



# FINCONET ANNUAL REPORT 2015

Activities from 1 January 2015 to 31 December 2015  
2015 Financial Statements





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## Foreword

The International Financial Consumer Protection Organisation (FinCoNet) was created in response to the growing focus on financial consumer protection worldwide, and the need for better interaction, sharing and collaboration among supervisory bodies responsible for the oversight of the various national financial consumer protection regimes.

FinCoNet is an international organisation of supervisory authorities which have responsibility for financial consumer protection. It is a member based organisation and has been set up as a not-for-profit association under French law.

FinCoNet replaces the informal network of supervisory authorities which has existed since 2003, and will continue to build on its work, while advancing the G20's financial consumer protection agenda. It provides a forum for research and the exchange of information and best practices related to market conduct supervision and consumer protection issues with a focus on consumer credit and banking.



**Bernard Sheridan**  
Chair of FinCoNet

## Report from the Chair of FinCoNet

I am pleased to present this second FinCoNet Annual Report which sets out the work of FinCoNet and reflects what an important year 2015 has been for FinCoNet in moving from establishment phase to growth and development.

It is important to reflect on the core reasons why FinCoNet was established and what its aims are. FinCoNet has been created in response to the growing focus on financial consumer protection worldwide, and the need for better interaction, sharing and collaboration among supervisory bodies responsible for the oversight of the various national financial consumer protection regimes. It is a member based and member-lead organisation, there to help members meet the challenges of delivering effective consumer protection. It also aims to play an important role in the wider international arena collaborating with other bodies and contributing to advancing the G20's financial consumer protection agenda.

Following on from the publication of its first report on Responsible Lending, during 2015, we have progressed work on a number of key consumer protection issues through the various work streams established. Members identified a number of key issues for examination including (i) the type of supervisory tools used in different countries to support effective supervision, (ii) responsible lending particularly the impact incentives play in the sale of credit products and (iii) online/mobile payments with a focus on the role of supervisors in dealing with consumer protection issues. I would like to thank the Chairs of each of the Standing Committees for leading our work on these important topics and I am sure this work will help inform members when dealing with these particular challenges.

The Governing Council members continue to play a very active part in working to ensure the organisation develops and grows and I would like to thank them for their input and support. Through our co-operation agreement with the OECD we have put in place a sound organisational structure. Our relationship with the OECD is very important as we work together to help shape and drive the wider consumer protection agenda.

I am pleased that our membership base continues to grow as more institutions seek to benefit from being part of our organisation. Members have contributed their resources in many different ways to help FinCoNet and I would like to express my appreciation to all members for their support. Our Annual Meetings have presented key opportunities for all members to fully engage on current consumer protection issues and I would like to thank Portugal, China and South Africa for hosting these important gatherings.

FinCoNet faces many different challenges as it seeks to deliver on its mandate. We are still a relatively small international organisation with limited resources. Our aim is to move to a participative

global organisation by providing an active and dynamic platform for sharing and engagement among members as well as increasing our external focus to help shape the international environment. This will involve a continuing commitment by all members to FinCoNet's success through inputting into and identifying the priority consumer protection issues, committing resources to progressing these issues and also by facilitating and promoting best practice. I am looking forward to our next year and am confident that FinCoNet will continue to grow and develop in its important role of enhancing the protection of consumers and strengthening consumer confidence.



**Bernard Sheridan**  
Chair  
FinCoNet

## Report of the FinCoNet Governing Council

The Governing Council is responsible for leading and organizing the work of FinCoNet. There are currently ten members on the Governing Council.

Eight members were elected to the Governing Council at the Annual General Meeting held in Lisbon, Portugal in 2013. Two additional members were elected at the General Meeting on 28 May 2014.

### Members of the Governing Council:

Country	Representative	Organisation
<b>Australia</b>	Greg Kirk	Australian Securities and Investments Commission
<b>Canada</b>	Lucie M. A. Tedesco (Vice Chair)	Financial Consumer Agency Canada
<b>China</b>	Jiao Jinpu	People's Bank of China
<b>France</b>	Charles Banaste	Autorité de Contrôle Prudentiel et de Résolution, Banque de France
<b>Ireland</b>	Bernard Sheridan (Chair)	Central Bank of Ireland
<b>Japan</b>	Mr. Takaaki Hattori <sup>1</sup>	Financial Services Agency
<b>Netherlands</b>	Gert Luting	Netherlands Authority for Financial Markets
<b>Portugal</b>	Maria Lucia Leitão	Banco de Portugal (Central Bank of Portugal)
<b>South Africa</b>	Caroline da Silva	Financial Services Board
<b>Spain</b>	Fernando Tejada	Banco de España (Central Bank of Spain)

Five meetings of the Governing Council were held in 2015, on 23 January, 23 April, 1 July, 10 September and 25 November.

