GLOBAL FINANCIAL REGULATORY HIGHLIGHTS REPORT

Q2 2025

FOREWORD

Welcome to the secondl quarterly financial regulatory highlights report. The report provides seeks to provide a 360-degree perspective of the key financial regulatory developments during Q2 2025 with an emphasis on policy and supervision priorities.

The report is structured thematically by the major pillars of financial regulation. Each section presents a synopsis of the major developments supported by specific examples from across major geographies. The primary objective of the report is to provide a fact-based overview of the main directions.

Information reflected in the report was collected via Regxelerator's AI-powered intelligence platform Regxplora, which automatically collects updates from ~700 financial regulatory bodies, central banks, standard setters and national ministries of finance and treasuries on a 24/7 basis.

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PRUDENTIAL & FINANCIAL STABILITY

OVERVIEW

In the second quarter of 2025, global financial markets operated amid elevated uncertainty and volatility, shaped by an increasingly fragile macroeconomic and geopolitical landscape. Geopolitical tensions, notably the reintroduction of broad-based U.S. tariffs and retaliatory trade measures by key trade partners, alongside escalating tensions in the Middle East, triggered renewed financial market turbulence. The developments have weighed on economic stability and global growth prospects, with the IMF and World Bank revising down economic growth forecasts for 2025 and 2026. Investor, business, and consumer sentiment has deteriorated in response, while market valuations have faced renewed scrutiny and correction pressures.

Despite the elevated uncertainties, financial systems across major advanced and emerging economies continue to be characterized as broadly resilient and well-positioned to navigate the uncertain environment, supported by strong capital and liquidity buffers. Nevertheless, there is growing vigilance by authorities and standard setters and a clear consensus that financial markets remain vulnerable to further shocks amid the volatile macroenvironment.

CREDIT RISK

Amid the challenging macroeconomic environment, credit risks in the second quarter of 2025 have remained generally resilient, although some vulnerabilities persist and could be further exacerbated by ongoing geopolitical tensions. Overall, the global banking sector, including both EU and US banks, benefits from strong capitalization levels - with EU/EEA banks reporting a CET1 ratio of 16.1% as of Q4 2024 - enabling them to absorb credit losses effectively.

However, growing concerns about the broader impacts of geopolitical tensions persist across markets. The European Banking Authority's latest risk assessment highlights that EU/EEA banks' exposure to sectors affected by tariffs could lead to higher credit risks. In the US, although business sentiment has stabilized, the risk of rising defaults from both businesses and households remains a concern. Similarly, increasing vulnerabilities from business and household debt, especially within riskier segments, could lead to higher credit losses should economic conditions worsen.

Real estate markets remain a significant concern in multiple regions, particularly in the commercial real estate (CRE) sector. While markets like the euro area and Australia show signs of recovery, structural challenges remain, including lower demand for office space and for non-prime or non-energy-efficient properties. In the US, the Federal Reserve notes some stabilization in CRE prices and fundamentals; however, the risk of distressed sales looms large for CRE borrowers unable to refinance their mortgages. In residential real estate (RRE), the Fed observes that prices remain elevated relative to fundamentals, well above historical averages.

Similarly, the ECB notes that while RRE prices in countries with sharp declines from 2022 peaks are improving, risks persist, particularly in overvalued regions. Moreover, these markets are particularly vulnerable to rising unemployment and fluctuations in long-term interest rates, which, coupled with macroeconomic uncertainty and geopolitical instability, could translate into significant downside risks.

Spotlight: FINMA guidance on risks in the real estate and mortgage markets

Against the backdrop of continued risk concerns and uncertainties, Switzerland's FINMA in May released new guidance on risks in the real estate and mortgage markets. Based on the insights from its supervisory activities including a survey on mortgage underwriting criteria at 27 banks and 18 insurance companies and on-site activity, it flags several shortcomings in current practices and reiterates its expectations towards licensed entities.

Affordability

Frequent overestimation of borrower creditworthiness and definition of loose internal affordability criteria

Collateral valuation

Use of procyclical property valuation models and low capitalisation rates, leading to overestimated property values, with insufficient regular validation by institutions

Loan-to-value ratio and amortization

Higher loan-to-value limits for income-producing real estate, insufficient consideration of risks from additional collateral, and improper allocation of loan amounts based on collateral values

Exception management

A high proportion of loans granted outside of the bank’s own criteria (ETP transactions), with insufficient flagging and monitoring of these transactions

Reputational risk

Insufficient consideration of reputational risks in the lending process, particularly regarding counterparties with non-transparent structures or poor track records

LIQUIDITY RISK

liquidity risks, too, have overall remained manageable within the broader banking sector amid the uncertain environment, but concerns have shifted more towards the non-bank financial sector, where vulnerabilities are emerging more clearly.

In general, the banking sector continues to benefit from strong liquidity buffers, providing resilience against potential shocks. Both European and U.S. banks, which entered the second quarter with ample liquidity, have been able to manage funding pressures effectively. In Europe, banks’ liquidity coverage ratios and net stable funding ratios remain robust, with the European Banking Authority confirming that EU/EEA banks' liquidity levels are significantly above the regulatory minimums . U.S. banks, meanwhile, reported stable deposit growth and strong funding resilience, with the Federal Deposit Insurance Corporation noting that banks have been able to maintain liquidity despite a challenging rate environment. However, there is recognition of potential challenges with the European Banking Authority flagging that banks may have difficulties maintaining high liquidity positions, including in foreign currencies, amid the current environment.

However, the situation is more complex within the non-bank financial sector (NBFI). This sector has seen increasing levels of leverage, which has heightened liquidity risks, particularly for entities such as hedge funds, private equity firms, and investment funds. The International Monetary Fund and the Financial Stability Board have highlighted the growing risks associated with liquidity mismatches in open-ended investment funds, particularly in the corporate bond and real estate sectors. These funds, which offer daily redemptions while holding less liquid assets, are particularly vulnerable to outflows during periods of market distress, potentially exacerbating liquidity pressures . In Q2 2025, concerns were also raised by the ECB, which noted that some corporate bond funds and other non-bank intermediaries may be poorly positioned to withstand significant liquidity shocks .

Non-bank financial institutions also face refinancing risks. In particular, funds and investment vehicles involved in longer-term investments, such as infrastructure and real estate, are susceptible to liquidity stress when market conditions worsen. The Financial Stability Board has pointed out that non-bank lenders are increasingly important in financing sectors like commercial real estate (CRE), where rising defaults could trigger broader liquidity strains if these institutions face funding challenges.

Spotlight: Liquidity risk in non-bank financial intermediation in focus in new FSB and IOSCO reports

The Financial Stability Board (FSB) and the International Organization of Securities Commissions (IOSCO) have each issued new reports that together offer a cohesive framework for addressing vulnerabilities in non-bank financial intermediation and enhancing liquidity risk management. The FSB's 19 June 2025 report, "Vulnerabilities in Non-bank Commercial Real Estate Investors," identifies specific areas of fragility among real estate investment trusts, property funds, and other non-bank mortgage lenders, highlighting liquidity mismatches, pockets of high leverage, and the opacity of valuations heavy near-term refinancing needs that could force deleveraging, and dense interlinkages with banks that magnify contagion risk. It underscores the need for robust monitoring and clearer data to mitigate spillover risks to the broader financial system—particularly where banks are exposed through financing relationships.

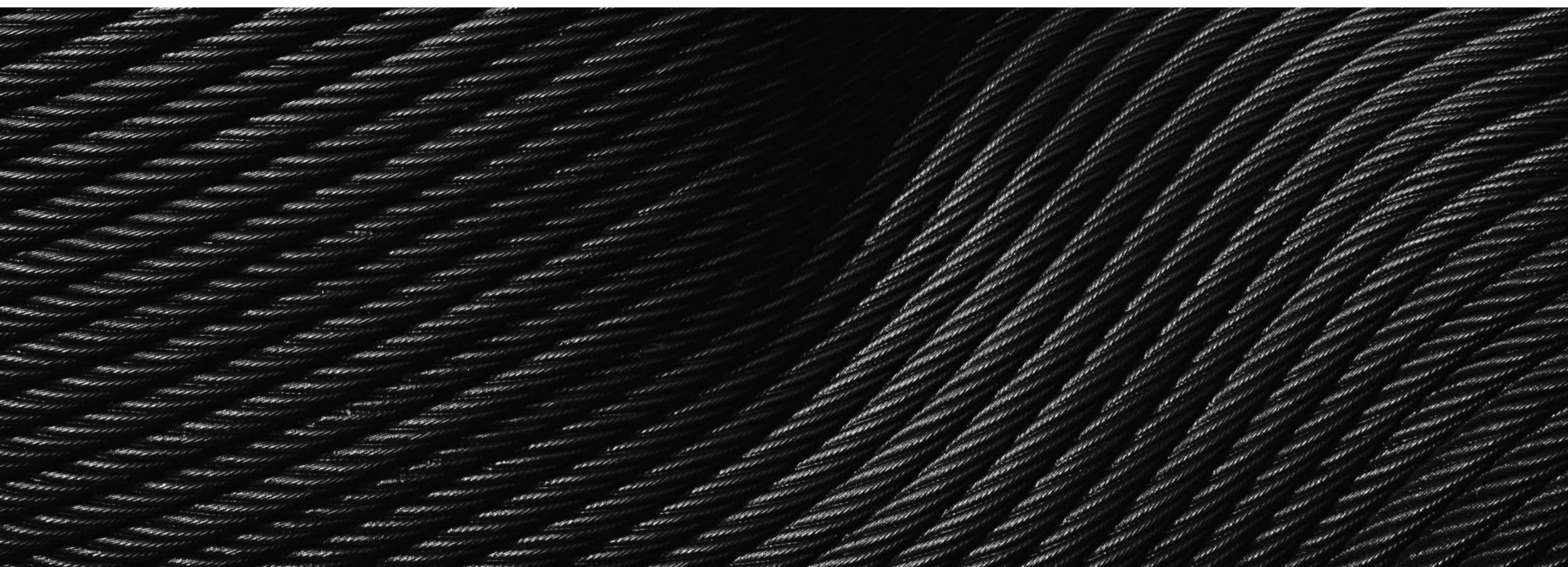
Meanwhile, IOSCO's May 2025 "Revised Recommendations for Liquidity Risk Management for Collective Investment Schemes" sets forth principles to ensure that open-ended funds' redemption terms remain aligned with the liquidity of underlying assets, supported by adequate stress testing, governance, and disclosures. Complementing these high-level standards, IOSCO's companion "Guidance for Open-ended Funds for Effective Implementation of the Recommendations for Liquidity Risk Management" offers practical details on applying anti-dilution liquidity management tools (ADTs) and quantity-based measures in both normal and stressed market conditions, with a view to preventing material investor dilution and first-mover advantage.

