



The following provides a collection of relevant publications regarding digitalization and financial innovation at both the global and jurisdictional level.

July 2022

GFMA, AFME, ASIFMA, and SIFMA

[AFME Welcomes Agreement on the Markets in Crypto Assets Proposal \(MiCA\) \(July 1, 2022\)](#)

AFME issued a statement welcoming the provisional interinstitutional agreement on the EU Markets in Crypto Assets Proposal (MiCA) reached between the French Presidency of the Council of the European Union and the European Parliament. Additional details on this topic can be found in the EU section of this newsletter below.

[SIFMA and ABA Submit Comments to the SEC Regarding SAB 121 \(June 27, 2022\)](#)

SIFMA and the American Bankers Association (ABA) provided comments to the U.S. Securities and Exchange Commission's (SEC) Office of the Chief Accountant (OCA) and Division of Corporation Finance regarding SAB 121 and their request to defer its effective date.

GLOBAL

[G20 Chair's Summary Welcomes the FSB's Work on Crypto-Asset Regulation \(July 15-16, 2022\)](#)

The G20 Chair's Summary of the Third G20 Finance Ministers and Central Bank Governors Meeting from 15-16 July 2022 highlights their support of the Financial Stability Board's (FSB) work to ensure that crypto-assets, including so called stablecoins, are subject to robust regulation and supervision. Additional details on the FSB efforts can be found below (see 11 July update).

[CPMI and IOSCO Publish Final Guidance on Stablecoin Arrangements \(July 13, 2022\)](#)

The BIS Committee on Payments and Market Infrastructure (CPMI) and the International Organization of Securities Commissions (IOSCO) published final guidance on stablecoin arrangements. The guidance confirms that the Principles for Market Infrastructures apply to systematically important stablecoin arrangements that transfer stablecoins. The full text of the guidance can be found [here](#).

[BIS IH and Bank Indonesia Announce Finalists of G20 TechSprint CBDC Challenge \(July 12, 2022\)](#)

The BIS Innovation Hub (BIS IH) and Bank Indonesia announced the finalists of the G20 TechSprint challenge. The challenge was [launched](#) in April 2022 and focuses on central bank digital currencies (CBDCs).

[**BIS FSI Chair Delivers Speech on Big Tech Regulation \(July 12, 2022\)**](#)

Fernando Restoy, Chair of the BIS Financial Stability Institute (FSI) delivered a speech on big tech regulation and the design of a new regulatory framework to address big techs. Presentation slides are available [here](#).

[**CPMI, BIS IH, IMF, and World Bank Deliver Joint Report to the G20 on Options for Access to and Interoperability of CBDCs \(July 11, 2022\)**](#)

The Bank for International Settlements' Committee on Payments and Market Infrastructures (CPMI), BIS Innovation Hub (BIS IH), International Monetary Fund (IMF), and World Bank submitted a joint report to the G20 on "Options for Access to and Interoperability of CBDCs for Cross-Border Payments." The report finds that for central bank digital currencies (CBDCs) to improve cross-border payments, central banks must make fundamental decisions on foreign access and how CBDCs connect across jurisdictions. It also finds that CBDC designs must consider cross-border functionality at an early stage and international cooperation and coordination are prerequisites. The report assesses different options for access to and interoperability of CBDCs and concludes there is no "one size fits all" solution.

[**FSB Issues Statement on the International Regulation and Supervision of Crypto-Asset Activities \(July 11, 2022\)**](#)

The Financial Stability Board (FSB) issued a statement on the international regulation and supervision of crypto-asset activities. The statement notes that the FSB is working to ensure that crypto-assets are subject to robust regulation and supervision and that they will publish a report to the G20 in October on regulatory and supervisory approaches to stablecoins and crypto-assets.

[**FSB Chair's Letter to the G20 Provides Update on FSB's Work on Crypto-Assets \(July 11, 2022\)**](#)

Financial Stability Board (FSB) Chair, Klaas Knot, submitted a letter to the G20 Finance Ministers and Central Bank Governors ahead of their meeting on 15-16 July. The letter provides an update on the FSB's work on crypto-assets and also follows the issuance of a [public statement](#) on this topic (see above update). The full text of the letter can be found [here](#).

