

The Impact of International Experience on the Development of Financial Technology (FinTech) and Global Business Integration: A Case Study of Vietnam

تأثير الخبرة الدولية على تطوير التكنولوجيا المالية (FinTech) وتكامل الأعمال العالمية

دراسة حالة فيتنام

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Abstract:

This study examines the swift growth of Financial Technology (Fintech) and its crucial impact on global economic advancement, particularly in Vietnam, a developing economy in Southeast Asia. The text emphasises the COVID-19 pandemic's role in expediting the expansion of Vietnam's Fintech sector and analyses the elements that facilitate its success, such as governmental backing, proficient personnel, and a conducive regulatory framework. This research conducts a narrative literature review to examine global experiences in Fintech development and their effects on foreign trade, while comparing them to Vietnam's emergence as a Fintech hub. The research additionally examines issues including cybersecurity threats and adherence to regulations. The results yield significant insights for policymakers, entrepreneurs, and investors, presenting practical implications for fostering Fintech ecosystems in additional emerging markets. This research enhances the comprehension of Fintech evolution in emerging markets and outlines a strategy for promoting sustainable growth in the global Fintech industry.

Keywords: Financial technology; Fintech; Foreign trade; Development; Vietnam.

JEL Classification Codes: G20, O16, O33, M16.

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ملخص:

تكشف الدراسة عن التوسع السريع للتكنولوجيا المالية (*Fintech*) ودورها المهم في التنمية الاقتصادية العالمية، مع التركيز على دولة فيتنام، أحد الاقتصاديات الناشئة في جنوب شرق آسيا. وتسلط الضوء على كيفية تسريع جائحة كوفيد-19 لنمو صناعة التكنولوجيا المالية في فيتنام وتفحص العوامل التي تساهم في نجاحها، بما في ذلك الدعم الحكومي والمهنيين المهرة والبيئة التنظيمية المواتية. من خلال مراجعة الأدبيات السردية، يحلل البحث الخبرات الدولية في تطوير التكنولوجيا المالية وتأثيرها على التجارة الخارجية، ويقارن بين صعود فيتنام كمركز للتكنولوجيا المالية. كما تتناول الدراسة تحديات مثل مخاطر الأمن السيبراني والامثال التنظيمي. توفر النتائج رؤى قيمة لصناع السياسات ورجال الأعمال والمستثمرين، وتقدم آثاراً عملية لزراعة أنظمة التكنولوجيا المالية في الأسواق الناشئة الأخرى. يساهم البحث في فهم أوسع لتطور التكنولوجيا المالية في الأسواق الناشئة ويقدم خارطة طريق لتعزيز النمو المستدام في قطاع التكنولوجيا المالية العالمي.

كلمات مفتاحية: التكنولوجيا المالية؛ التكنولوجيا المالية؛ التجارة الخارجية؛ التنمية؛ فيتنام.

تصنيفات JEL : G20, O16, O33, M16.

1. INTRODUCTION

As information technology has gotten better and the Internet has changed quickly, a tsunami of financial technology innovation has spread over the world. FinTech is any business that uses technology to make financial services better and more efficient (Leong & Sung, 2018). FinTech is a term that covers a lot of different technical tools and new ideas that are meant to compete with traditional ways of providing financial services. In the past, these new technologies were seen as a danger to the banking industry. However, new partnerships are forming to combine the best parts of fintech and banks to offer better banking services. So, research output must help people understand this new area better.

Fintech, which stands for "financial technology," is the use of technology to enhance and streamline traditional financial services. New technologies like AI, blockchain, machine learning, and mobile apps have opened up many new doors in the world of finance. These new ideas have

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made payments, loans, and investment easier and more open. Still, they also bring up new problems, especially when it comes to keeping data safe and disrupting traditional banking institutions. Fintech has grown a lot since it first appeared in the late 2000s. The last ten years have seen the most impressive growth.

Mobile payment apps have made a big difference in this field. PayPal, Venmo, and Alipay are just a few of the platforms that have made it easier to make online payments and transactions without cash. They have made financial transactions easier for customers, saving time and increasing security. The peer-to-peer (P2P) lending industry has grown a lot. Platforms like LendingClub, Prosper, and Zopa let borrowers and investors talk to each other directly, without going through traditional banks. This has made it easier and cheaper for people and small businesses to get money.