MARKET RISK

Against the backdrop of the escalating trade tensions, major asset markets experienced a spike of volatility including a sharp sell-off in early April, however, were able to recover much of their losses midway through the quarter and core markets continued to function in an orderly fashion despite strained liquidity at the peak of the turmoil.

Nevertheless, vulnerabilities in the market risk profile have become more pronounced against the backdrop of tighter financial conditions and global economic uncertainty. A key concern is that asset valuations in several markets remain elevated relative to fundamentals, which could lead to abrupt corrections. The IMF's April 2025 review cautioned that despite recent turbulence, valuations were still stretched in certain asset classes – implying that price adjustments could deepen if the outlook were to deteriorate. In equity markets, for instance, prices have been near historic highs compared to earnings. Even after the early-April sell-off, U.S. stock indices remained very expensive by traditional metrics, with the Federal Reserve noting that equity price-to-earnings ratios were at the high end of historical ranges and risk premia near record.

Policymakers warn that a negative shock – such as a re-escalation of the trade disputes – could further erode investor sentiment. The Reserve Bank of Australia, for example, emphasizes that rising policy unpredictability means bad news could "trigger a sharp and disruptive fall in asset prices" globally. In sum, elevated asset prices, higher interest rates, and an uncertain economic outlook have increased the risk of disorderly market corrections in the period ahead.
A further area of focus is the capacity of the non-bank financial sector to amplify market stress. Leverage and liquidity mismatches outside the banking system have grown in recent years. The ECB flagged that open-ended investment funds – especially those invested in corporate bonds – saw investor outflows during the April turbulence and appear poorly positioned to withstand significant liquidity shocks. Authorities worry that if market conditions deteriorate again, such funds could be forced into fire-sales of assets, turning orderly price adjustments into disorderly routs. The U.S. Federal Reserve's monitoring finds that hedge fund leverage is near its highest level in a decade, and several leveraged funds had to unwind positions rapidly amid the April volatility to meet margin calls.



02

CYBER & OPERATIONAL RESILIENCE

OVERVIEW

Cyber risk continued to move further to the forefront of authorities' concerns, exacerbated by the geopolitical tensions and the ongoing shift towards greater digitalization of the sector including the growing adoption of artificial intelligence, has been consistently rated as high and rising during the quarter. Cyber incidents continue to grow in sophistication and are increasingly motivated by political objectives as multiple attacks against institutions in Iran against the backdrop of the Iran-Israel tensions highlighted. A deep dive by the European Central Bank as part of its May Financial Stability Review explored cyber threats to financial stability in a complex geopolitical landscape.

In light of the increasing threat landscape, cyber and operational resilience remain critical policy and supervisory priorities. Globally, the Financial Stability Board in April finalized its Format for Incident Reporting Exchange (FIRE) which provides a standardized yet adaptable framework for reporting cyber and operational incident reporting. At the regional and national level, the quarter saw continued momentum in two central areas.

IMPROVING CYBER RESILIENCE THROUGH COLLECTIVE ACTION

A central theme throughout Q2 has been governments and authorities further stepping up efforts to protect against cyber threats through collective action.

At the EU level, the European Council has released a proposed Cyber Blueprint which sets out how the EU and Member States should work together to handle major cyber incidents. It explains how technical teams, such as national cybersecurity response teams and EU networks, would detect threats and share information, and how this would link to decision-making by political leaders to ensure a coordinated response. In Guernsey, the government has announced the set-up of a new Cyber Security Centre. The Centre will offer local advice, monitor for weaknesses, coordinate responses to incidents, and provide education and training for the public. In Jordan, the Central Bank has teamed up with the Aqaba Digital Hub - a major digital infrastructure project and the largest carrier-neutral data centre in the country - to launch the country's first national cloud-based cybersecurity platform, which will provide services to financial institutions and help ensure that data stays secure within Jordan. The Hub will also host the Central Bank's disaster recovery site, supporting the financial sector's ability to keep running during disruptions.

In Singapore, the Monetary Authority has brought together a panel of experts to advise on technology risks and help financial firms strengthen their defences. The panel has recommended measures such as exercises that simulate real-life cyber incidents, better monitoring of third-party technology providers, preparations for future threats from quantum computing, and stronger protections against online scams.

HARNESSING ARTIFICIAL INTELLIGENCE TO STRENGTHEN THE CYBER DEFENSE

A second theme during the quarter has been a focus on how artificial intelligence can be harnessed to strengthen cyber defences.

In the United States, a new Executive Order issued by President Trump in June directed federal agencies to treat artificial intelligence as both a potential risk and a valuable tool for defence. The Order requires agencies to integrate AI-specific vulnerability management into their existing processes for tracking weaknesses, responding to incidents, and sharing information across government. It also instructs agencies to make datasets used for artificial intelligence driven cybersecurity research more widely accessible while protecting sensitive information.

In Hong Kong, the Monetary Authority and the HKUST Business School in May signed an agreement to collaborate on cybersecurity innovation for the financial sector through the joint exploration of Suptech and Regtech solutions to enhance cyber oversight and resilience. The Monetary Authority of Singapore's Cyber and Technology Resilience Experts Panel recommended using artificial intelligence to help financial institutions detect fraud more effectively.

Spotlight: Key cyber incidents in the financial services sector in Q2 2025

So far during the quarter, the European Repository of Cyber Incidents (EuRepoC) record 13 cyber incidents with a financial services sector nexus. Dominant targets included cryptocurrency exchange such as Nobitex - one of Iran's largest cryptocurrency exchange, Cetus (US), and BitoPro (Taiwan). However, also traditional financial institutions remained in focus including an attack on Australian superannuation funds involving a breach of over 20,000 accounts and a ransomware attack by Worldleaks which compromised employee data of major financial institutions including UBS. Several attacks were politically motivated: the hacktivist group Predatory Sparrow, reportedly linked to Israeli intelligence, launched two operations against Nobitex and Bank Sepah in a matter of a few days.

June 21
Unknown attackers compromised Ukrainian Web3 auditor Hacken by unauthorized minting of 900 million HAI tokens due to a human error, causing a 98% token value crash

June 18
Predatory Sparrow attacked Iranian cryptocurrency exchange Nobitex, destroying over $90 million worth of crypto, rendering assets inaccessible in a politically motivated cyberattack.

June 17
Predatory Sparrow disrupted services and destroyed data at Iran's state-owned Bank Sepah, affecting online banking and ATMs nationwide.

May 25
Unknown actors executed a ransomware attack against DataPost, compromising personal and policy information of at least 146 Income Insurance policyholders in Singapore

May 15
Chinese state-sponsored group UNC5221 exploited Ivanti EPMM software vulnerabilities, breaching critical infrastructure and government agencies across Europe and the U.S

April 4
Unknown attackers breached Australia's superannuation industry, compromising over 20,000 accounts across several major financial institutions, including AustralianSuper and Hostplus

April 1
Chinese-speaking cybercriminals utilized SuperCard malware disguised as NFC software to steal banking information, causing significant financial losses to Android users in Russia

June 18
Hacker group Worldleaks breached procurement provider Chain IQ, exposing personal data of 130,000 UBS Group AG employees and affecting Geneva Pictet

June 18
Predatory Sparrow launched a politically motivated cyberattack against Iranian cryptocurrency exchange Nobitex, destroying and rendering inaccessible over USD 90 million in cryptocurrency

June 8-11
Unknown actors conducted a sustained DDoS attack targeting Sweden's public broadcaster SVT and key institutions and other key institutions, including banks and Bankid, causing significant service disruptions.

May 22
Unknown attackers stole $223 million from the decentralized cryptocurrency exchange Cetus in the U.S., severely impacting token values within the Sui network

May 8
Unknown threat actors attacked Taiwan's cryptocurrency exchange BitoPro, stealing approximately $11.5 million from its hot wallets, though user funds were reportedly protected

April 1
Unknown threat actors distributed malicious backdoors disguised as ViPNet software updates, targeting Russian government, finance, and industrial sectors to steal sensitive data

Source: European Repository of Cyber Incidents (EuRepoC)

03

AML & CFT

GLOBAL DEVELOPMENTS

From a policy perspective, AML/CFT focus areas at the global level during Q2 2025 largely were a continuation of the focus areas in Q1. Following the consultation in Q1, the FATF finalised revisions to Recommendation 1 and issued updated Guidance on Financial Inclusion together with a national risk assessment toolkit, thereby operationalising simplified due diligence and anti-de-risking measures in support of advancing the inclusion agenda set under the Mexican Presidency. Among other things, the guidance outlines practical strategies to support financial inclusion, such as implementing tiered or simplified customer due diligence, allowing the use of alternative identification measures, and limiting product functionality, i.e. placing value/transaction limits on products to reduce attractiveness for criminals, while making inclusion-friendly basic services available to manage risk while enabling entry to the financial system, particularly for unserved and underserved individuals.

The quarter also saw intensified work on counter-proliferation financing and sanctions evasion, with the publication of an in-depth typologies report and the most comprehensive global terrorist-financing risk assessment to date and the approval to amendments to Recommendation 16 on Payment Transparency (see thematic deep dive on Payments for details).