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<sup>1</sup> Mr. Takaaki Hattori replaced Mr. Kenji Okamura as the Governing Council representative from Japan in July 2015.

The Governing Council worked to progress a number of key issues including:

<b>Key Issues</b>	<b>Goal Identified</b>	<b>Progress Achieved</b>
<b>Overseeing the Development of Resources for Members</b>	<ul style="list-style-type: none"> <li>- Develop and update website</li> <li>- Develop, launch and update Clearspace</li> </ul>	<ul style="list-style-type: none"> <li>- The structure of the website was thoroughly updated and further content was published.</li> <li>- A section dedicated to research was developed, and content was organised by country. As further content is received, this could also be organised by theme.</li> <li>- The members-only website, Clearspace, was developed and progress was made in encouraging FinCoNet members to use this site, for example, to download meeting documents in lieu of distribution by email.</li> <li>- The Activity and Engagement Log and Annual Activity Objectives are now hosted on Clearspace. The objective of the activity log is to record all of the engagement and outreach activities undertaken by FinCoNet Members in one place.</li> </ul>
	<ul style="list-style-type: none"> <li>- Develop and publish Newsletter</li> </ul>	<ul style="list-style-type: none"> <li>- 3 editions of the Newsletter were published in May, September and December 2015.</li> <li>- Distribution was widened to include an email distribution to FinCoNet non-members, and in particular, those authorities that have expressed an interest in joining FinCoNet in the future and those that responded to one or both of the Standing Committee surveys.</li> </ul>
	<ul style="list-style-type: none"> <li>- Potential new members data base</li> </ul>	Progress was made on the development of a data base of potential new members. To be used in wider communications of FinCoNet activities and outputs.
<b>Programme of Work update:</b>	<i>Standing Committee 1:</i> <ul style="list-style-type: none"> <li>- Supervisory Toolbox</li> </ul>	<p>On the technical side of the project, collaboration with the OECD advanced the designing, programming and migration of the Supervisory Toolbox onto the OECD website platform.</p> <p>A guide was also drafted to assist FinCoNet members in populating the Toolkit with their country information.</p>
	<i>Standing Committee 2:</i> <ul style="list-style-type: none"> <li>- Responsible Lending</li> </ul>	<p>Survey on responsible lending was developed and issued, with responses received from 24 jurisdictions, including several FinCoNet non-members.</p> <p>Responses were collated into a master copy of the survey for ease of analysis.</p> <p>A literature and international policy review was undertaken and drafted for inclusion in the final report.</p> <p>Several rounds of drafting of the draft final report were accomplished.</p> <p>A report was submitted to the Governing Council and FinCoNet Members for review and comments at the AGM</p>
	<i>Standing Committee 3:</i> <ul style="list-style-type: none"> <li>- Online and Mobile Payments</li> </ul>	Survey on online and mobile payments was developed and issued, with responses received from 23 jurisdictions, including several FinCoNet non-members.

		<p>Responses were collated into a master copy of the survey for ease of analysis.</p> <p>A literature and international policy review was undertaken and drafted for inclusion in the final report.</p> <p>Several rounds of drafting of the draft final report were accomplished.</p> <p>A draft report was submitted to the Governing Council and FinCoNet Members for review and comments at the AGM</p>
<b>Mapping and outreach action plan</b>	<ul style="list-style-type: none"> <li>- Mapping exercise</li> <li>- Draft Action Plan</li> </ul>	<p>A mapping exercise was undertaken to list authorities and international organisations with which FinCoNet can engage, collaborate and share information and expertise.</p> <p>Building on the mapping exercise a draft action plan was developed that focuses on outreach issues.</p>
<b>Leading on Outreach Initiatives</b>	<ul style="list-style-type: none"> <li>- FinCoNet Chair</li> <li>- Canada</li> </ul>	<p>Meetings Attended:</p> <p>G20/OECD Task Force on Consumer Protection (Paris and London)</p> <ul style="list-style-type: none"> <li>• 6 March 2015</li> <li>• 25 September 2015</li> </ul> <p>ESA Consumer Day 3 June 2015</p> <p>SCConFin meeting 26 May 2015</p> <p>Bilateral meetings with the European Banking Authority (EBA) - Executive Director and EBA Chair. CGAP to discuss related financial inclusion work and the Global Partnership for Financial Inclusion (GPFI) to discuss work on examining the relevance of financial inclusion to SSBs. Correspondance with the Co-Chairs of the Basel Consultative Group</p> <p>Lecturer at the Osgoode Certificate in Regulatory Compliance &amp; Legal Risk Management for Financial Institutions (Toronto, January 2015).</p> <p>Participation in the India-Canada Economic and Financial Sector Policy Dialogue (New Delhi, February 2015).</p> <p>Meeting with Howard I. Wetston, Chair of IOSCO's Committee on Retail Investors and Chair of the Ontario Securities Commission</p>