The introduction of blockchain technology has also led to new uses in the financial industry. Bitcoin and Ethereum are two examples of cryptocurrencies that have gotten a lot of interest from investors and consumers. Blockchain projects like Ripple and Corda have made international financial transactions faster and cheaper. The rise of Fintech marks the start of a new era in the financial sector, one that offers more ease, transparency, and cost-effectiveness. But it also makes security and risk management harder. Fintech technologies are becoming more and more important in emerging economies like Vietnam. They need to be adopted and used strategically. Fintech has become a key part of the digital revolution throughout the world, bringing both benefits and problems to countries like Vietnam. So, understanding and learning from the experiences of other countries in the field of Fintech is not only helpful, but necessary for Vietnam to reach its full potential and deal with the problems it is now facing.

As a result, we carefully look at worldwide experience with expanding foreign commerce in the FinTech industry using data from the United Nations (UN) and the World commerce Organisation (WTO). There

is growing concern about how FinTech might affect foreign commerce, especially trading between companies in the same industry, which has been a hotbed of technology progress and shows strong productivity development (Eliseo Lucero-Prisno et al., 2022). The global growth of FinTech is looked at, and its effects on public policy in emerging economies are discussed.

2. Literature Review

2.1 Definition and Scope of FinTech

The phrase "Financial Technology" (FinTech) is becoming more popular, especially since internet payment methods became available. Most people think of FinTech as a way to do business, like Alipay, PayPal, and the iPhone App Store. FinTech is also the subject of researchers and contests. At the 2015 Winter Simulation Conference, there was a unique symposium just for the financial industry. The name of the workshop included the word "FinTech." SWIFT held the FinTech start-up competition Innotribe in the same year (Leong & Sung, 2018). After talking about it and looking at current research, it is said that the phrase "FinTech" needs a definition, as do the technologies that go with it. The goal of this study is to give a definition, a list of expected technologies, and an examination of how these technologies could add value to businesses. The FinTech business covers a lot of ground (Gozman et al., 2018). The FinTech sector includes any new technology that has to do with money. Here are some clear examples to help you understand this idea: A A Post-it note is a FinTech since it is a technology that already exists and is related to finance. The design of workplace accounting is an example of FinTech, but a collection of accounting records is not FinTech, even though it might be used as a guide for redesigning the design. The FinTech industry's criteria include:

1. A wide range of technologies, as long as they are related to finance.
2. An invention is something that already exists or can be easily thought of (not just an idea).

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3. Improving the financial process might include changing the current design or making certain characteristics work better.
4. A formal method might be a mathematical model, an algorithm, or software code. Because of this, many managerial goals, designs of financial derivatives, or even regulatory frameworks would not be part of the FinTech industry.

2.2 Importance of Foreign Trade in the Global Economy

Foreign business is the trade of money, goods, and services across boundaries or in other countries. It makes the world more connected and creates a one global economy. Almost all countries trade goods, services, or money with one other. International trade is important for the growth of the world's economy. A foreign trade firm acts as a middleman in international financial transactions, making foreign financial markets more liquid by handling the complex relationships between banks that borrow euro deposits and lend money abroad (Feal-Zubimendi, 2009).

There are a number of reasons why international trade is important for countries. At first, it helps the economy grow. International trade makes a business more visible in the market. This change has allowed businesses to reach a wider market, especially in developing nations that supply raw materials for production. Companies can make more money. More money coming in makes the economy more active and helps it thrive. Second, there are bigger transfers of knowledge and technology. Countries trade with one another to exchange knowledge and technology. Joint ventures make it easier for companies to adapt and change in foreign markets. Emerging countries have an edge in technology transfer, expertise, and management skills. Third, international trade creates jobs. Improvements in foreign commerce offer job opportunities at both the national and regional levels. Global participation makes it necessary to have new products, factories, and business locations. Fourth, trade with other countries may make businesses in your own country more competitive.