FATF GREY AND BLACK LIST CHANGES DURING Q2

Country	List	Change – Q2
Bolivia	Grey list	Added
Croatia	Grey list	Removed
Mali	Grey list	Removed
Tanzania	Grey list	Removed
Virgin Islands (UK)	Grey list	Added

Grey list – full list as of end-Q2: Algeria, Angola, Bolivia, Bulgaria, Burkina Faso, Cameroon, Côte d'Ivoire, Croatia, DRC, Haiti, Kenya, Lao PDR, Lebanon, Mali, Monaco, Mozambique, Namibia, Nepal, Nigeria, South Africa, South Sudan, Syria, Tanzania, Venezuela, Vietnam, Virgin Islands (UK), Yemen

Black list – full list as of end-Q2: DPRK (North Korea), Iran, Myanmar: .

The FATF concluded the quarter with the release of its sixth Targeted Update on Virtual Assets and Virtual Asset Service Providers (VASPs), noting a modest but uneven improvement in global compliance. Among 138 jurisdictions assessed, only one is fully compliant with Recommendation 15, while 29 % are rated largely compliant, 49 % partially compliant and 21 % not compliant, underscoring persistent implementation gaps . Survey data show that although 76 % of jurisdictions have now conducted VA/VASP risk assessments, translating those findings into effective licensing, supervision and enforcement remains difficult: just 46 jurisdictions satisfactorily require licensing/registration in practice, and many still struggle to identify the natural or legal persons behind VASP activity, particularly in DeFi and offshore contexts .

Progress on the Travel Rule is similarly mixed. 73 % of relevant jurisdictions (85 of 117) have enacted legislation, yet more than half have yet to issue findings or take enforcement action, leaving significant information-sharing blind spots that criminals continue to exploit . The update also flags rising illicit use of stablecoins (now dominant in on-chain crime), the DPRK’s record USD 1.46 bn hack of ByBit, and the professionalisation of scams such as “pig-butchering” as pressing concerns, all of which magnify the urgency for jurisdictions to operationalise the Travel Rule, close offshore loopholes and embed a truly risk-based supervisory approach.

Spotlight: BIS Project Hertha examines payment-system analytics for retail AML detection

Project Hertha, a joint initiative of the Bank for International Settlement Innovation Hub's London Centre and the Bank of England, set out to determine whether "payment-system analytics" built on a handful of transaction fields could spot money-laundering patterns that individual banks and payment service providers (PSPs) miss in fast-moving retail payment rails. Using a synthetic yet statistically realistic data set covering 1.8 million accounts and 308 million transactions, the team modelled 2 000 laundering schemes across ten typologies and ran parallel supervised, unsupervised and deep-learning experiments that compared three scenarios: (1) banks/PSPs working in isolation, (2) the payment system analysing its own network data, and (3) a collaborative set-up in which bank models ingest the network-level risk scores.

Payment-system analytics alone flagged slightly fewer illicit accounts than banks (39 % versus 44 %), but when the two views were combined, especially through "active collaboration" that feeds investigation results back into model retraining—detection rose by 12 % overall and by 26 % for previously unseen typologies, with deep-learning models providing the largest boost. Notably, these gains were achieved while preserving data-minimisation principles, relying on pseudonymous identifiers, timestamps and amounts rather than personal details. Recognising limits - such as the need for labelled data, explainable AI outputs and careful handling of legal, privacy and governance questions - the report recommends further work on transaction tracing, joint investigations and extending the approach to cross-border, large-value and crypto-asset payment systems.

KEY REGIONAL DEVELOPMENTS

AMLA lays foundations ahead of operational launch

The European Anti-Money Laundering Authority (AMLA) continues advancing preparations for its operational launch. In April 2025, it secured a permanent seat by signing a long-term lease for top-floor offices in Frankfurt's MesseTurm. In early May, Chair Bruna Szego presented AMLA's strategic roadmap at the European Anti-Financial Crime Summit in Dublin, emphasizing the establishment of core operations, enhanced supervisory and FIU coordination, and a unified culture of cooperation. By late May, the EU Council appointed the first four full-time Executive Board members to four-year terms starting 1 June. In mid-June, the Board designated Juan-Manuel Vega Serrano as Vice-Chair, drawing on his three decades of AML/CFT leadership to reinforce AMLA's governance and delivery of its mandate.

South Africa prepares for expected grey list removal

South Africa is preparing for a potential removal from the FATF grey list following the completion of all 22 action items in its 2023 Action Plan. At its June 2025 Plenary, the FATF determined that South Africa had made substantial progress and warranted an on-site visit to verify the implementation and sustainability of key AML/CFT reforms. This milestone reflects a notable increase in complex investigations, improved risk-based supervision, and strengthened institutional coordination. The upcoming assessment, expected before the October 2025 Plenary, will determine whether South Africa is delisted.

UAE NRA flags fraud and drug-trafficking as top ML threats

The United Arab Emirates have released their latest National Risk Assessment (NRA), which confirms that fraud and drug-trafficking are the country's highest money-laundering (ML) threats, exacerbated by trade-based schemes, foreign corruption and the rapid rise of virtual-asset abuse. Risk concentrations remain in the banking sector, exchange houses, registered hawala providers, virtual-asset service providers, and the real-estate and precious-metals trades, all assessed at medium-high to high residual risk despite recent supervisory enhancements. The NRA also assigns a medium-high residual risk to terrorist financing, highlighting vulnerabilities from outbound charitable donations, non-profit organisations active in conflict zones and the enduring use of informal value-transfer networks.

Beyond that, the assessment identified that Key gaps persist around rapid asset-freezing, uneven DNFBP compliance, incomplete beneficial-ownership data and occasional delays in inter-agency information-sharing. To address these shortcomings, the report sets eight priority actions: unify and deepen risk understanding; expand the use of financial intelligence for complex ML cases; strengthen international partnerships; intensify TF investigations and sanctions implementation; apply sharper risk-based supervision to high-risk sectors; keep the legal framework fully aligned with global standards; harmonise company-registration and BO rules; and institutionalise public-private collaboration.

04

CONSUMER PROTECTION

OVERVIEW

In the area of consumer protection, the heightened focus on finfluencers that emerged in Q1 continued to build, culminating in a coordinated "Global Week of Action Against Unlawful Finfluencers." This was accompanied by IOSCO's release of its final reports on finfluencers, online imitative trading, and digital engagement practices—constituting the third wave of its retail investor online safety strategy. The quarter also saw significant developments in the regulation of Buy Now, Pay Later (BNPL) products, with Australia's new regime coming into effect and the UK finalizing its policy position, among other things.

Beyond these, efforts to combat fraud and scams remained a central theme, with authorities expanding guidance and awareness initiatives while introducing new technical solutions to detect fraudulent activity. For example, In India the Securities and Exchange Board of India has directed its regulated entities to adopt '1600' phone numbering series for all interactions with clients to help them readily identify legitimate calls and reduce the likelihood of fraud. In Hong Kong, the Monetary Authority as part of its generative AI sandbox is organizing a Collaboratory session specifically focused on the identification of AI-powered solutions to address deepfake scams. The UK Pensions has launched a new AI tool designed to proactively detect fraudulent websites targeting saver.

ACTIONS AGAINST FINFLUENCERS

During Q2 2025, regulators globally intensified their scrutiny of unauthorized finfluencers. Central to these developments was the "Global Week of Action Against Unlawful Finfluencers," a coordinated initiative during early June by nine regulators involving multiple targeted actions:

The UK Financial Conduct Authority and City of London Police executed three arrests, initiated criminal proceedings and issued takedowns

Canada's British Columbia Securities Commission issued 74 letters to online content creators about proper disclosure

Québec's Autorité des Marchés Financiers released educational videos and opened investigations

The Australian Securities and Investments Commission issued warning notices to 18 influencers and conducted platform reviews

The Hong Kong Securities and Futures Commission suspended a convicted finfluencer's licence, commenced prosecutions and disrupted promotional events

Italy's Securities Commission (CONSOB) issued public advisories and risk-awareness videos

The UAE Securities and Commodities Authority launched a dedicated Finfluencer licensing framework

The action week followed other notable developments during Q2. This includes the IOSCO's release of its final report on finfluencers - which describes the evolving landscape of finfluencers and proposes a set of good practices for securities regulators, market intermediaries and finfluencers as well as highlights tips for retail investors when exposed to finfluencers - and a dedicated call to platform providers such as search engines, social networks and app providers to strengthen their role in preventing online investor harm. The latter was echoed by the European Securities and Markets Authority, which pressed major social media and platform providers including X, Meta, TikTok, Alphabet, Telegram, Snap, Amazon, Apple, Google, and Reddit through targeted letters to take proactive steps to prevent the promotion of unauthorised financial services.

Meanwhile, new research by the OSC titled "Social Media and Retail Investing: The Rise of Finfluencers" flagged significant concerns regarding the influence that finfluencers exert over retail investors' decisions, revealing that approximately 35% of Canadian retail investors surveyed have made financial decisions based on finfluencer advice. Notably, despite general scepticism about finfluencers' motivations, roughly 40% of followers consider them trustworthy and individuals following finfluencer recommendations are seven times more likely to trust their guidance and 12 times more susceptible to social media scams the findings highlight.

Spotlight: The UAE Securities and Commodity Authority's new finfluencer license

The Securities and Commodities Authority (SCA) has launched the region's first "Finfluencer" license to formally register and oversee individuals who provide investment analysis, recommendations and financial promotions across digital and traditional media, with the aim of elevating market integrity and protecting investors in the UAE. Key provisions under the license include the following:

Scope and eligibility

- Covers individuals giving buy/sell/hold advice on regulated financial products, virtual assets, or services via any media (excludes already regulated firms and those operating solely in free zones)
- Applicants must be accredited analysts or CFA holders or demonstrate market influence (≥1,000 real followers, ≥ 6 months' experience, third-party citations, or repeat recommendations)

Mandatory disclosures

- Recommendation must state the finfluencer's name, registration number, qualifications, participating parties' credentials and regulatory status, date/time of recommendation and quoted prices, target audience, and details of any prior recommendation on the same product in the past 12 months
- Finfluencers must disclose all relationships, direct/indirect compensation, personal holdings or interests in recommended products

Content standards

- The posted content must transparently distinguish facts from opinions/forecasts, cite all reliable sources, and explain the underlying methodology or make it accessible
- There must be an up-to-date and balanced presentations of risks, and no misleading statements or undue emphasis on potential profits

Third-party content

- When reposting or summarizing others' analyses, must identify the original author, their regulatory status, relationships, full publication date/time, and clearly label any summaries or modifications

ADVANCING BNPL REGULATION

Throughout Q2 Buy Now, Pay Later (BNPL) regulation took further shape across multiple jurisdictions.

