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# Fintech, Big Tech, and the Investment Implications of China's Regulatory Storm: What Gives?

*Wednesday, November 3, 2021*

*9:30am - 10:50am EDT*

*Virtual (Zoom)*

New models of internet-based finance are reshaping the financial ecosystem as well as modern-day life with the rise of big data, artificial intelligence, blockchain and cloud computing. Users' digital imprints are recorded on a technology platform, the relevant information is cross-shared on the cloud, and machine learning utilized to boost the speed and accuracy of granular, behavioral variables-based lending decisions. Nowhere is this nexus and finance and technology, underpinned as it is by data and algorithms, more developed than in China. The model's data-rich underpinning has also been its Achilles Heel, of late. The Chinese state has imposed tough regulatory punishments to deter monopolistic behavior. Of greater import, as U.S.-China relations have broken down, the Chinese state has rushed through stringent new laws and guidelines to strengthen data protection as well as the security of network products and services linked to the cross-border flow of data. The zeal to limit foreign listing of key information infrastructure and core data from being maliciously exploited by an adversary is matched by an equal determination within the Beltway to shield the sensitive personal data of Americans from questionably transparent Chinese bidders as well as delist Chinese companies from major U.S. stock exchanges for a host of reasons ranging from national security risk to their failure to abide by standard audit disclosure requirements. As data and capital markets across the Pacific decouple, a number of high-profile Chinese companies, such as Ant and Didi Global, as well as American investors have been caught in the crossfire.

In the context of these fast-moving developments, the event will discuss (a) the heady innovation in the fintech space in China and Asia, (b) the motivating factors behind the regulatory storm unleashed by the Chinese Communist Party on its home-grown Big Tech pioneers, (c) the investment implications of these stark Chinese technology regulations for American investors, and (d) the depth of sentiment against China on Capitol Hill as U.S. agencies set about bringing Chinese companies to heel on complying with U.S. legislative and regulatory requirements.

## *Panelists*

**Zennon KAPRON**

Founder and Director, Kapronasia

**Sara HSU**

Visiting Scholar, Fudan University

**Martin CHORZEMPA**

Senior Fellow, Peterson Institute for  
International Economics

*Moderated by*

**Denis SIMON**

Senior Advisor to the President for China Affairs, Professor  
Duke University

## *Welcoming Remarks by*

**Nong HONG**

Executive Director, Institute for  
China-America Studies

## *Concluding Remarks by*

**Yawei LIU**

Director, China Program  
Carter Center

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**Zennon KAPRON** is the Founder and Director of Kapronasia, one of Asia's leading providers of consulting services focusing on the fintech industry. Zennon has been involved in financial technology for over 20 years and covers all topics fintech and blockchain. Before Kapronasia, Zennon was the Global Banking Industry Manager for Intel based out of Shanghai, China and, prior to Intel, was the CIO for Citigroup Portugal. Zennon has testified in front of the U.S. Congress on issues of China fintech and is the author of 'Chomping at the Bitcoin: The History and Future of Bitcoin in China' published by Penguin. He holds a B.S. in Computer Science from Syracuse University and an MBA from INSEAD.

He is a member of the United States Council for Security Cooperation in the Asia-Pacific (USCSCAP) and was a 2012 East Asia Forum Distinguished Fellow.



**Sara HSU** is a Visiting Scholar at Fudan University. Prior to that, she was an Associate Professor of Economics at the State University of New York at New Paltz. She specializes in Chinese fintech, economic development, informal finance, and shadow banking. She has published one of the only English-language books on the topic of Chinese fintech, "China's Fintech Explosion," and informal finance, "Informal Finance in China: American and Chinese Perspectives," as well as one of the only Chinese-language books on Chinese shadow banking. She has also published a number of articles and books on the topics of sustainable development, financial crises, and trade.

Sara Hsu earned her Ph.D. from the University of Utah and her BA from Wellesley College.



**Martin CHORZEMPA** joined the Peterson Institute for International Economics as a research fellow in 2017 and has been a senior fellow since January 2021. He gained expertise in financial innovation while in Germany as a Fulbright Scholar and researcher at the Association of German Banks. He conducted research on financial liberalization in Beijing, first as a Luce Scholar at Peking University's China Center for Economic Research and then at the China Finance 40 Forum, China's leading independent think tank. In 2017, he graduated from the Harvard Kennedy School of Government with a masters in public administration in international development. He is working on a forthcoming book on fintech in China. He has been quoted in the Wall Street Journal, New York Times, Washington Post, Financial Times, MIT Technology Review, and Foreign Affairs.



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**Denis SIMON** is Senior Adviser to the President for China Affairs at Duke and Professor of China Business and Technology at Duke's Fuqua School of Business. He is also a Senior Advisor to the Institute for China-America Studies Trade 'n Technology Program. Fluent in Mandarin Chinese, Simon has more than four decades of experience studying business, competition, innovation and technology strategy in China. He was awarded the China National Friendship Award by Premier Wen Jiabao. Prior to returning to Duke, Dr. Simon served as Executive Vice Chancellor at Duke Kunshan University in China (2015-2020). Simon has served as senior adviser on China and global affairs in the Office of the President at Arizona State University; vice-provost for international affairs at the University of Oregon; and professor of international affairs at Penn State University's School of International Affairs.



**Nong HONG** holds a PhD of interdisciplinary study of international law and international relations from the University of Alberta, Canada and held a Postdoctoral Fellowship in the University's China Institute. She was ITLOS-Nippon Fellow for International Dispute Settlement (2008-2009) and Visiting Fellow at Australian National Centre for Ocean Resources and Security (2019), the Center of Oceans Law and Policy, University of Virginia (2009) and at the Max Planck Institute for Comparative Public Law and International Law (2007). She is concurrently a research fellow with China Institute, University of Alberta, Canada, and the National Institute for South China Sea Studies, China. Her research takes an interdisciplinary approach to examining international relations and international law, with focus on International Relations and Comparative Politics in general; ocean governance in East Asia and the Arctic; law of the sea; international security, particularly non-traditional security; and international dispute settlement and conflict resolution. Her selected publications include *China's Role in the Arctic: Observing and Being Observed* (London and New York: Routledge, 2020), *UNCLOS and Ocean Dispute Settlement: Law and Politics in the South China Sea* (Routledge, 2012).



**Yawei LIU** manages the China Focus at the Carter Center and has been a member of numerous Carter Center missions to monitor Chinese village, township, and county people's congress deputy elections since 1997. Dr. Liu has written extensively on China's political developments and grassroots democracy, including three edited book series: "Rural Election and Governance in Contemporary China" (Northwestern University Press, Xi'an, 2002 and 2004), "The Political Readers" (China Central Translation Bureau Press, Beijing, 2006), and "Elections & Governance" (Northwestern University Press, Xian, 2009). He is the founder and editor of the China elections and governance website [www.chinaelections.org](http://www.chinaelections.org). Dr. Liu is also co-author of the popular Chinese book "Obama: The Man Who Will Change America" (October 2008).