**André Laboul**  
Head of the FinCoNet Secretariat

## Report of the Secretariat

The FinCoNet Secretariat provided a wide range of support to the FinCoNet Members during the year.

In addition to supporting the membership base and servicing and supporting the Governing Council, the Secretariat has, at the request of the FinCoNet Chair and the Chairs of the FinCoNet Standing Committees, undertaken an increased analytical role, which will be developed further in the coming years.

In addition to conducting the mapping exercise of international organisations and the subsequent drafting of the FinCoNet draft Outreach Action Plan, increased editorial and analytical support was provided to the FinCoNet Standing Committees, and in particular, Standing Committee 2 on Responsible Lending and Standing Committee 3 on Online and Mobile Payments.

In 2016, in addition to on-going organisational and support work, the Secretariat will provide strengthened support to the FinCoNet Standing Committees, who are the driving force of the FinCoNet Programme of Work. The Secretariat will work to increase the visibility of the products developed by the Standing Committees and the organisation as a whole, and will attempt to initiate collaboration and recognition with the G20 and other international fora.

### Main Tasks Completed During 2015

#### Documents

At the request of the FinCoNet Chair and Governing Council, the Secretariat conducted a mapping exercise and undertook the subsequent drafting of the FinCoNet Outreach Action Plan. The Secretariat was closely involved with the work of the three FinCoNet Standing Committees. The Secretariat was requested to distribute the surveys of Standing Committees 2 and 3, and to collate and disseminate the responses within a specified deadline.

The Secretariat continued to support the work of Standing Committee 1 in the development of a technical specification for the building of the supervisory toolkit and worked to support the migration of the toolkit to the OECD IT platform.

The Secretariat also provided analytical assistance to Standing Committee 2, drafting the structure of the report and undertaking an initial literature and research review, and working closely with the Chair to coordinate the remaining work and the distribution of tasks to the Standing Committee team members.

The Secretariat provided assistance to Standing Committee 3 drafting a review of international policy developments relating to online and mobile payments.

Development of the FinCoNet public website and member-only site, Clearspace, continued during 2015. The website structure was modified and improved, and now includes a section dedicated to research on financial consumer protection, which is classified by country. Further development of the content of this page will continue through 2016.

Finally, the Secretariat provided and coordinated numerous other documents, including through continued assistance to the FinCoNet Chair and Governing Council, the preparation of agendas and minutes for the FinCoNet Standing Committees, Governing Council telephone conference calls and the Annual General Meeting. The Secretariat also provided the Annual Budget of the Organisation, three editions of the FinCoNet newsletter and the 2015 Annual Report.

## **Meetings**

The Secretariat played a key role in the organisation of the FinCoNet Annual General Meeting, held in Cape Town, South Africa in October 2015, with thanks to the Financial Services Board in South Africa for their excellent cooperation. Marketing of the Annual General Meeting by the Secretariat helped to ensure that the Annual General Meeting continued to attract participation from the full membership base of FinCoNet, and raised interest from potential new members in the African region.

The Secretariat also engaged in the establishment, organisation and preparation of the meetings of the FinCoNet Governing Council and Standing Committees, via telephone conference.

Support was additionally provided to the FinCoNet Treasurer.

## **Administration and other**

The Secretariat continued to work during 2015 to build the FinCoNet membership base, contacting and following up with potential new members, and developing the potential members database.

The distribution of the Standing Committee 2 and 3 surveys proved to be fertile ground for making new contacts.

Communication and record keeping in relation to existing members was also undertaken, with the Secretariat ensuring that all contact databases were up to date and striving to provide documents to members in time for review prior to telephone conference calls and meetings.