Australia

In March 2025, Parliament enacted the Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Act 2024 and the companion Low-Cost Credit Regulations, integrating BNPL products fully into the National Consumer Credit Protection framework. As of June 10, 2025, all BNPL providers are required to hold or amend their Australian credit licence, become members of the Australian Financial Complaints Authority (AFCA), and comply with either modified or standard responsible lending obligations.

Against this backdrop the Australian Securities and Investments Commission in May issued Regulatory Guide 281, which specifically addresses Low Cost Credit Contracts (LCCCs). The Guide details how ASIC will interpret and apply the amended consumer credit laws to low-cost credit products, including most BNPL arrangements.

Key provisions include mandatory inquiries into consumers' financial situations, involving verification of income, expenditure, and existing credit commitments. Providers must also conduct mandatory credit history checks through credit reporting bodies, with the extent of these checks depending on whether the combined credit limit exceeds AUD 2,000. Further, providers must implement and regularly review an Unsuitability Assessment Policy, which must detail processes to assess the unsuitability of credit contracts. The Regulations also set clear fee caps, specifying the maximum total fees or charges providers can impose within any 12-month period to ensure that the product remains classified as a low-cost credit contract. In addition, they prescribe the required content for default notices, ensuring consumers receive timely and comprehensive information upon their first default.

Providers may elect to apply modified responsible lending obligations. Under the modified obligations, core duties to inquire, verify and assess remain but are calibrated.

ADVANCING BNPL REGULATION (CONTINUED)

United Kingdom

In May, HM Treasury published its response to a consultation held in Q4 2024 on bringing unregulated BNPL products into the consumer credit framework. The government's final approach requires all third-party BNPL lenders to obtain FCA authorization or enter a Temporary Permissions Regime pending full approval. Merchant-provided credit will remain exempt but will be closely monitored for potential consumer harm.
Under the regime, authorized providers must conduct proportionate affordability, and creditworthiness checks for every agreement. They must also comply with a tailored FCA information-disclosure regime, replacing the prescriptive rules under the Consumer Credit Act. This regime mandates clear pre-contractual disclosure of the total cost, instalment schedules, and potential late fees. Agreements must further be simplified and free from jargon and accompanied by accessible digital statements or summaries. Providers must also issue plain-language notifications regarding contract variations, early-repayment options, and timely, user-friendly communications on arrears, defaults, and termination. Moreover, BNPL users will gain access to additional protections. Among other things, they will be able to take any dispute to the Financial Ombudsman Service, benefit from Section 75 so their card issuer becomes jointly liable for any faulty or mis-sold purchase, and/or pause interest, fees and collection action by entering the Breathing Space debt-respite scheme while they seek advice.

European Union

In November 2023, the EU adopted the Revised Consumer Credit Directive (CCD II), explicitly bringing most third-party BNPL models within scope by narrowing the previous €200 or three-month exemption. Member States must transpose CCD II into national law by 20 November 2025, with all requirements applying from 20 November 2026, giving providers time to align policies and systems. Once in force, BNPL schemes not qualifying for the limited short-term carve-out must be authorised or registered, conduct proportionate creditworthiness and affordability checks, and furnish standardised pre-contractual disclosures via the Standard European Consumer Credit Information template. Advertising will be subject to clear cost-warning rules and bans on misleading claims, while consumers gain a 14-day cooling-off right, nationally capped late-payment fees and mandatory forbearance measures, such as early hardship detection and referral to debt-advice services, before enforcement. In Q2 2025, jurisdictions including the Netherlands and Germany have already launched consultations on their transposition bills to ensure compliance by the deadline.

Also in the Netherlands, a BNPL study by the Authority for the Financial Markets, conducted in collaboration with BNPL provider in3, examined whether adjustments to the BNPL customer journey could improve payment behavior and reduce the number of customers incurring collection fees. Notably, it assessed the payment behaviour of 7,425 customers who had missed one or two instalments in a “pay in three” scheme for purchases averaging €500, testing the impact of three adjustments in the arrears phase: (1) delaying transfer to a debt collection agency by 14 days, (2) adding an extra reminder during this period, and (3) including information on the consequences of non-payment. The study found that while the delay alone did not reduce the proportion of customers with arrears after two months, combining it with a targeted reminder - especially one highlighting potential debt collection costs and service restrictions - significantly lowered the number of customers entering debt collection and helped them avoid fees.

United States

In early May, the U.S. CFPB announced that it would no longer prioritize enforcement of its May 31, 2024, "Buy Now, Pay Later" Interpretive Rule (89 Fed. Reg. 47,068) and is actively considering rescinding that guidance to refocus resources on other "pressing threats," marking a significant shift from its earlier stance. Almost concurrently, New York's FY 2026 budget established a state-level licensing and supervision framework for BNPL providers overseen by the Department of Financial Services (DFS). Under this framework, BNPL providers operating in New York must secure a DFS-issued license and comply with prescribed capitalization and record-keeping standards. Providers are prohibited from charging interest, penalties, late fees, discounts, or other fees on instalment loans. Additionally, to strengthen consumer protection, they must clearly disclose all material loan terms, including costs and repayment schedules, conduct reasonable ability-to-repay assessments, refrain from reporting BNPL activity to credit agencies, and implement fair, transparent policies for refunds, credits, and dispute resolution.

Middle East

In the Middle East further controlled market build out was supported during Q2. In Saudi Arabia, the Central Bank licensed Madafuou Alarabia to provide BNPL services, the second BNPL license issued this year and the seventh BNPL license in total. Meanwhile, the Central Bank of Kuwait announcedd a dedicated BNPL Project within its Initiative Accelerator Program, inviting CBK-regulated institutions to co-create instalment products tailored to Kuwait’s financial sector.

05

ARTIFICIAL INTELLIGENCE

During Q2 2025, artificial intelligence (AI) remained a priority topic for national authorities and standard setters globally. Observed developments were concentrated in three main areas: (1) Accelerating responsible innovation, (2) Examining adoption patterns and risks through market studies, and (3) advancing AI policy.

ACCELERATING RESPONSIBLE INNOVATION

Authorities have continued to accelerate the rollout of supervised and collaborative AI test-beds to help firms innovate safely and support experimentation and the development of new use cases:

In late April, the Hong Kong Monetary Authority in collaboration with Cyberport opened the second cohort of their dedicated GenAI Sandbox to broaden banks' experimentation in risk management and customer solutions and added a new Collaboratory

In May, the Bank of England & Financial Conduct Authority launched the Artificial Intelligence Consortium, a quarterly public–private forum to identify new artificial intelligence use cases, discuss benefits and risks, and co-design supervisory approaches

In early June, the UK Financial Conduct Authority launched new Supercharged Sandbox with NVIDIA, offering any UK financial services firm access to accelerated computing, AI Enterprise Software, and dedicated regulatory support to fast-track safe experimentation

In June, the National Bank of Georgia launched an AI Sandbox pilot within its Regulatory Laboratory, providing a controlled environment for firms to test AI-driven financial innovations while ensuring consumer protection and financial stability

EXAMINING ADOPTION PATTERNS AND RISKS THROUGH TARGETED MARKET STUDIES

Additionally, throughout Q2 authorities have continued to invest in dedicated market surveys and research into the adoption level and patterns among financial services firm including adoption challenges. Notable examples, of which a subset are also featured in the spotlight, include surveys by Hong Kong Monetary Authority, Switzerland's FINMA; the Bank of Spain, a joint study by Luxembourg's Central Bank and Commission de Surveillance du Secteur Financier as well as studies in the United States by the National Association of Insurance Commissioners and the Government Accountability Office.

Moreover, in Canada the Ontario Securities Commission released a study examining issuer disclosures on AI. It found that an increasing number of Canadian listed issuers are referencing AI in their financial disclosures, with 32% of S&P/TSX Composite Index issuers mentioning AI in 2024 filings, up from none in 2015. While sentiment around AI had been predominantly positive, highlighting opportunities and investments, 2024 marked a shift toward a more balanced tone, as more issuers also began to disclose AI-related risks, particularly those outside the Finance and Information sectors.

In addition to these efforts, the European Insurance and Occupational Pension Authority (EIOPA) in May announced the launch of a dedicated survey to assess the adoption of generative AI solutions across the EU insurance sector, focusing on current implementation, future plans, and governance frameworks. The survey results are intended to be used to inform supervisory practices and provide stakeholders with a clearer view of generative AI's evolution in the sector.