2.3 The Intersection of FinTech and Foreign Trade

Foreign trade is the trade of goods and services between countries. It helps nations access commodities and resources that may not be available in their own countries, and it may help the economy thrive by creating new markets for excess output (Didenko, 2018). FinTech, or financial technology, is the use of technology and new ideas to improve financial services. A FinTech company may make a product that lets people pay for things online, quickly, and safely when they do business with people in other countries. A foreign trade company could use specific technologies to improve logistics, boost productivity, and get just-in-time inventory (Leong & Sung, 2018).

Even if these two areas have grown in different ways, they may nevertheless interact and affect each other in a number of ways. Foreign trade can help FinTech grow, but it can also make it harder for the company to enter worldwide markets. On the other hand, technical progress, the move towards a digital economy, and success in FinTech may all help foreign trade. Certain technologies will affect rules and laws, which will change the kinds of transactions that happen in international trade.

2.3.1 Benefits and Challenges of Implementing FinTech in International Trade

FinTech is leading the way in new ideas in finance. It is a broad term that covers a wide range of two-sided business ideas that are focused on technology. They use technology to help them provide financial services, but they don't see it as a separate service or product. Companies that use FinTech, such banks, insurers, payment processors, and mobile network providers, may focus on making ways for their customers to get their goods or services (Didenko, 2018). The goods or service would still be very normal. The goal is to make the customer experience better by lowering costs, making things easier to use, speeding up and securing transactions, and finally getting more people to use the service. On the other hand, financial companies that use disruptive business models would make items

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or services that are very different from what is normal in the sector. If they were successful, they would change the rules of the game by making new ones.

FinTech is expected to both aid and hurt international trade. It helps to level the playing field between the foreign seller and the buyer, which builds social trust. This would save time and money on transactions by automatically changing the things that are delivered dependent on the weather. Comprehensive netting could also lower the chance of a counterparty default and speed up the cash settlement process. On the other hand, businesses that want to be more efficient would make a supply chain network less effective by making demand for transportation services more unpredictable. Also, the need to constantly update the software needed for FinTech solutions might hurt a company's competitive edge, as competitors with better technology could be able to attract more attractive customers. But the literature doesn't fully cover these problems. To understand the pros and cons of FinTech in international trade, it is important to look at how it has been used in different countries and industries.

2.4 Case Studies of Successful FinTech Applications in Foreign Trade

Blockchain technology is used to control the supply chains for imports and exports. This project uses blockchain technology to manage the supply chain for imports and exports. The Symmetric Lightweight Finite State Machine (SLFSM) was used to look into the blockchain's performance issues, and the results satisfied the WP1 standards. Blockchain is a digital ledger that can't be changed. It is made up of a series of interconnected data blocks that are structured in a decentralised way. In terms of storing data, this refers to a structure that can't be changed after it has been recorded and connected to the next block (Leong & Sung, 2018). Adding new data requires creating a new block that points to the hash of the previous block. This is because each block is unchangeable and can only be added to. If you change a block, this hash reference would no longer be valid, which would stop the whole chain and prevent any changes to earlier

blocks. Blockchain is a way to fix faults that affect the whole system. These kinds of transactions are cryptographically signed in a way that doesn't depend on a central authority.

Blockchain technology creates a framework that is unchangeable and open to everyone, which builds confidence and reduces fraud. It may be used for a wide range of transactions, including trade financing, Know Your Customer operations, and receipt automation. Companies in the consumer electronics supply chain that exchange a lot of data could have an advantage over their competitors if they all have access to a shared, global, and unchangeable database. In international trade, buying and selling physical goods involves a number of financial and commercial tools, such as a sales contract, a bill of lading, insurance, submitting documents for payment, and accepting payment. Each of them usually includes one or more organisations and a lot of contracts worth billions of dollars. Still, the old-fashioned way of trading documents has a number of problems that make it hard to go forward smoothly. The main problems come from relying too much on bank loans, which makes business transactions hard, unpleasant, and time-consuming. To keep up with global social and economic progress, financial services need to be easier to get to, more open, and more accessible to everyone. Right now, the world's business and financial systems make it hard to get money for trade and investment and to access each other's markets. The growth of international trade and the rise of countries that send money abroad show how important it is to have fairer business and financial systems.