The Secretariat also coordinated the updating of the FinCoNet activity and engagement log on Clearspace.

Finally, the Secretariat continued to update and develop the FinCoNet public website and the members-only site, Clearspace, including an overhaul of the content and presentation of the public website. The Secretariat also developed a 'research by country' section on the public website.

The Secretariat continued to provide technical assistance to FinCoNet Members in the creation and utilisation of their Clearspace accounts. The Secretariat also worked on responding to requests for information from individual countries and other international organisations and standard setting bodies.

## Plans for 2016

Secretariat and other project activity can be expected to continue during 2016. It is expected that the Secretariat will maintain, or indeed increase, its current level of analytical contributions to FinCoNet work and projects during 2016.

The Secretariat will continue to work on the development of the FinCoNet website, and in particular, will coordinate and assist the Standing Committee 1 with the publication and population of the Supervisory Toolbox.

Continued support will be provided to existing members, from circulating meeting documents to dealing with ad hoc requests for information and assistance.

The Secretariat also hopes to bring on board a series of new members during 2016 that have previously expressed interest in the Organisation and will continue to contact other organisations and authorities that could benefit from FinCoNet membership and provide useful input to our Programme of Work.



**André Laboul**  
Head  
FinCoNet Secretariat

## FinCoNet Members, Associates and Observers 2015

### Members

<b>Australia</b>	Australian Securities and Investments Commission
<b>Brazil</b>	Central Bank of Brazil
<b>Canada</b>	Financial Consumer Agency of Canada
<b>China</b>	People's Bank of China
<b>France</b>	Central Bank of France
<b>Indonesia</b>	Financial Services Agency
<b>Ireland</b>	Central Bank of Ireland
<b>Japan</b>	Financial Services Agency
<b>Korea</b>	Financial Services Commission
<b>Luxembourg</b>	Financial Sector Surveillance Commission
<b>Netherlands</b>	Authority for the Financial Markets
<b>Norway</b>	Finanstilsynet
<b>Portugal</b>	Central Bank of Portugal
<b>Saudi Arabia</b>	Saudi Arabian Monetary Agency
<b>South Africa</b>	Financial Services Board
<b>Spain</b>	Central Bank of Spain
<b>United Kingdom</b>	Financial Conduct Authority

### Observers

<b>CGAP</b>
<b>Consumers International</b>
<b>European Commission</b>
<b>IAIS</b>
<b>OECD</b>
<b>World Bank</b>

### Secretariat

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**Charles Banaste**  
FinCoNet Treasurer

## Report of the Treasurer

### SUBJECT: FINCONET ACCOUNTS AS OF 31 DECEMBER 2015

Dear Governing Council Members,

The treasurer is pleased to report that during the year ended 31 December 2014, FinCoNet established a solid financial basis upon which to build and develop activities in the coming year.

Membership fees were received from all FinCoNet Members and Observers, amounting to a total of EUR 150 455 in 2014.

Membership fees were the sole source of income in 2014.

On the cost side, the major expense incurred by the Organisation during 2014 was the Secretariat support provided by the OECD under the official partnership agreement between the OECD and FinCoNet, signed on 21 May 2014.

A detailed description of the services provided in 2014 was outlined in the reports provided by the OECD to the Treasurer. The total spend by the Secretariat was in line with the budget provided by FinCoNet.

Conference and meeting expenses during 2014 amounted to EUR 5 500. The FinCoNet Annual General Meeting was held in Shanghai, People's Republic of China.

In recognition of the Organisation's non-profit status a reserving policy was adopted to hold a target 20% of estimated membership fees. This contingency reserve is designed to cover uncertainties relating to the timing of receipt and levels of membership fee payments, from which the Organisation's main income is derived.

Remaining funds will be used to build up an additional reserve to cover potential future event expenditure, such as costs relating to the conferences or regional seminars. The total reserves held at the end of 2014 are therefore EUR 103 781.

This leaves the Organisation with a solid financial base upon which to develop further activities with the framework of the FinCoNet Programme of Work.