Spotlight: Key findings from market studies in Hong Kong, Luxembourg, Spain, and Switzerland

Despite growing AI adoption, adoption rates vary significantly by market and size of organization

- Switzerland's share of active AI users is around 50%, whereas Spain's is notably lower at 19.9%
- Hong Kong reports 75% adoption or piloting, with particularly strong uptake (83%) among larger firms
- Luxembourg sees 28% of surveyed entities with AI in production or development and another 22% in proof-of-concept

Generative AI is prominent in almost all surveyed contexts, though exact penetration and use-cases differ

- In Switzerland, 91% of AI-using institutions also apply generative AI
- In Luxembourg 28 % of all respondents reported at least one use case employing generative AI
- In Spain 18.1% of those that apply AI use generative AI versus 14.6% using predictive models

Chatbots, content generation, and operational efficiencies headline AI use

- Customer interaction via chatbots and process optimization are primary applications in Switzerland and Luxembourg
- In Spain entities prioritize administrative, organizational, and marketing tasks, with substantial secondary use in cybersecurity
- In Hong Kong generative AI is most common for virtual assistant, supporting staff with knowledge retrieval and task automation, but also frequently used in other areas including but not limited to marketing, coding, and AML/KYC processing

Data quality, security, skilled-resource gaps, and explainability dominate concerns across all surveyed markets

- Switzerland, Luxembourg, and Spain each highlight data issues (protection, quality, governance) as prime barriers
- Additionally, AI transparency and accuracy are top concerns in Hong Kong and Luxembourg with 95% of respondents in Hong citing model performance concerns and with only 56% of respondents in Luxembourg rating auditability "good or very good"
- Besides these, Spain and Hong Kong flag talent shortages and resourcing bottlenecks while Switzerland and Luxembourg also highlight reliance on external providers and outsourcing risks

Spotlight: Insights from the OECD's Hiroshima AI Process (HAIP) Reporting Framework

The Organisation for Economic Co-operation and Development (OECD) has published preliminary findings from the first wave of reports submitted under the Hiroshima AI Process (HAIP) Reporting Framework. The HAIP Reporting Framework provides a standardized structure for organizations to demonstrate alignment with the G7's International Code of Conduct for Advanced AI Systems, covering seven thematic areas: risk identification and evaluation, risk management and information security, transparency reporting, organisational governance and incident management, content authentication and provenance, research and investment in AI safety, and advancing human and global interests.

The preliminary findings from 20 submissions show that organizations are adopting diverse approaches to AI risk identification and evaluation, including technical assessments, adversarial testing, stakeholder engagement, and expert review, with increasing use of AI tools to test AI systems and practices like red and purple teaming. All participants reported multi-layered risk management strategies combining technical safeguards, procedural controls, and real-time monitoring, often aligned with ISO or NIST standards. Transparency practices vary, with consumer-facing companies tending to publish model cards and disclosures, while business-to-business firms often share information privately; transparency about training data remains inconsistent. Most organizations reported embedding AI risk into overall risk management or establishing dedicated AI governance frameworks, with growing use of third-party audits and expert panels. Content authentication tools such as watermarking and cryptographic credentials are at an early stage, though user notifications and disclaimers are becoming more common.

Finally, organisations also reported investing in AI safety and research through means such as internal labs, open-source tools, and collaborations. Moreover, many organizations are applying AI to support global priorities like climate resilience, public health, and education, often linked to ESG objectives and the UN Sustainable Development Goals.

ADVANCING AI POLICY

In addition to innovation acceleration initiatives and market studies, several jurisdictions further advanced the AI policy agenda. Indonesia's OJK released the "Artificial Intelligence Governance for Indonesian Banking" framework. The framework establishes a lifecycle-wide, risk-based regime that serves as a minimum reference for banks and grounds every AI deployment in twelve core values including reliability, explainability, security and resilience, ethics and fairness, inclusivity, sustainability, accountability, transparency and data-privacy. Boards must institute a cross-functional AI Committee and maintain audit trails throughout model inception, deployment, monitoring and retirement. Additionally, banks are required to align with the National Institute of Standards and Technology's AI Risk Management as well as classify each AI use case based on its risk and automatically trigger an AI impact assessment and human-in-the-loop controls for any use case classified as high-risk.

Likewise, the Securities and Exchange Board of India in late June has released for consultation high-level principles on the responsible use of AI and machine learning (ML) in securities markets. The principles are organized into five core pillars - model governance; investor protection/disclosure; robust testing; fairness and bias mitigation; and data privacy/cybersecurity – and rely on a tiered, risk-sensitive approach under which requirements are tailored according to whether AI/ML applications directly affect customers.

Spotlight: SEBI's proposed principles for responsible use of AI/ML in securities markets

Model governance	Market participants must establish robust oversight mechanisms for AI/ML models, including skilled internal teams, clear senior management accountability, rigorous documentation, fallback procedures, and third-party oversight. Additionally, they must conduct ongoing monitoring and subject AI/ML systems to independent audit.
Investor protection	Entities whose AI/ML models impact customers must clearly disclose the model's purpose, features, limitations, accuracy metrics, data quality, fees, and associated risks using plain, comprehensible language. This applies across trading algorithms, high-frequency strategies, portfolio and asset management, and advisory services. They must also provide timely grievance redress in line with SEBI's framework
Testing framework	AI/ML models must undergo validation in segregated environments, shadow testing on live data, and stress testing under normal and extreme market conditions. Post-deployment, models require continuous monitoring and documentation. Forward-looking techniques must be used to detect unforeseen behavioural shifts, ensuring repeatable, explainable, traceable, and resilient outcomes
Fairness and bias	Entities must use comprehensive, high-quality datasets to prevent discriminatory outcomes, with controls in place to detect and mitigate hidden or evolving biases. Regular data quality assessments and targeted staff training are expected to promote fairness and ensure that AI/ML systems deliver equitable outcomes across all client segments.
Data privacy and cyber security	Entities must establish strong policies on data protection, cyber resilience, and lawful personal-data processing. They must ensure full compliance in data collection, use, and storage; deploy robust technical safeguards; and promptly report any technical failures, breaches, or cyber incidents to SEBI and relevant authorities.

06

DIGITAL ASSETS & TOKENIZATION

GENERAL DEVELOPMENTS

Momentum in the build-out of the digital asset ecosystem and supporting policy framework remained high during Q2 2025. Particular focal points have been stablecoins, with significant policy milestones reached across geographies: (1) In Hong Kong, the Legislative Council passed the Stablecoins Bill, establishing a comprehensive licensing regime for issuers of fiat-referenced stablecoins (FRS); (2) In the United Kingdom, the Treasury advanced the Financial Services and Markets Act 2000 (Regulated Activities and Miscellaneous Provisions) (Cryptoassets) Order 2025, classifying qualifying stablecoins as specified investments and introducing regulated activities, mandating the Financial Conduct Authority (FCA) authorization for relevant service providers. The FCA followed suit with two consultations on Stablecoin Issuance and Cryptoasset Custody and Prudential Requiements for Cryptoasset Firms. (3) In the United States, the Senate advanced the GENIUS Act, establishing an inaugural regulatory framework for payment stablecoins following months of bipartisan work.

Spotlight: Key requirements for stablecoin issuers under the new regimes

Dimension	Hong Kong	United Kingdom	United States (Genius Act)
Licensing / market entry requirements	An issuer must be (i) a Hong Kong-incorporated company or (ii) an overseas authorised institution	A UK firm must be authorised by the FCA specifically to issue qualifying stablecoins from a UK establishment	Only a "permitted payment stablecoin issuer" may issue stablecoins in the United States (1)
Capital requirements	Paid-up share capital of at least HK $25 million (or foreign-currency equivalent) or other MA-approved resources of the same value	Issuer must hold the higher of: GBP 350 k Permanent Minimum, 3-month Fixed Overheads, or 2 % of average stablecoins in issuance	The primary federal payment stablecoin regulators are directed to establish tailored capital requirements "no higher than needed"
Reserve assets	Issuers must hold a segregated, high-quality, and liquid reserve asset pool for each stablecoin type, at least equal in market value to all outstanding stablecoins in circulation	The stablecoin must be backed 1:1 with highly liquid "core" or "expanded" assets (e.g. on-demand deposits, short-term government debt and, if permitted, longer-term government debt)	Issuers must maintain a 1:1 reserve for all outstanding stablecoins, backed by high-quality, liquid assets (e.g. demand deposits at insured dep. institutions, short-term U.S. Treasury securities)
Custody of reserve assets	Reserve assets must be kept separate from an issuer's own assets and properly safeguarded against claims from general creditors	Issuer must segregate and hold backing assets under a statutory trust arrangement, ensuring they are ring-fenced from issuer creditors	Issuers must keep reserve assets clearly separated and protected from other liabilities. Reserve assets cannot be pledged, reused, or re-hypothecated
Redemption	Holders must be able to redeem their stablecoins at par value for the reference asset promptly, with only reasonable fees allowed	All holders must be able to redeem the stablecoin at par (face value) in the reference fiat currency by the next business day. Fee must only reflect the actual cost of processing redemption	Each issuer must publicly disclose its redemption policy and have procedures ensuring timely redemptions of the stablecoin for the equivalent monetary value

The issuer must either be (1) a subsidiary of an insured depository institution approved by its federal banking regulator, (2) a "Federal qualified nonbank payment stablecoin issuer" approved by the Office of the Comptroller of the Currency, or (3) a "State qualified payment stablecoin issuer" operating under a substantially similar state regime

However, significant risk concerns persist according to the latest FATF Virtual Asset and Virtual Asset Service Provider report, stablecoins now dominate illicit on-chain flows. The report highlights a marked shift by illicit actors,such as DPRK hackers, terrorist financiers, and fraud rings, toward stablecoins (particularly USDT on Tron), leveraging mixers, bridges, dormant VASP accounts, and unhosted wallets to obfuscate illicit transactions. Stablecoins' appeal for illicit use stems from their perceived stability, efficiency, liquidity, and relatively lower transaction costs. The FATF has noted the critical need for enhanced public-private cooperation and stricter adherence to AML/CFT standards, given the increased complexity and volume of stablecoin-related illicit activities. It intends to publish a targeted report further examining stablecoin-associated risks and mitigation strategies in early 2026.

In the European Union, the implementation of the Markets in Crypto-Assets Regulation (MiCA) is placing crypto-asset service providers under greater scrutiny. In Malta, the Malta Financial Services Authority carried out a supervisory review of crypto-asset service providers' websites to assess their compliance with MiCA's requirements for fair, clear and non-misleading communications. The review, which encompassed all crypto-asset service providers licensed in Malta, assessed their site structure, disclosures, and marketing practices, and uncovered multiple shortcomings.