A digital payment system for international transactions. The topic of Shen Zhen Yingwai Xun Long Technology Co., Ltd. is "Costless Payment through Sino-US Cooperation," and the company focuses on high-frequency payments in China. It uses schools as middlemen to work on the research and development of multi-institution accounts, which would eventually lead to a fast, high-value remittance model for many parties through Alipay. The company now has three main lines of business: collecting and distributing payments quickly; selling train tickets and

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transferring YW accounts for students; and creating payment collection and distribution systems that can be changed to meet unique needs. The idea of "one-word payment" limits money. Currently, 82% of online purchases have unresolved payments after shipping, and adding payment collection agents can help get the money. When CBDC is issued, something called "one-word payment" happens, which ties the cash. Domestic payment companies can only handle 95 of the 106 cross-border business transactions. Industrial finance deals with the problem of companies not being able to pay for raw materials from other countries. China's Payment Development Plan advises making it easier for people in other countries to use global digital currencies.

2.4.1 Blockchain Technology in Supply Chain Management

The China-Europe Railway Express is a global rail freight service that connects more than 30 places in China with more than 40 destinations in Europe. The fast rise in the amount of freight means that rail blade controllers need to be run and managed well. For this purpose, there is an intelligent service solution that uses blockchain technology. With open-source RFID chips, an intelligent collector framework is made to gather data from different information silos throughout the supply chain. It shows how important it is to carefully combine different types of data in a blockchain-based service solution (Eljazzar et al., 2018).

Global supply networks rely on moving goods between countries using several types of transportation. Also, things made in other countries may involve international trade or money transfers through banks and other financial institutions. It will take a long time for the shipment of machinery from Italy to China to get there. There may be multiple partners in different nations involved in the shipping process. Most of the time, manufacturers utilise goods forwarders to plan shipments. While being shipped, passport authorities, customs, and other regulatory agencies will check the contents of containers. Some things may need more paperwork to get through

customs, depending on the country and the type of commodity (Ioannou & Demirel, 2022).

2.4.2 Digital Payment Systems for Cross-Border Transactions

As global markets have grown, making it easier for businesses and governments to do business with each other has become a top concern. Cross-border transactions can be difficult and take a long time since traditional procedures that include banks for currency conversion and payment transfer to middlemen can take days and cost a lot of money (Stojanov, 2019). Regional and local banks can't perform these kinds of things on their own; they need the help of intermediary banks. As a result, countries with limited access to money or bad laws may be left out of the global economy. Small and medium-sized businesses (SMEs) may have a hard time expanding internationally because they don't have the resources to deal with the difficulties of building trust with foreign partners, converting currency, language barriers, and differences in politics and economics between countries. International trade is naturally complicated, especially when existing rules start to cause more problems than they solve (Hu et al., 2022).

Government frameworks like INCOTERMS are examples of widely accepted trade processes. These rules are known over the world, but they don't stop fraud, which is often blamed on human error or carelessness rather than malevolent intent. In a multinational firm, it's really important to trust your partners since it's hard to keep an eye on things and not following the rules might have serious consequences. In both business and the marketplace, a lot of people don't trust their overseas partners. Working with partners you don't know or can't trust is always hard. In the B2B commerce model, companies might commit fraud, default, or go bankrupt, which can cost lenders money. Corporate credit is quite expensive because of how reliable it is, since partners might do things that cause big losses.

3. The Current State of Fintech in Vietnam

Vietnam's digital financial services (DFS) industry is growing faster than any other in Southeast Asia. The market was worth \$1 billion in 2021, which represented 6% of the regional market. This number doesn't fully show how much the market may increase. Forecasts say that by 2025, Vietnam's DFS business would be worth \$3.8 billion, with a compound annual growth rate of 38%. This means that it will be bigger than Singapore's market. This increase is helped by the growth of Vietnam's whole digital financial ecosystem. The Vietnamese digital financial services market was expected to have a total transaction value of \$22.6 billion in 2022, with a compound annual growth rate of 23.4% from 2020 to 2024. The growth rate is expected to slow down, but the key drivers are still robust. Vietnamese consumers are now more likely to use digital payments, manage their assets, and shop online. This has created opportunities for fintech companies that focus on digital payments, alternative finance, wealth management, and blockchain applications. Vietnam is home to over 260 financial companies that serve a wide range of customers and offer services in growing fields. Vietnam's fintech business got \$137.9 million in reported investments in 2022, even as worldwide fintech funding was down. This was 2.3% of the total transaction value in the area. Even while this number is lower than the highs of \$562.2 million in 2021 and \$426.2 million in 2019, it is still a big increase from the pandemic-affected year of 2020, when just \$0.98 million in investments were made. The fintech sector in Vietnam has a lot of room to expand and invest, but some parts need further work.

