



OPENING REMARKS BY THE PRESIDENT/CHAIRMAN OF COUNCIL, THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA (CIBN), UCHE OLOWU, Ph.D, FCIB, ON THE OCCASION OF THE 19TH NATIONAL SEMINAR ON BANKING AND ALLIED MATTERS FOR JUDGES, OCTOBER 15-17, 2019 AT THE NATIONAL JUDICIAL INSTITUTE, ABUJA

1.0 Introduction

My Lords, ladies and gentlemen, it gives me immense pleasure to officially declare open the 19th edition of the National Seminar on Banking and Allied Matters for Judges. It is particularly cheering for me to be here among foremost authorities in the judicial, regulatory and financial services space to discuss issues of common interest with a view to strengthening the efficient functioning of the banking and allied sectors.

Distinguished guests, the National Seminar on Banking and Allied Matters for Judges is an annual programme organised by The Chartered Institute of Bankers of Nigeria (CIBN) in collaboration with the National Judicial Institute (NJI). It is a platform where professionals from the banking and finance industry as well as experts from the judicial industry come together to discuss issues affecting the industry taking into consideration their legal implications. Since the inception of this notable programme in 2001, resolutions from the programme has been far-reaching, thought-provoking and used as an instrument of policy advocacy as well as a tool for decision making.

2.0 Protocol, Recognition and Appreciation

Let me use this medium to extend my sincere appreciation to the Banker's Committee ably chaired by the Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, CON, FCIB for their continuous effort and financial support towards ensuring the success and sustenance of this Seminar for the past eighteen (18) years. I would also like to thank the Governor in particular for his consistent support towards the activities of the Institute.

Permit me to equally recognise the presence of Honourable Justice Ibrahim Tanko Muhammad, CFR, Chief Justice of Nigeria and Chairman, Board of Governors, National Judicial Institute. Sir, we appreciate you making out time out of your busy schedule to here with us. It is worthy of mention that the CIBN and NJI enjoys a cordial relationship that has flourished over the years and we at CIBN look forward to a more enduring relationship with them. A special recognition also goes to Hon. Justice Rosaline Bozimo, OFR, Administrator, National Judicial Institute. Ma, your commitment towards improving Judicial Education in the country is commendable and has not gone unnoticed. Also worthy of recognition is our distinguished faculty who have made the arduous journey to be here. Sirs and Mas, your presence here is a testament of your continued support for the institute's activities and I am confident that at the end of this seminar, participants would leave feeling greatly enriched from the insights shared.



3.0 The Conference Concept, Agenda and Purpose

Eminent guests, the theme of this year's seminar titled **“Disruptive Innovations in the Nigerian Financial System: The Legal Considerations”** is particularly apt given the speed and spate at which recent innovations are disrupting formerly entrenched business models as well as displacing people, technology, skills, and challenging processes. From Amazon to Apple, FinTech firms and of course Uber, it is unarguable that every facet of the economy particularly the financial services industry has witnessed unprecedented waves of disruption brought by innovative solutions and regulation. Financial technology firms popularly known as FinTechs are reshaping the competitive Financial Services landscape and blurring the lines that define players in the sector. This increasing momentum is challenging financial services players to devise a range of strategic responses and as such banks have had to adapt their business model to deal with the change because businesses who fail to adapt and respond quickly risk being left behind. It was Clayton Christensen, a business consultant and a Harvard Business School professor known for introducing the concept of disruptive innovation that noted and I quote “the reason why it is so difficult for existing firms to capitalize on disruptive innovations is that their processes and their business model that make them good at the existing business actually make them bad at competing for the disruption”.

A report issued by the Centre for Commercial Law studies, Queen Mary University of London in 2018 noted that much of the innovation driving the Fourth Industrial Revolution is powered by disruptive technologies¹. Some of these common digital innovations include Artificial Intelligence (AI), drones, Internet of Things (IoT), cloud computing, blockchain, distributed ledger technology including cryptocurrencies and smart contracts; Fintech, RegTech and Big Data. It is unarguable that consumers, financial institutions and the financial system as a whole benefits from solutions driven by disruptive innovation. Some of these benefits include quality products and better services to customers as well as stimulating healthy competition.

In the banking industry alone, research indicates that digital innovations such as digital bank branches, real-time payments etc could reduce net expenses for global banks by up to \$60 billion which is 3% of total expenses by 2022. Furthermore, the rise in the use of smartphones and fast internet access have enabled banks and insurers to launch digital-only products and services, slashing the number of costly branches and field agents, as expertly stated in a report issued by Ernest and Young in 2019².

Apart from the banking industry, disruptive innovations are also making ground-breaking changes to the legal and judicial system. With legal techs, more individuals are able to seek affordable legal advice and justice through online forums, websites etc. Legal tech are also speeding up the judicial process thereby improving individual's quality, speed and access to justice.

