

## Executive Summary for Workshop 1 of CAIDG's Studio for Digital Self-Determination (DSD) in Open Finance

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In 2021, CAIDG launched the studio for Digital Self-Determination in Open Finance. Through this studio initiative, CAIDG serves as a platform for engaging diverse opinions on the *who, what and how* questions of situating DSD in the context of open finance. The studio comprises 3 workshop sessions, whereby participants analyse and explore how DSD can be operationalised in different thematic and geographical contexts. Stakeholders from Singapore and Switzerland (both of which are pivotal international FinTech hubs) were invited to the Studio, including industry experts from traditional banks and fintech firms, as well as finance and data regulators. With stakeholders from different backgrounds, the diversity of opinions presented in the workshop provided a snapshot of how different perspectives might complement or conflict each other in practice, coming from different aspirational or practical considerations.

In the first workshop, participants were introduced to digital self-determination (DSD) as a novel concept that centres on respectful and responsible data decisions around empowering data subjects in safe digital spaces. As such DSD moves away from traditional debates concerning data ownership, data rights/sovereignty and consent towards opportunities for data-subject control and consumers/customer's voices in how the data is being used. With this understanding participants were asked to leave aside preconceived approaches to data access and management in considering the contextual applications of DSD in the financial sector. As there is no universal regulation governing how DSD should be applied, it is important to ground discussions in the specific contexts of use cases. The first DSD studio thus invited the opinions of practitioners and regulators well-acquainted with open finance in two jurisdictions, Singapore and Switzerland.

On the understanding presented of DSD, parallels were drawn to the EU's concept of informational self-determination. A perspective was offered that DSD is its economic use case subset, where a main distinction is that DSD should not be regarded as a fundamental/constitutional right, with its implications on how the data is and can be used for the benefit of rights holders. From another perspective, DSD was essentially understood as the ability to access a copy of data about you, or you participated in creating, and use it yourself – not just as natural persons, but also companies and consumers as well. Such a discussion is consistent with the communal dimension of DSD. This discussion led to the question of whether the same freedom to transfer data that is available

to individuals by PDPL can be extended to companies and bigger organisations, and the boundaries for which the data is used should access be granted. The current lack of discussion around what is permitted was identified. Introducing personal data protection regulation evidenced a return to conventional data use thinking.

There was general consensus that data portability could not be equated to open finance; rather, it is just one aspect, and an enabler of open finance – not only for finance clients, but also corporate subjects. The importance of data standardization was highlighted, such that data is usable by different stakeholders, to truly embody the ‘open’ element. An alternative perspective identified the underlying factor in ‘openness’ to be more about competition law and Efficient Market Theory, where simplification and standardization of information ultimately served to reduce asymmetry and reduce barriers to entry. The competitive nature of personal data use was also recognised as region-specific, where it is still highly applicable to the EU for instance.

It was also noted that the traditional debates regarding portability have found their answers in current regulatory frameworks, and it is now more about the hurdles impeding smooth implementation. Such include operational restrictions like the ease with which requests can be met. Continuing with this practical approach, participants also addressed the importance of acknowledging the cost in ensuring data safety and responsibility, including but not limited to human costs. Similar incentives were brought up to be possible pathways towards safe digital spaces.

Inclusive finance was another theme linked to safe digital spaces, in terms of everyone having a say in what the use cases are dictated to, serving the underserved, and letting people form their own judgement calls in face of value exchange. It was postulated that inclusivity should not be a strange or novel development to the financial industry, where other consumer-centric nudges are already well in place. Relevant international progress on this issue, including the recent EU digital service act, were cited as frameworks worth consulting.

Finally, participants discussed the challenges and opportunities for DSD. The importance of collaboration between public and private sectors locally and internationally was highlighted. Beyond technical operability, the capacity for local infrastructure to grow together and form interoperable trans regional data spaces was essential. To represent DSD in such international spaces taxonomy and best practices will be needed; this will likely necessitate the involvement of bodies alike G20 to push forwards on a local basis for DSD commitment and operations, and then expand into more global market practices. It was also noted that geopolitical tensions over data containment and control within borders are real and the weaponization of data might come between such otherwise consensual collaboration. National data interests provide a challenge to bridging that divide between what is a digital safe space, and the role of regulators in mediating that space. In some cases, mere mediation by the state is open to inviting suspicion from not only citizens, but also global bodies concerned about free trade in time to come.