The drop in investment for fintech startups in Vietnam in 2022 shows that the whole sector is having trouble with money since the economy is becoming worse. Investors have become more careful and discriminating as macroeconomic conditions have become less stable. They now value profitability above expansion at any costs. This change in how investors feel shouldn't be considered as a bad thing. It is an important part that pushes Fintech founders to rethink their capital burn projections and put

long-term development through profitability at the top of their list of priorities. Investors are focussing on business strategies that offer a clear route to profitability and long-term viability as the economy becomes more unstable. At first, the drop in total transaction value in 2022 may appear scary, but it might also be seen as a necessary change. The excitement about investing in Fintech that came from the quick adoption of digital financial services during the COVID-19 pandemic has turned into a more cautious and selective investment approach.

This new field will be hard at first, but it is projected to improve the Fintech ecosystem in Vietnam by getting rid of business models that don't work and putting more focus on making money and running a firm efficiently. Fintech companies will need to adapt their ideas, find ways to save money, and show how to make money in order to handle this transformation well. Investors, on the other hand, need to adopt a more complex and patient approach, understanding that the path to long-term success in this fast-changing market may not be straight. The Vietnamese Fintech sector is ready for additional growth and progress in the next years if it takes a more careful and long-term strategy.

3.1 Experiences in Fintech Development in Selected Countries Around the World

3.1.1 Experience of Singapore

Since 2016, Singapore has been the best place in the region for Fintech innovation. A detailed plan started by the administration has helped this stance go forward. The opening of a separate Fintech office in October 2016 was a key part of this plan. This office was meant to be a complete organisation that brings together numerous government agencies, such as the Monetary Authority of Singapore (MAS), the Economic Development Board (EDB), the Infocomm Media Development Authority, and Enterprise Singapore. This one platform helps Fintech companies by giving them information about government-sponsored financial aid and helping them keep up with the evolving legal and regulatory framework in the financial

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sector. The Fintech Innovation Lab opened in August 2016, which improved the ecosystem. This collaborative space lets people in the Fintech sector work together to come up with new ideas. In October 2016, MAS put in place rules that gave Fintech companies more freedom to come up with new financial products and made it less likely that they would get in trouble with the law. These smart moves have helped Singapore become a major Fintech hub. The government does, however, admit that the city-state has not yet fully taken use of the potential of financial innovations.

Fintech investment in Singapore reached \$4.1 billion in 2022, a big jump from the previous year. This is a 22% rise from 2021 and a 75% increase from 2020. This sum is less than the record high of \$5.62 billion set in 2019, but it is the second-highest level of investment in Singapore's Fintech history. Payments, cryptocurrencies, and Regulatory Technology (RegTech) were some of the most important investment areas in the world in 2022. Singapore's investment climate was quite similar to these trends. There was a big increase in RegTech investments, and investors started to pay more attention to early-stage Fintech agreements instead of late-stage ones. After the failure of FTX, Singapore is expected to become an even better centre for Fintech innovation, especially in managing cryptocurrencies. Other Asia-Pacific countries, such as Japan and Hong Kong, are also expected to do the same.

