SHCP
SECRETARÍA DE HACIENDA Y CRÉDITO PÚBLICO

CONSAR
Comisión Nacional del Sistema de Ahorro para el Retiro

The Digitalization of the Mexican Pension System

November 2018

Mexican Pension System In 2013

CHALLENGES

- Identity theft
- Unauthorized transfers
- Commercial malpractices
- Deficient KYC
- Information misuse
- Lack of audit trails
- Limited coverage
- Complex procedures/services
- Not inclusive system
- No engagement of users

11 PFA's
+3.5 K branch offices
+40 K PFA Brokers
+20 M face-to-face services

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HOW TO DEAL WITH THAT?

Digital Transformation STRATEGY

1 Dec 2014

New Regulatory Framework

STRONGER AND INCLUSIVE REGULATION THAT ENCOURAGES THE USE OF TECHNOLOGIES AND INNOVATION

- ✓ Homogeneous digitalization
- ✓ Promotes **REGTECH** for regulatory compliance
- ✓ Operational **processes improvement**

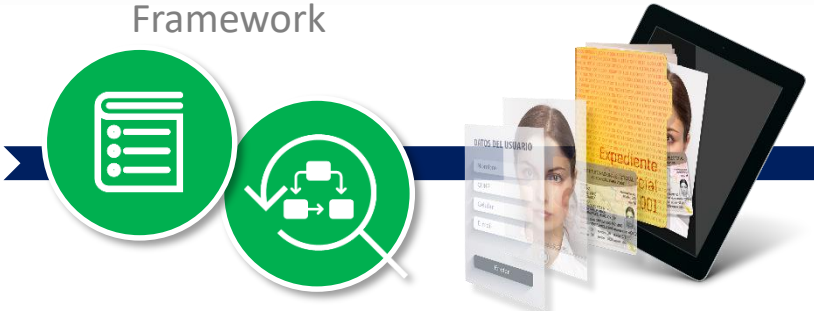
Digital Transformation **STRATEGY**

1 Dec 2014

New Regulatory Framework

2 Mar 2015

Digital File



CENTRALIZED, UNIQUE AND PORTABLE DIGITAL FILE FOR CLIENTS AND PFA EMPLOYEES

- ✓ **PAPERLESS** in all services
- ✓ Cost reduction, risk mitigation, better data
- ✓ **16.5 M digital files** since march 2015

Digital Transformation **STRATEGY**

1 Dec 2014

New Regulatory Framework

2 Mar 2015

Digital File

3 May 2016

Biometric Authentication

CENTRALIZED BIOMETRIC ENROLLMENT AND AUTHENTICATION (10 FINGERPRINTS, FACE AND VOICE)

- ✓ Complete **BIOMETRIC** authentication (KYC)
- ✓ Certainty of transactions - **ZERO Frauds**
- ✓ **12 M of users enrolled** since may 2016

Digital Transformation **STRATEGY**

1 Dec 2014

New Regulatory Framework

2 Mar 2015

Digital File

3 May 2016

Biometric Authentication

4 Since 2014

Mobile Services

DIGITAL PLATFORMS TO BRING REMOTE SERVICES (BRANCHLESS, WEB, MOBILE), INCLUDE UNATTENDED PEOPLE

- ✓ Easy, anywere, for everyone, free
- ✓ AforeMóvil +20 on-line services +1 M downloads in15 months
- ✓ +13 K establishments and FINTECHs
- ✓ 500% more voluntary savings in the last 5 years

Digital Transformation STRATEGY

1 Dec 2014
New Regulatory Framework

2 Mar 2015
Digital File

3 May 2016
Biometric Authentication

4 Since 2014
Mobile Services

5 Since 2015
Digital Supervision

NEW TECHNOLOGIES AND CENTRALIZED INFORMATION TO MAKE A MORE EFFECTIVE **SUPERVISION**

- ✓ On line and real time audit trails
- ✓ Geo-localization, end2end track, full knowledge files
- ✓ Predictive alert system with Machine Learning
- ✓ SUPTECH methodology for risk-based Sup

Mexican Pension System in 2018

Digital Transformation STRATEGY