**Charles Banaste**  
Treasurer  
International Financial Consumer Protection Organisation  
Dated: 11 September 2015

2015 Membership Fee Payments			
Australia	Indonesia	Netherlands	Spain
Brazil	Ireland	Norway	United Kingdom
Canada	Japan	Portugal	
China	Korea	Saudi Arabia	European Commission
France	Luxembourg	South Africa	

# Audited Financial Statements 2015



**FinCoNet**  
**DCPC – Service de Coordination**  
**61, rue Taïbout**  
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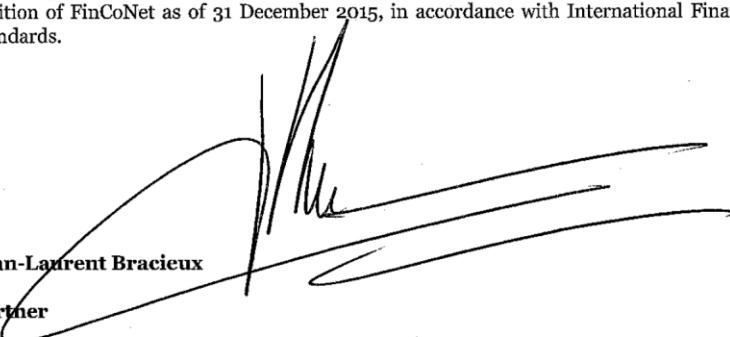
Neuilly-sur-Seine, 14 novembre 2016

## Report of the Auditors To the Members of International Financial Consumer Protection Organisation

We have audited the accompanying balance sheet of the International Financial Consumer Protection Organisation (the "FinCoNet") as of 31 December 2015 and the related statements of income for the year then ended. These financial statements are the responsibility of FinCoNet's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of FinCoNet as of 31 December 2015, in accordance with International Financial Reporting Standards.

  
**Jean-Laurent Bracieux**  
**Partner**

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<b>FINANCIAL CONSUMER PROTECTION NETWORK (FinCoNet)</b>			
<b>Statement of financial position</b>			
<b>As per 31 December 2015</b>			
<b>Assets</b>	<b>Notes</b>	2015 (Euro)	2014 (Euro)
Cash at bank		162,563	103,780
Short term deposit		-	-
Interest accrued		-	-
Sundry debtors and prepayments		-	-
<b>Total</b>		<b>162,563</b>	<b>103,780</b>
<b>Liabilities and net assets</b>			
Prepaid membership fees			
Accrued expenses			
<b>Total liabilities</b>		<b>-</b>	<b>-</b>
<b>Net Assets</b>		<b>162,563</b>	<b>103,780</b>
<b>Unrestricted Net Assets &amp; Reserves</b>			
Retained earnings before transfer		162,563	103,780
Changes in unrestricted net assets for the current year		-	-
		<b>162,563</b>	<b>103,780</b>
Transfer from Special Reserve		-	-
Transfer to Contingency Reserve		33,991	30,091
Retained Earnings after transfer		<b>128,572</b>	<b>73,689</b>
Special Reserve			
Contingency Reserve		33,991	30,091
		<b>162,563</b>	<b>103,780</b>

**FINANCIAL CONSUMER PROTECTION NETWORK (FinCoNet)**  
**Statement of activities**  
**For the year ending 31st December 2015**

**CHANGES IN UNRESTRICTED NET ASSETS**

	Notes	2015 (Euro)	2014 (Euro)
<b>Revenue and gains</b>			
Membership fees	<b>3 &amp; 4</b>	169,955	150,455
bank account costs refunde		-	60
<b>Total unrestricted revenue and gains</b>		<b>169,955</b>	<b>150,515</b>
<b>Expenses</b>			
Audit			
Bank fees and charges		173	234
Secretariat support costs		-	-
OECD administration	<b>1 &amp; 2</b>	181,000	41,000
Conference expenses		-	5,500
Subscriptions		-	-
Publishing Costs		-	-
Lawyer costs		-	-
Editor		-	-
Miscellaneous		-	-
<b>Total expenses</b>		<b>181,173</b>	<b>46,734</b>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		<b>- 11,218</b>	<b>103,781</b>

**FINANCIAL CONSUMER PROTECTION NETWORK (FinCoNet)**

## NOTES TO THE FINANCIAL STATEMENTS

Year ending 31 December 2015

1 The OECD Grant for 2014 is 82000€. 42000€ has been payed in 2014 and 41000€ has been paid in august 2015.

2 The OECD Grant for 2015 is 140000€. 70000€ has been payed in 2015 and 70000€ will be paid in january 2016  
(invoice received in 2015, amount paid in 2016)

3 Contingency Reserve receive 20% of the annual fees : 33991 €

4 Total of Contingency Reserve at the end of 2015 : 30091+33991 = 64082 €