3.1.2 Experience of South Korea

South Korea has become a world leader in information and communication technology (ICT) infrastructure, which has had a big impact on the financial industry. A lot of money has been put into new technologies throughout this change, which has led to the quick growth and diversity of the financial ecosystem. Since the early 2000s, huge tech companies (BigTechs) and big Fintech companies have been slowly taking over the Fintech industry in South Korea. To control this quickly growing business, South Korea set up strict rules that require electronic payment service providers to register with the Financial Services Commission (FSC) under

the Electronic Financial Transaction Act (EFTA). When the EFTA first went into effect in 2007, just 21 companies were registered. This number has grown to 157 by 2020. In addition, smaller businesses in manufacturing, retail, and distribution have also entered the Fintech industry, offering smooth payment services through their platforms. The Financial Supervisory Service (FSS) needs to know about these smaller providers. The effects of these changes may be observed in the large increase in the use of electronic payment methods in South Korea.

The National IT Industry Promotion Agency says that the number of payment gateway (PG) users grew by twelve times between 2008 and 2020. As a result, the share of electronic payment services in the country's GDP rose from less than 2% to more than 25%. In 2017, payment gateways held more than 70% of the market. By 2020, that number had dropped to 53% as the financial world changed. South Korea's strong IT infrastructure and high smartphone use have helped this growth happen. Also, the country's use of the open banking paradigm has led to a new relationship between banks and Fintech businesses. The Korea Financial Telecommunications and Clearings Institute (KFTC) runs the API Hub platform. It allows institutions to work together by letting them join the Open Banking Platform (OBP) as long as they follow certain rules. The KFTC provides a pre-connected testing environment for Fintech companies, making it easier for them to join the existing financial system.

3.1.3 Experience of Japan

Japan has taken a proactive approach to creating a complete legal and regulatory environment that helps its Fintech sector grow. The Japanese government named Fintech as a key area for growth in its "2016 Japan Revitalisation Strategy." After then, the restrictions were changed, notably the "Bank Act," to encourage banks to start IT-related businesses that focus on Fintech. Japan set up the "Regulatory Sandbox" framework to encourage innovation. This lets new technologies and business models be tested in a controlled setting.

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The Japanese government has taken steps to create a good environment for Fintech businesses, including setting rules and regulations. From October 2019 until June 2020, the Ministry of Economy, Trade, and Industry (METI) started a program that gave a 5% discount on purchases made with credit cards, debit cards, prepaid IC cards, or smartphones at registered retail stores and small to medium-sized restaurants. This incentive was meant to get more people to use digital financial services. The Financial Services Agency (FSA) and the Tokyo Metropolitan Government (TMG) have also put together teams to try to get foreign financial service companies to come to Japan. These projects show how serious Japan is about becoming a global Fintech hub. Japan has taken a broad approach to digitising its financial and administrative procedures, going beyond just rules for Fintech. These initiatives include turning personal identity into digital form, testing personal information cards, adding electronic personal identification to cell phones, and setting up a data management system to make government processes more efficient. Japan wants to create a lively and creative Fintech environment by putting these laws into place. They want to encourage experimentation, make it easier for people to use digital financial services, and make the country an attractive place for both local and foreign Fintech companies to do business.

3.1.4 Experience of the UK

The UK is now the second-largest place in the world for Fintech investments, after the US. The UK's Fintech industry had a big drop in investments in 2022, going from \$39 billion to \$17.4 billion, a drop of nearly 56%. This was despite the fact that the UK is the leader in Europe in this area. Higher interest rates and ongoing inflation were the main reasons for this drop. Also, there were fewer mergers and acquisitions, private equity deals, and venture capital deals, with just 593 deals recorded in 2022. Fintech investment in the UK fell to \$5.9 billion in the first half of 2023, which was a continuation of this trend. The UK's Fintech ecosystem, on the other hand, is strong, with more than 1,600 enterprises currently in the area. This number is expected to triple by 2030. The industry supports more than

76,000 employment and adds more than £11 billion (\$13.4 billion) to the UK economy.