¹ file:///C:/Users/oyindamolaolushile/Downloads/Legal_and_Regulatory_Implications_of_Dis.pdf

² https://www.ey.com/en_gl/insurance/three-challenges-for-financial-institutions



Distinguished audience, despite the benefits and opportunities disruptive innovations brings to the digital arena, they have also created demand for regulation and raised legal concerns among which include issues of privacy and cyber security. The report issued by the Centre for Commercial Law studies in 2018 confirms that to have a robust and sustainable legal framework that deals with disruptive technologies, then data protection, cybersecurity, and intellectual property laws must be present³

Furthermore, several of these innovative disruptions have raised questions about the efficacy of the existing legal and regulatory framework in Nigeria. This is because legal frameworks are slow to adapting or responding to rapid changes in disruptive innovations. It is therefore pertinent to understand the market when regulating the industry such that competition and innovation is not stifled at the cost of regulation. Regulators should also encourage innovation that serves the interests of consumers while avoiding unacceptable risks⁴.

Additionally, an efficient and resilient regulatory regime must not only deal expertly with the financial system that exists currently; but also have adaptive capacity to deal with rapid changes and system that is emerging. Therefore, to be truly effective, financial policy and regulation must be forward-looking and prepared to accept the challenge of keeping pace with disruptive innovation.

My Lords and esteemed guests, this year's Seminar has been structured to discuss some of the aforementioned issues with a view to proffering feasible policy paths for the nation. It is important to reiterate that an array of subject matter experts have been gathered to do justice to issues such as Legal and Regulatory Framework for FinTech; Data Protection and Cybersecurity; Legal Issues in e-Commerce; Leveraging on Innovations to improve Judicial Process; Trends in Competition and Consumer Protection and much more. With the calibre of faculty present, I have no doubt that we shall benefit from their wealth of knowledge and expertise.

I therefore implore you all to contribute to discussions on issues that would be raised over the next 2 days particularly in the question and answer sessions as we aim to make the session interactive.

4.0 Our Role and Brand Impact

Let me also intimate you on some of the impact and achievements we've made at the institute in the area of skills enhancement and dispute resolution;

³ <https://www.law.ox.ac.uk/business-law-blog/blog/2018/11/legal-and-regulatory-implications-disruptive-technologies-emerging>

⁴ <https://www.weforum.org/agenda/2019/02/how-can-we-regulate-disruptive-technologies/>



a. Skills and Competences

- i. The CIBN had engaged the services of PwC Nigeria to develop the content for the CIBN Flagship qualification, the ACIB Certification Programme. This is with the aim to ensure a contemporary syllabus with content on emerging relevant issues.
- ii. In the course of reviewing the syllabus for the Chartered Banker Certification Programme, proposed modules to be added to the intermediate level of the Certification include Digital Banking and Fintech. These modules would tackle themes in cryptocurrency, digitization of financial services and disruptive innovation.
- iii. The CIBN Centre for Financial Studies, a wholly owned subsidiary of the institute is also blazing the trail in the country's FinTech space and other disruptive technologies by organising different workshops and knowledge-sharing events in the area of sprouting disruption in the financial services industry. Notable among these knowledge events include the National Fintech Conference, an annual program held in collaboration with Fintech Associates Limited (FAL) and Fintech Association of Nigeria as well as a Workshop on Blockchain - Beyond Cryptocurrency: Where the True Innovation Lies held in November 2018 in collaboration with SESO Global Limited, UK

b. Dispute Resolution

In the legal arena, the Ethics and Professionalism Unit of the CIBN continues to play a significant role in the resolution of disputes relating to unethical practices between or among banks as well as between banks and their customers. Such disputes are resolved in line with the mandate of the Bankers' Committee, Sub-committee on Ethics & Professionalism to which the Institute is the secretariat. Furthermore, the institute through the CIBN investigating panel and the Disciplinary Tribunal, investigate and judge members that were reported to have been culpable of unprofessional and unethical conduct.

5.0 Conclusion

Let me conclude by inviting you to the **"4th National Fintech Conference titled the Nigeria Fintech Week with theme: Surviving with Fintech Innovation: What are the Sustaining Factors?"** Scheduled to hold from October 29 – October 30, 2019 at Landmark Event Centre, Victoria Island, Lagos. It promises to be informative, educating and interesting.

My lords, distinguished ladies and gentlemen, I welcome you all to this notable occasion and wish you an interactive and an enlightening Seminar.



God Bless

Uche Messiah Olowu, Ph.D., FCIB

President/Chairman of Council

The Chartered Institute of Bankers of Nigeria