Spotlight: Key identified deficiencies under the MFSA's crypto-asset service providers' websites

- Complex site structures, with scattered information and heavy graphics, undermining user accessibility and ease of navigation
- Licensing statements often hidden in legal sections, using small fonts or incomplete regulatory references, reducing transparency
- Risk warnings placed separately or not clearly visible alongside product or service descriptions, limiting user awareness
- Service descriptions using terms that imply unlicensed investment services, without adequate disclosures or partner information
- Unregulated services such as NFTs and staking not clearly distinguished or disclaimed as outside of the scope of MiCA
- Services available outside the EU/EEA not clearly marked, with absent geo-blocking or disclaimers, leading to jurisdictional ambiguity
- Marketing promotions offering bonuses or rewards without transparent or accessible terms and conditions
- Potential conflicts of interest insufficiently disclosed where advisory and trading functions coexist, reducing clarity on impartiality

OTHER KEY NATIONAL DEVELOPMENTS

Singapore

In Singapore, the Monetary Authority in early June clarified the scope of its Digital Token Service Providers (DTSPs) regime. It confirmed that, from 30 June 2025, DTSPs offering services exclusively to customers outside Singapore in relation to digital payment tokens or capital markets tokens must obtain a licence—a threshold MAS will generally not meet—and, failing this, must cease those activities due to elevated money-laundering risks and limited supervisory reach

Vanuatu

Across the Pacific, the Vanuatu Financial Services Commission (VFSC) has introduced a new regulatory framework under the Virtual Asset Service Providers Act No. 3 of 2025, setting out comprehensive licensing, supervision, and operational requirements for entities engaged in virtual asset-related activities. The framework defines five distinct classes of virtual asset service provider (VASP) licenses, covering a broad range of functions including asset exchange, transfer, custody, and token issuance. It also establishes detailed application criteria, including corporate disclosures, local presence, governance arrangements, and compliance with anti-money laundering obligations.

United Arab Emirates

Dubai's Virtual Assets Regulatory Authority (VARA) has announced updates to its activity-based Rulebooks (Version 2.0) to enhance market integrity and risk oversight within the virtual asset sector. Among other things, the revisions introduce stronger controls across a range of regulated services, including advisory, exchange, custody, and token issuance activities, including tighter margin trading regulations, refined collateral wallet definitions, and harmonized compliance requirements across all licensed activities. Additionally, it has demanded virtual asset providers to review and integrate the findings the UAE'S latest national risk assessment into its own risk assessments and to address identified threats and vulnerabilities including through updates to their internal policies and procedures.

TOKENIZATION

Alongside digital assets, tokenization remained a dominant theme throughout the quarter both globally and regionally. A report by the Consultative Group on Innovation and the Digital Economy under the Bank for International Settlements' Representative Office for the Americas detailed how tokenization could reshape financial services. The report outlined the potential role of integrated financial ecosystems and detailed the necessary preconditions and considerations for successful implementation. It also examined theoretical and real-world use cases, highlighting specific experiments such as the Central Bank of Brazil's Drex initiative, a digital Brazilian real integrating wholesale tokenized central bank money, deposits, e-money, and treasuries, and Colombia's BanRep project, which explores wholesale CBDC within a tokenized financial market. The Group concluded that tokenization could significantly enhance efficiency, transparency, and accessibility through programmable platforms and smart contracts, while underscoring ongoing challenges, notably interoperability between tokenized systems and existing infrastructures, requiring further exploration by central banks.

Concurrently, the Bank for International Settlements released the findings of its Project Pine, joint experiment by the Bank for International Settlement Innovation Hub's Swiss Centre and the New York Fed's New York Innovation Center,, which how central banks could implement monetary policy in a tokenized financial system using smart contracts. The Project concluded that central banks could effectively implement monetary policy in a tokenized financial system using smart contracts. Specifically, it demonstrated that a smart contract-based toolkit can replicate core monetary policy functions such as paying interest on reserves, conducting open market operations, managing collateral, and executing asset purchases and sales. It also showed that these tools could be deployed quickly and flexibly, allowing central banks to respond more nimbly to evolving market conditions.

Middle East

In Dubai, the Financial Services Authority's inaugural Tokenization Regulatory Sandbox attracted 96 expressions of interest within its first application window, illustrating broad industry appetite, from established banks piloting tokenized equities and sukuk to digital-asset start-ups building custody infrastructure, to test live transactions under the DIFC's Innovation Testing Licence. The themed sandbox, which allows entities to test their products and services in a controlled environment, grants selected firms time-bound waivers of selected prudential rules, close supervisory dialogue and, upon graduation, an accelerated path to a full licence.

Asia

Across Asia, the Hong Kong Monetary Authority operationalised its new Supervisory Incubator for Distributed Ledger Technology launched in January. The Incubator provides a platform where banks can conduct live trials - initially focused on tokenized deposits - while receiving iterative feedback on the adequacy of their risk management prior to roll-out of a DLT-based initiative. It also is intended as a vehicle for promoting industry awareness and facilitating sharing of best practices on DLT risk management.

Moreover, the Hong Kong Government, as part of its second policy statement on the development of digital assets, announced plans for expanding the suite of tokenized products: including among other things the issuance of tokenized Government bonds and the incentivization of RWA tokenization.

In Malaysia, the Securities Commission issues a consultation paper on a two-tier framework governing the offering and intermediation of tokenized capital market products. Building on the Commission's technology-neutral approach, the proposal would layer DLT-specific safeguards, covering governance, custody, independent smart-contract audits, technology-risk management and AML/CFT controls, on top of existing securities requirements with the goal of enabling asset fractionalisation and same-day settlement without diluting investor protection.

Europe

In Europe, the European Securities and Markets Authority (ESMA) is proposing amendments to the DLT Pilot Regime with the aim of making it permanent. The proposed changes follow growing interest in the regime, which initially saw limited uptake but is now gaining momentum. ESMA's recommendations include making the regime more attractive to market participants by offering greater flexibility in regulatory thresholds and eligible assets depending on the risks associated with a business model.

United States

In the United States, U.S. SEC Commissioner May Hester M. Peirce in a speech in early has expressed interest in exploring a tokenization sandbox and discussed the potential for a conditional exemptive order that would allow firms to use distributed ledger technology to issue, trade, and settle securities.

07

PAYMENTS

GLOBAL DEVELOPMENTS

At the global level, payments were shaped by two main developments during Q2. First, the FSB's newly established Forum on Cross-Border Payments Data held its inaugural meeting in May, mobilising public- and private-sector experts to harmonise data requirements and ease frictions that inflate the cost and risk of international transfers.

Second, the FATF's June Plenary adopted revisions to Recommendation 16. Among other things, the updates introduce clearer responsibilities within the payment chain by specifying that the financial institution receiving the initial customer instruction is accountable for including and preserving required information. The updated standards also set consistent data requirements for cross-border peer-to-peer transfers above USD/EUR 1,000, including name, address, and date of birth. Additionally, they require financial institutions to implement technologies that help prevent fraud and errors, such as tools to verify recipient details.

REGIONAL AND NATIONAL DEVELOPMENTS

Building on the momentum from Q1, national and regional payment system modernization also continued to accelerate during Q2 with strong emphasis on cross-border connectivity and instant payments.

Asia

Cambodia both launched phase 2 of its bilateral QR linkage with Malaysia and formally joined the Regional Payment Connectivity initiative, bringing nine central banks into the scheme. In East Asia, Hong Kong and China introduced Payment Connect, integrating mainland China's Internet Banking Payment System (IBPS) with Hong Kong's Faster Payment System for instantaneous cross-boundary transactions. In terms of instant payments, the five "first-mover" central banks in Bank for International Settlement's Project Nexus incorporated Nexus Global Payments in Singapore to take the multilateral instant-payment hub into live operation.

Middle East

In the Middle East, the Central Bank of the UAE signed separate Memoranda of Understanding with the Central Bank of Kenya and China's CIPS Co., Ltd., aiming to promote the use of local currencies in cross-border transactions, interlink instant payment systems, and enhance cooperation on cross-border payment infrastructure.

Europe

Across Europe, Denmark's National Bank became the first non-euro central bank to settle wholesale and retail payments in its own currency instantly in the Eurosystem's T2 and TARGET Instant Payment Settlement (TIPS). Modernisation also accelerated in the Western Balkans: Montenegro completed its ISO 20022 migration in April and launched RTS/X online clearing for payments up to €1 000 in May, while planning a TIPS-style instant-payment platform for 2026. Meanwhile, Serbia joined the geographical scope of the Single Euro Payments Area (SEPA) in late May and, with support from the World Bank, is actively engaging with industry on technical and legal aspects of the SEPA participation.

In Sweden, the Government has further advanced legislative work on amendments to the Payment Services Act to expand and clarify large banks' obligations to provide appropriate cash services to businesses and individuals, including deposit and change facilities.

KEY CBDC DEVELOPMENTS

AUSTRALIA

In Q2 2025, the Reserve Bank of Australia, alongside the Digital Finance Cooperative Research Centre, advanced Project Acacia to explore the potential for a wholesale CBDC, selecting 22 use cases (five proofs of concept and 17 pilot projects) out of 50 proposals. The shortlisted pilots cover multiple asset classes and infrastructure types, including stablecoin integrations. Regular meetings of the Industry Advisory Group reviewed progress and examined interoperability, technology selection, and international digital asset developments.

JAPAN

The Bank of Japan continued technical work and stakeholder engagement on the digital yen. In May, it published a progress report on its pilot experiment, highlighting the completion of its experimental system incorporating privacy-preserving architecture, enhanced transaction processing flows involving multiple intermediaries, and scalability features. In parallel, the CBDC Forum maintained active discussions across six working groups on topics such as external system connectivity, KYC and user authentication, and user interface design.

EUROPEAN UNION

In Q2 2025, the European Central Bank progressed its digital euro project by launching an innovation platform in May, engaging nearly 70 market participants - including banks, fintechs, merchants, and start-ups- to explore digital euro functionality and conditional payments, with results anticipated later this year. Concurrent work by the Rulebook Development Group advanced essential areas, covering fraud management, operational risk, user identification (including digital account numbers and aliases), and environmental impact evaluation.