The UK government has made Fintech a top priority because it is strategically important, especially now that the country is changing its relationship with the EU. The U.S. Treasury and the UK's Treasury set up the U.S.-UK Financial Innovation Partnership (FIP) in May 2019 to get more private sector involvement, exchange regulatory information, and encourage new ideas. Ron Kalifa, OBE, led a thorough investigation of the Fintech business in the UK government in 2021. This review led to suggestions for changes to the UK's listing criteria, better technology visas, the building of a regulatory "scalebox," and the creation of a Centre for Finance, Innovation, and Technology. The UK government always puts technology investments first. It uses the country's highly skilled workforce, strong demand for innovative goods, and strong legal framework to make the Fintech industry a favourable place for small and medium-sized businesses and financial institutions. The UK has been in the forefront of supporting new financial standards. For example, the Fintech Sandbox was set up in 2015, and the "Fintech Sector Strategy" was put into action in 2018 to help Fintech companies deal with problems. The demand for new Fintech services has led to a lot of acceptance. By the end of 2020, more than 12 million people in the UK had accounts with digital-only banks, and over two-thirds of the population used contactless cards. Also, 83% of small and medium-sized businesses (SMEs) in the UK use mobile banking. This has led traditional banks to use cloud-based solutions to make things more efficient, speed up loan approvals, and improve customer service.

3.2 Lessons for Vietnam in Developing Fintech

Vietnam's efforts to improve its Fintech sector are significantly influenced by international experiences in Fintech development. One of the most important lessons is that we need to build a regulatory framework that is open and adaptable. Major worldwide Fintech ecosystems have established flexible regulatory frameworks that encourage new technologies while keeping consumers secure and the economy stable. Singapore's

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"sandbox" policy lets Fintech companies test new products and services in controlled settings, which encourages innovation and lowers risk. Also, encouraging teamwork in the Fintech ecosystem is important for long-term growth. In countries with advanced Fintech businesses, like China, solid financial systems have been built that make it easy for Fintech companies, banks, investors, customers, and third-party service providers to work together. China's electronic payment networks, such as Alipay and WeChat Pay, show how working together may help Fintech services become more widely used.

For the sector to move forward, it is important to encourage new ideas and improve Fintech's competencies. Countries like UK, who have strong Fintech industries, have environments that are good for business because they have access to venture capital, startup incubators, and a lot of training programs. These things all help create a vibrant and creative ecosystem. Based on what works well throughout the world, Vietnam might have a number of strategic options. First, focus on improving the rules and regulations by tailoring them to the specific needs of different Fintech goods and services. Second, it's important to improve coordination throughout the ecosystem so that Fintech companies and other key actors can work together more effectively. Third, encourage innovation by making rules less strict and giving people money to learn more about digital finance. Vietnam can tap into the potential of its Fintech sector and boost the country's overall economic and social progress by learning from these lessons from foreign Fintech professionals.

In this modern age of digital revolution, it has become very important for governments all over the world to build a Fintech ecosystem that is both sustainable and efficient. The United States, China, Singapore, the United Kingdom, and India are all well-known countries that have built robust Fintech ecosystems by encouraging cooperation among key actors and creating conditions that are good for Fintech growth. Vietnam might reach its full potential in the Fintech industry by utilising similar strategic approaches and regulations based on evidence.

Vietnam is in a good place to take advantage of the revolutionary potential of financial technology since it is one of the Southeast Asian nations with a lot of room for growth in Fintech. Still, for Vietnam to build a strong Fintech ecosystem, it has to learn from the best in the world and adopt foreign best practices wisely. Building a strong Fintech business would not only help the economy grow, but it would also help make the digital economy fairer and more efficient. Vietnam may create a regulatory framework that balances innovation with risk management by working with Fintech leaders and encouraging cooperation between Fintech businesses, financial institutions, regulators, and end users. Vietnam may also be able to improve the skills of its own Fintech startups and existing businesses by using global Fintech experts and knowledge-sharing platforms. Sharing ideas and technology will help Vietnamese Fintech firms create solutions that are tailored to the needs of the country's businesses and customers, which will help the country's overall economic growth. Vietnam has the potential to become a Fintech leader in Southeast Asia and beyond since it is committed to continual education and spreading knowledge aggressively. Vietnam can meet the changing financial needs of its people, businesses, and institutions by becoming a hub for Fintech innovation. This will eventually help the digital economy grow in a way that is more open, efficient, and sustainable.

