guidelines: financial services

- GUIDELINE 66:

(A) REGULATORY AND ENFORCEMENT POLICIES;

(B) OVERSIGHT BODIES WITH THE NECESSARY AUTHORITY AND RESOURCES TO CARRY OUT THEIR MISSION;

(C) APPROPRIATE CONTROLS AND INSURANCE MECHANISMS TO PROTECT CONSUMER ASSETS, INCLUDING DEPOSITS;

(D) IMPROVED FINANCIAL EDUCATION STRATEGIES THAT PROMOTE FINANCIAL LITERACY;

(E) FAIR TREATMENT AND PROPER DISCLOSURE [...];

(F) RESPONSIBLE BUSINESS CONDUCT BY FINANCIAL SERVICES PROVIDERS AND AUTHORIZED AGENTS [...];

(G) APPROPRIATE CONTROLS TO PROTECT CONSUMER FINANCIAL DATA, INCLUDING FROM FRAUD AND ABUSE;

(H) A REGULATORY FRAMEWORK THAT PROMOTES COST EFFICIENCY AND TRANSPARENCY FOR REMITTANCES [...].



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# UN Guidelines: financial services (ii)

- GUIDELINE 67: MEMBER STATES SHOULD ADOPT MEASURES TO REINFORCE AND INTEGRATE CONSUMER POLICIES CONCERNING FINANCIAL INCLUSION, FINANCIAL EDUCATION AND THE PROTECTION OF CONSUMERS IN ACCESSING AND USING FINANCIAL SERVICES.
- GUIDELINE 68: MEMBER STATES MAY WISH TO CONSIDER THE RELEVANT INTERNATIONAL GUIDELINES AND STANDARDS ON ELECTRONIC COMMERCE (HPLS ON FINANCIAL CONSUMER PROTECTION, PRINCIPLES FOR INNOVATIVE FINANCIAL INCLUSION, GOOD PRACTICES FOR FINANCIAL CONSUMER PROTECTION).



# UN Guidelines: Intergovernmental Group of Experts

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## Руководство по защите прав потребителей

# MANUAL ON CONSUMER PROTECTION

- GUIDE FOR POLICY-MAKERS ON IMPLEMENTATION OF THE UN GUIDELINES
- CHAPTER ON E-COMMERCE
- CHAPTER ON FINANCIAL SERVICES



# Ensuring greater consumer protection and welfare

## Coordination

- Macroprudential supervision
- Consumer protection

## Empowerment

- Access
- Education
- Payment security, Dispute resolution and redress, Data protection

## Business engagement

- Principles for good business practices
- Dialogue with consumer protection authorities (sandbox, exemptions)

## Building capacities

- UNCTAD: COMPAL, MENA, CEMAC



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# Digital Economy Challenges

- **EMERGING AND DISRUPTIVE BUSINESS MODELS** – INCREASED INNOVATION. SEE THE RISING ROLES OF INTERNET PLATFORMS AND SOCIAL MEDIA; C2C TRANSACTIONS, COLLABORATIVE OR SHARING ECONOMY.
- APPROPRIATENESS OF EXISTING LEGISLATION AND REGULATORY FRAMEWORKS?
- COMPETITION AND CONSUMER PROTECTION AUTHORITIES NEED TO KEEP UP WITH THE TECHNOLOGICAL EVOLUTION — DIFFERENT MARKET ASSESSMENT, MARKET STUDIES, NEW INVESTIGATIVE TOOLS FOR MARKET SURVEILLANCE AND SET OF ENFORCEMENT MEASURES.
- INTERACTION AND COORDINATION WITH SECTOR-SPECIFIC REGULATORS (TELECOMS, MEDIA) AND DATA PROTECTION AGENCIES IS ESSENTIAL TO HAVE A COMPREHENSIVE PICTURE.



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## FINAL REMARKS

- NOW IS THE TIME FOR BETTER AND MORE COHERENT FINANCIAL CONSUMER PROTECTION IN E-COMMERCE. BUT CHALLENGES CANNOT BE EXCLUSIVELY ADDRESSED BY GOVERNMENTS.
- COORDINATION AND DEEPENED INTERNATIONAL COOPERATION: SHARING BEST PRACTICES AND EXCHANGE EXPERIENCES AMONG MEMBER STATES AND RELEVANT ORGANIZATIONS AND NETWORKS IS OF THE UTMOST IMPORTANCE
- NEED FOR STRONG BUSINESS ENGAGEMENT – NAMELY THROUGH SELF-REGULATION INITIATIVES (TRUSTMARKS; ONLINE DISPUTE RESOLUTION MECHANISMS), COMPLEMENTING AND REINFORCING CONSUMER PROTECTION LEGISLATION
- CIVIL SOCIETY ORGANIZATIONS (CONSUMER ASSOCIATIONS, FOR INSTANCE) CONTRIBUTIONS: AWARENESS RAISING, EDUCATION, OUTREACH.



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# THANK YOU !

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