UNITED KINGDOM

In April, the Bank of England and HM Treasury outlined initial thinking on the digital pound's public-private platform, clarifying payment intermediary roles and presenting a preliminary scheme rulebook addressing governance, AML/CFT, privacy, interoperability, wallet standards, and risk management. Additionally, an experiment report on offline payments noted that while device-based solutions can achieve final, irrevocable settlement, they involve trade-offs in user experience, double-spending risk, and counterfeit prevention among other things.

ISRAEL

In May, the Bank of Israel launched a technological consultation on the Digital Shekel to advance the study of the technology feasibility of a potential CBDC. In focus of the consultation are six areas: (1) backend layer, (2) secure transaction messaging and communication, (3) offline capabilities, (4) payment authorization, (5) alias management, and (6) fraud monitoring and indicated its intention to collaborate with potential vendors. This follows the March 2025 publication of a preliminary design for the Digital Shekel.

CHINA

In June the People's Bank of China announced plans to establish an international operation center for the digital RMB in Shanghai with the goal of promoting its internationalization and support innovation in digital finance.

BAHAMAS

In its 2024 annual report released in May, the Central Bank of the Bahamas highlighted its focus on expanding SandDollar adoption through enhanced wallet functionality (via the SandDollar Wallet 2.0), improved KYC processes, stronger integration with authorised financial institutions, and targeted outreach in specific parts. Planned next steps include promoting new use cases such as electronic payroll processing and extending interoperability to enable wallet redemptions.

BOLIVIA

In June, the Central Bank of Bolivia announced its intention to evaluate the technical, legal and operational feasibility of issuing a CBDC This follows earlier discussions during the April 2025 Monetary Conference where CBDCs were examined for their role in financial inclusion, payment efficiency, and systemic stability. Planned next steps include presenting an initial diagnostic for CBDC issuance include deepening research and advancing policy dialogue.

08

CLIMATE & ESG

GENERAL DEVELOPMENTS

Authorities maintained a busy climate and ESG agenda during the second quarter. Consistent with developments in Q1 2025, efforts focused on three key areas: transition planning, reporting and disclosure, and supervisory capacity building. Several critical milestones were reached, including the release of the Network for Greening the Financial System's inaugural short-term scenarios. In addition to these priorities, attention was drawn to the growing climate and natural catastrophe insurance gap, highlighted in separate studies by the Bank for International Settlements and the European Insurance and Occupational Pensions Authority.

Meanwhile, in the United States, the direction of the climate agenda remains uncertain following the observed policy shift under the Trump administration since Q1. Among other things, Senator Brian Schatz in early April reintroduced the Climate Change Financial Risk Act in both the Senate and the House. The proposed legislation would require the Federal Reserve to develop climate scenarios and conduct biennial climate stress tests for large bank holding companies, as well as mandate climate resolution plans from these firms. However, the Act has yet to advance further.

TRANSITION PLANNING

In Q2 transition planning continued to remain a focal point globally and regionally following the release of the Financial Stability Board and IOSCO Reports on transition planning in Q1 2025 and Q4 2024, respectively. Notably, the IFRS Foundation's International Sustainability Standards Board in June issued detailed implementation guidance for *IFRS S2—Disclosing information about an entity's climate-related transition*, including information about transition plans. The document, which builds on the Transition Plan Taskforce framework, clarifies how entities should report transition plan information across governance, strategy, and metrics and targets and sets expectations for describing key assumptions, dependencies, funding and progress. It also confirms that while IFRS S2 demands transparent disclosure, it does not itself require entities to have or publish a transition plan.

Concurrently, in the UAE the Sustainable Working Group in June released for consultation a proposed set of eight principles for climate transition planning by financial institutions. The principles are intended to provide a framework for UAE financial firms to integrate climate transition planning into their governance, strategy, risk management, metrics, and reporting.

Spotlight: UAE Sustainable Working Group - Principles for Climate Transition Planning

Principle 1 – Objectives
Define clear, purpose-driven transition objectives aligned with the firm's climate policy and relevant best practices

Principle 2 – Governance
Assign and empower board- and senior-management roles with accountability, escalation pathways and incentives

Principle 3 – Strategy & Risk Integration
Embed short-, medium- and long-term climate objectives into strategy, risk appetite and decision-making

Principle 4 – Metrics & Targets
Establish robust, science-based metrics and time-bound targets with transparent methodologies and regular reviews

Principle 5 – Data & Engagement
Gather and proxy customer climate data, tailor engagement strategies and use insights to refine targets and offerings.

Principle 6 – Reporting & Transparency
Deliver regular, material-focused disclosures on governance, actions, performance and underlying assumptions.

Principle 7 – Implementation:
Mobilize resources, fill capability gaps and adapt policies, tools and products to execute the transition plan

Principle 8 – Review & Update
Periodically reassess and update all transition plan elements, securing board approval and communicating key changes

REPORTING AND DISCLOSURE REQUIREMENTS

In addition to transition planning, the quarter also saw several milestones in relation to climate and ESG reporting disclosures. The Basel Committee on Banking Supervision in mid-June finalised its voluntary climate-related financial risks disclosure framework, which encourages banks to disclose both quantitative and qualitative information on transition risks, physical risks, greenhouse gas (GHG) emissions, and concentration risk.

Meanwhile, the IFRS Foundation's International Sustainability Standards Board (ISSB) deepened its partnership with the Taskforce on Nature-related Financial Disclosures (TNFD). In early April the two organisations signed a Memorandum of Understanding to align and build upon the TNFD's recommendations within the ISSB's broader research activities on biodiversity and nature-related disclosures. Subsequently, in late April the ISSB issued an Exposure Draft with targeted amendments to IFRS S2 on Climate-related Disclosures, proposing relief measures for GHG reporting so that companies could more efficiently implement the Standard without materially reducing the decision-usefulness of their disclosures.

Spotlight: Components of the BCBS voluntary climate-related financial risks disclosure framework

Table CRFRA: Qualitative information on climate-related financial risks (governance, strategy, risk management)	Table CRFRB: Qualitative information on climate-related financial risks (transition, physical, concentration risks)	Template CRFR1: Transition risk – exposures and financed emissions by sector
Describes the governance processes, controls and procedures a bank uses to monitor, manage and oversee material climate-related financial risks, and how those risks affect the bank's business model, strategy and decision-making..	Describes the bank's governance processes, controls and procedures for monitoring, managing and overseeing climate-related financial risks – covering transition, physical and concentration risks	Provides an overview of a bank's gross carrying values by sector, complete with associated financed emissions, credit quality and maturity ladder as well as supplementary information on off-balance sheet items
Template CRFR2: Physical risk – exposures subject to physical risks	Template CRFR3: Transition risk – real estate exposures in mortgage portfolio by energy efficiency	Template CRFR4: Transition risk – emission intensity per physical output and by sector
Shows gross carrying values that are exposed to climate-related chronic (long-term) or acute (short-term) physical risks by geography	Breaks down gross carrying values of real estate exposures (residential and commercial) by level of energy efficiency of underlying collateral	Discloses financed greenhouse-gas (GHG) emission intensity per unit of physical output, by sector, for those sectors where the bank has set targets..

Within Europe, several milestones emerged. In mid-April the European Parliament and Council adopted Directive (EU) 2025/794, which postpones certain application dates under previously introduced sustainability reporting and corporate due diligence rules. Notably, the Directive shifts by two years the timeline for some large public-interest entities to publish mandatory sustainability disclosures and provides a one-year deferral for member states to transpose the due diligence requirements in Directive (EU) 2024/1760.

In parallel, the European Banking Authority (EBA) for the first time published a comprehensive ESG dashboard, giving supervisors and institutions more robust data on banks' exposures to transition and physical risks, as well as on indicators such as the Green Asset Ratio. According to the dashboard, in most EU/EEA countries more than 70 % of banks' corporate exposures are to sectors that highly contribute to climate change, underscoring significant transition risk.

National-level authorities also took steps to recalibrate ESG disclosure initiatives. The Canadian Securities Administrators (CSA) announced on 23 April that they would pause their work on a new mandatory climate-related disclosure rule and updates to diversity-related disclosure, citing shifting economic conditions and global competitiveness pressures. While reaffirming the importance of accurate and reliable climate-risk reporting, the CSA deferred further consultations to a later date, pending greater clarity on international standards.

STRENGTHENING SUPERVISION

In Q2 2025, supervisory authorities worldwide took several important steps to further integrate climate risk and ESG considerations into their oversight frameworks, In May, the Network for Greening the Financial System (NGFS) released its inaugural short-term scenarios, marking the first publicly available toolkit for analysing near-term climate-related shocks. Focused on a five-year horizon, the scenarios feature distinct pathways for physical risks, transition risks, or a combination of both, illustrating how extreme weather events or abrupt shifts in climate policy could materially affect GDP, default probabilities, and financial stability.

Spotlight: NGFS Short-Term Climate Scenarios

Highway to Paris

- A technology-driven and globally coordinated pathway in which carbon prices rise steadily from 2024, with the proceeds channelled into green R&D and investment subsidies.
- Higher upfront energy costs are largely offset by the growth impulse from clean-technology spending, limiting the drag on world GDP (about –0.5 % by 2030) and containing financial risks to polluting sectors as investors pivot toward low-carbon assets.

Sudden Wake-Up Call

- Climate complacency persists until 2027, when an abrupt policy shift sends carbon prices sharply higher without sufficient time to build green capital or recycle revenues into mitigation.
- The resulting supply shock triggers a “climate Minsky moment”: global GDP falls roughly 1.3 % and unemployment rises 1.3 percentage points by 2030, while capital costs and default probabilities surge in high-emission industries, amplifying financial stress

Disasters and Policy Stagnation

- With no additional transition policies, the world is jolted by compound region-specific extremes: drought-heat-wildfire events in 2026 followed by storms-floods in 2027 (a 1-in-50-year severity)
- Direct losses reach up to 12.5 % of regional GDP (Africa) and propagate globally through trade and finance, elevating default risk especially in agriculture, coal and power supply, and briefly depressing world output.