4. Emerging Trends and Future Directions in International FinTech and Trade

As part of this framework, the study looks at the constantly changing sector of international financial technology, as well as the trading modes and algorithms that are needed. It means knowing about past, present, and future worldwide financial technologies for putting down or borrowing a lot of extra or missing money (Karkkainen et al., 2018). It takes foresight to understand the FinTech-focused algorithms, methods, and rules of local financial systems that make it easier for International FinTech and overseas trade to happen. "Scoration" is a way to measure how well you know and

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understand the issues that are important for success in the new Global FinTech and Foreign Trade (Carlos de Paz, 2022).

4.1 Artificial Intelligence and Machine Learning in Trade Finance

Artificial intelligence (AI), machine learning (ML), and data analytics are changing how businesses function and how they do business in many industries. The Cambridge Centre for Alternative Finance says that the fintech jurisdiction revolution has made it possible for new and better alternative trade finance solutions to be created. A lot of these fintech alternatives use data analytics, AI, or machine learning models to make banking easier (Mhlanga, 2021). Automating the digital processing of trade finance applications makes it less necessary for people to make decisions from the start. AI is used to look at small and medium-sized businesses using past customer records, market data, and a lot of other data sources. The Cambridge Centre for Alternative Finance sees the potential of AI and ML models for keeping an eye on transactions, finding suspicious behaviour related to money laundering, and sending out alerts for transactions that seem suspicious. These algorithms use complex techniques including clustering, natural language processing, social network analysis, random forests, and neural networks to find fake transactions.

In this area, fintech services that use AI and ML models get rid of erroneous alerts for small and medium-sized businesses (SMEs) during the first risk profile and look at financial transactions to find customers' risk histories, recognisable risk patterns, and other confirmed workflows or behavioural tendencies. Net Guardians employ neural networks to find patterns in business models and compare the transactions of local small and medium-sized businesses to the national speed of financial transactions. Fort Connect uses predictive machine learning algorithms to find and show unusual point-of-sale transactions by small and medium-sized businesses (Cao, 2021). Normal banking methods just provide you trigger rules and threshold limits. Businesses that use AI and ML models only use data and

models that don't explain themselves, which puts the systems at risk of becoming algorithmic black boxes.

4.2 The Role of Big Data Analytics in Global Trade

Big data analytics may make trade finance far more efficient, reliable, and safe, making it easier for small and medium-sized businesses to do business. This study makes it easier to find possible difficulties and hazards in the international supply chain, which lets people avoid or fix problems quickly while lowering the risk of trade fraud and other problems. ADBI, the Tokyo Development Learning Centre, and others are running a curriculum just for NDCs that looks at the current global trends and practices in trade finance and how big data analytics may be used in that area. At the same time, developing member countries who are interested will be asked to think about taking part in a pilot project for technical support that includes training to enhance capacity and working together on analytical projects (Mhlanga, 2024).

Importers, exporters, banks, insurance companies, inspection agencies, shipping companies, and logistics providers are all involved in the international trade financing process. The trade deals and logistics between all parties are complicated, take a long time, and aren't clear, which makes things more expensive and less efficient. This keeps small and medium-sized businesses from doing business internationally. The rapid growth of global online trading platforms is changing the way international business works. This is creating new problems and possibilities for making international financial operations more efficient. To properly evaluate trade activities, financing needs, and the risks that come with them in the supply chain, it is important to look at all trade and logistics processes among all parties and look into the pros and cons of using big data (Almeida, 2018).

5. Conclusion and Recommendations

The huge increase in foreign investment in the financial technology (fintech) industry and international trade between different countries has

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become a strong worldwide growth trend. Governments of countries that could embrace fintech should use information and predictions from five different countries in the fintech industry and international trade to help their own fintech sectors grow while also dealing with any challenges that might come up. Here are the suggestions: The government needs to work hard to protect the safety of operators and the privacy of customer information. It also needs to make the right changes to labour laws so that employees of fintech businesses don't have to deal with unfair repercussions. As fintech companies in countries that could accept them grow, the government must also improve rules and consumer education on new fintech products and services. The government should also encourage investment and involvement from businesses and industries outside of the fintech industry. When adopting new technologies, it's important to think about how different nations have different market sizes and how they compete with similar sectors. It is important to look closely at the successful hyper-converged firm models that use both fintech and international trade, because it is unclear if they will work in developing nations.

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