Diverging Realities

- Advanced economies pursue the orderly Highway to Paris transition, but emerging markets endure repeated (1-in-20-year) climate disasters from 2025-30 that destroy capital, disrupt critical-mineral supply chains and push global GDP more than 3 % below baseline
- Transition costs for advanced economies rise as bottlenecks in raw materials intensify, and credit risk climbs across regions via trade and financial spillovers.

Meanwhile, insurance supervisors saw two significant developments. The International Association of Insurance Supervisors published an Application Paper on the Supervision of Climate-related Risks in the Insurance Sector. The paper equips insurance supervisors with practical guidance – linked to the core Insurance Core Principles - on how to identify, assess and embed both physical and transition climate risks across all supervisory activities including in relation to governance, risk management, valuation, investments, reporting, scenario analysis, group and macroprudential oversight, and market-conduct reviews.

Alongside this, the United Nations Development Programme (UNDP), together with the Taskforce on Nature-related Financial Disclosures (TNFD), at the end of June launched “NATURE-INSURE,” a joint global effort to build supervisory capacity for addressing biodiversity-related risks in insurance markets. The programme aims to promote nature-conscious oversight and increase awareness of global biodiversity and sustainability goals.

At the European level, the three European Supervisory Authorities (ESAs) issued draft Guidelines on integrating ESG risks into supervisory stress tests for banks and insurers under the Capital Requirements Directive and Solvency II framework with the goal of promoting greater consistency. Specifically, the Guidelines propose a common framework for developing ESG-related stress testing methodologies, providing guidance on the design and features of the stress test such as scope, time horizon, the choice of scenario and level of granularity as well as the organizational and governance arrangements including resource allocation, data collection practices and timelines for stress test execution. Following consultation, the final Guidelines are expected to be published in early January 2026.

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SUPTECH

GENERAL DEVELOPMENTS

During Q2 several authorities across multiple geographies have announced and/or published updates on their SupTech milestones. In Australia, ASIC launched a new regulatory portal for AFS licence applications, streamlining processes through automation and enhanced data quality. In Hong Kong, the HKMA partnered with HKUST to establish an MoU focused on joint research in cybersecurity, leveraging advanced technologies including large language models to enhance supervisory analytics. India's Reserve Bank introduced an innovative intelligence platform using AI and web-scraping to detect fraudulent fintech apps proactively. Mozambique's ISSM, with support from Banco de Moçambique, upgraded their Bank Supervision Application to include online licensing and AI-driven analytics, modernizing supervision in insurance and pensions. Additionally, Samoa's CBS initiated plans for a comprehensive SupTech platform to improve regulatory reporting, data management, and institutional coordination, while India's IFSCA issued an RFP for a unified Digital Regulatory Reporting system.

Additionally, at the global level, the Bank for International Settlements (BIS) introduced Project AISE (Artificial Intelligence Supervisory Enhancer), aimed at creating a flexible, AI-based toolkit to assist financial supervisors in managing increasingly complex regulatory oversight tasks. Led by the BIS Innovation Hub's Toronto Innovation Centre, the project intends to equip supervisory agencies with AI-powered tools to enhance on-site supervision, streamline research activities, and reinforce decision-making processes.

GENERATIVE AI ADOPTION

Against this backdrop, the adoption of generative AI by authorities as come increasingly under focus and has been the subject of two reports by the Bank for International Settlements during the quarter. Complementing the insights from these studies, authorities' 2024 annual reports also indicate a rising interest in exploring generative AI use cases.

Spotlight: Example generative AI solutions adopted by authorities (based on 2024 annual reports)

Bank of Thailand	HKMA	Bank of Namibia	Bank Negara Malaysia
Development of a LLM-powered chatbot called Regulatory Data Transformation (RDT) Co-Pilot, which enables supervisors to make queries to a credit database	Launch of a dedicated generative AI product suite, comprising both open-source and proprietary LLMs, designed to cater to various departments' needs	Creation of a LLM designed to process large volumes of financial and regulatory data to improve risk assessment and streamline reporting mechanisms	Exploration of the use of LLMs to analyse a large volumes of compliance reports to improve the efficiency of supervisory reviews
Belgium FSMA	**De Nederlandsche Bank**	**Austria FMA**	**Bank of Latvia**
Development of an LLM-powered ESG screening tool to analyze disclosures, generate compliance indicators, and enable comparison across listed companies	Use of an LLM-powered tool, ChatDNB, used inter alia to perform model assessments on documents submitted by banks and to perform file completeness checks	AI-supported analysis using NLP and LLMs to streamline processing and analysis of large data volumes in supervisory tasks.	Introduction of a generative AI assistant to facilitate the legal compliance analysis of securities issuance prospectuses

Spotlight: BIS studies provide early insights into generative AI adoption at authorities and central banks

During Q2, the Bank for International Settlements published two studies examining the adoption of (generative) AI by financial regulatory authorities and central banks. The first, a Financial Stability Institute (FSI) Brief titled "Starting with the basics: a stocktake of gen AI applications in supervision" surveyed 42 financial authorities worldwide during Q1 2025 to gauge how supervisors use generative artificial intelligence applications in onsite and offsite supervision. The second report, spearheaded by the Irving Fisher Committee, covered a broader examination of AI governance and implementation within central banks, drawing on input from 60 jurisdictions collected in late 2024. While primarily focused on AI governance, infrastructure, and policy frameworks, it also includes a dedicated stocktake of generative AI adoption.

Overall adoption trends

In general, both studies find that while generative AI adoption is advancing rapidly, it remains at a nascent stage for most authorities and central banks. In the FSI sample, 32 of 42 authorities are at least experimenting with the technology, yet only 12 report having generative AI "in use"—and even then, these tools typically operate alongside existing processes rather than being fully integrated. The IFC study presents a similar picture for central banks: 88% of respondents use generative AI in some form, but the number of applications in production remains limited. Only 25% report having multiple AI use cases deployed in production (note: this figure refers to all AI use cases, not just generative AI).

Principal use cases

Both studies highlight similar focus areas for the adoption of generative AI to date:

Basic Document Processing	Automating drafting and editing of supervisory documents and extracting key information	▪ Summarising financial institutions' reports ▪ Translating or condensing regulatory submissions
Knowledge Management	Providing AI-driven chat interfaces and retrieval augmented generation for quick access to regulations and internal guidance	▪ Chatbots trained on authorities' laws or supervisory manuals ▪ AI assistants that give citations and compare regulatory requirements
Document Review	Analysing narrative text from supervised entities to check regulatory or policy compliance	▪ Reviewing board minutes for governance issues ▪ Benchmarking banks' recovery plans against legal requirements
Coding Assistance	Supporting software development through code generation and debugging	▪ Generative AI code copilots for statistical scripts ▪ LLM help for economic now-casting models
Alerting & monitoring	Scanning public sources to surface emerging risks or compliance issue	▪ Social-media scanning for supervisory alerts

Key reported adoption challenges *(not exhaustive)*

Legacy IT infrastructure

Out-of-date hardware and limited cloud access slow testing, model hosting and secure deployment

Data security & privacy

Authorities fear leaks of confidential supervisory data and mandate stringent segregation or on-prem solutions

Skills shortage

A lack of specialists in AI engineering, data science and prompt design hampers in-house development and oversight

Inaccuracies / hallucinations

LLMs can generate plausible but wrong answers, requiring rigorous validation before supervisory use.

Access & cost barriers

Licensing fees and GPU/cloud costs make broad roll-out expensive and can limit experimentation

Legal & compliance risks

Unclear intellectual-property rights and potential misuse of public-domain data raise liability concerns

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LEADERSHIP CHANGES

IOSCO	Chairman, Monitoring Group	Ryan Wolfe	New appointment
Financial Stability Board	Chairman	Andrew Bailey	New appointment
U.S. Securities and Exchange Commission	Chairman	Paul S. Atkins	New appointment
Kuwait Capital Markets Authority	Chairman	Emad Tifoni	New appointment
Central Bank of Venezuela	President	Laura Guerra	New appointment
De Nederlandsche Bank	President	Olaf Sleijpen	New appointment
Federal Reserve Bank of Philadelphia	President & CEO	Anna Paulson	New appointment
Labuan Financial Services Authority	Director General	Affendi Rashdi	New appointment
Costa Rica Superintendency of Pensions	Superintendent	Hermes Alvarado	New appointment
Reserve Bank of New Zealand	Chairman (Acting)	Christian Hawkesby	New appointment
European Banking Authority	Executive Director	François-Louis Michaud	Re-appointment
European Securities and Markets Authority	Chair, CCP Supervisory Committee	Klaus Löber	Re-appointment
UK Financial Conduct Authority	Chief Executive Officer	Nikhil Rathi	Re-appointment
HK Mandatory Provident Fund Schemes Authority	Managing Director	Cheng Yan-chee	Re-appointment
Bank for International Settlements	Head, Innovation Hub	Cecilia Skingsley (1)	Departure
Swedish Financial Services Authority	Director General	Daniel Barr (2)	Departure

(1) Andréa M. Maechler appointed as Acting Head, (2) Malin Alpen appointed as Acting Director General

ABOUT REGXELERATOR

Regxelerator is a technology-powered intelligence platform and innovation solution partner to the financial regulatory community.

As an intelligence platform, Regxelerator focuses on the development of novel, AI-enabled solutions that enhance access to and smart extraction of insights from financial regulatory developments. Its flagship platform Regxplora integrates regulatory updates from ~700 sources globally including financial regulators, central banks, standard setters and other key actors in the financial regulatory ecosystem.

As a solution provider, it assists financial regulatory authorities in accelerating their organizational performance and digital transformation agenda through novel technology solutions for the delivery of regulatory and supervisory processes, combining generative AI and RPA-powered solutions and tools. It also actively explores opportunities for generative AI use cases and maintains a public use case repository complete with code examples.

For more information visit regxelerator.com