[**IOSCO Fintech TF Chair Delivers Speech on Roadmap for Crypto-Regulation \(July 11, 2022\)**](#)

Tuang Lee Lim, Chair of the IOSCO Fintech Task Force delivered a speech on IOSCO's roadmap for crypto regulation. Further details on the roadmap can be found below (see 7 July update).

[**IOSCO Publishes Crypto-Assets Roadmap for 2022-2023 \(July 7, 2022\)**](#)

The International Organization of Securities Commissions (IOSCO) published a Crypto-Asset Roadmap for 2022-2023. The roadmap is initially divided into two workstreams. The first covers crypto and digital assets and the second covers decentralized finance.

[BIS FSI Publishes Paper on Risks from Big Tech Interdependencies \(July 5, 2022\)](#)

The Bank for International Settlements (BIS) Financial Stability Institute (FSI) as part of their FSI Insights series, published a paper on “Big Tech Interdependencies – a key policy blind spot.”

[FSB Plenary Discusses Cryptoassets During Meeting in Amsterdam \(June 30, 2022\)](#)

The Financial Stability Board (FSB) held a meeting in Amsterdam where they discussed recent developments regarding the topic of cryptoassets and FSB workstreams on the topic.

[BCBS Publishes Second Consultation on the Prudential Treatment of Cryptoasset Exposures \(June 30, 2022\)](#)

The Basel Committee on Banking Supervision (BCBS) published a [second consultation](#) on the prudential treatment of cryptoasset exposures. This follows a [preliminary proposal](#) set out by the BCBS in June 2021 and the responses received from stakeholders. [GFMA](#) joined a [joint trade response](#) to the first consultation which was submitted in September 2021. Comments for the second consultation are requested to be submitted by 30 September 2022.

[BIS IH Publishes Lessons from Cross Border CBDC Experiments \(June 21, 2022\)](#)

The BIS Innovation Hub (BIS IH) published a report on “Using CBDCs Across Borders: Lessons from Practical Experiments.” The report provides an overview of their recent experiments on this topic, as well as the key insights and conclusions from the projects.

[BIS Annual Economic Report Special Chapter Presents Vision for the Future Monetary System \(June 21, 2022\)](#)

The Bank for International Settlements (BIS) Annual Economic Report for 2022 included a special chapter presenting a blueprint for a future digital monetary system. The report argues that a monetary system based on central bank public goods, using a digital version of sovereign currency as its foundation, could foster innovation while ensuring stability and security. This proposed system would include central bank digital currencies (CBDCs) and fast payment systems which could enhance efficiency and financial inclusion, while protecting data privacy. The report also notes that recent turmoil in the crypto markets serve as a reminder to their financial vulnerabilities, but also warns that this has been apparent for some time.

[BIS IH Announces New Projects and Expands Cyber Security and Green Finance Experiments \(June 17, 2022\)](#)

The BIS Innovation Hub (BIS IH) announced a new set of projects across its centres and updated its 2022 work programme to include the announcements. The BIS IH Eurosystem Centre will open in the coming months and will include projects on cryptocurrency markets and the implications of post-quantum cryptography for payment systems and climate-related disclosures. The BIS IH Hong Kong Centre will partner with the Bank of Israel and Hong Kong Monetary Authority (HKMA) on a new study on central bank digital currency (CBDC) and cybersecurity. The Hong Kong Centre will also start the development of a new prototype for Phase 2 Project Genesis, which is its green finance project.

[BIS Publishes Paper on Extractable Value and Market Manipulation in Crypto and DeFi \(June 16, 2022\)](#)

As part of their BIS Bulletin series, the Bank for International Settlements (BIS) published a paper on “Miners as Intermediaries: Extractable Value and Market Manipulation in Crypto and DeFi.” The paper finds that intermediaries can engage in activities that would be illegal in traditional markets such as front-running and sandwich trades, and define the resulting profit as “miner extractable value” (MEV).

[BIS Publishes Paper on Corporate Digital Identity \(June 16, 2022\)](#)

The Bank for International Settlements (BIS) published a paper on “Corporate Digital Identity: No Silver Bullet, but a Silver Lining.” The paper finds that if “there is a political will, technological innovation and policy can help in several areas to facilitate corporate digital ID and thus enhance overall efficiency, market integrity, financial stability and inclusion.” However, it is noted that there is no silver bullet to achieve all these benefits at once and that no single stakeholder can drive all the related changes that are needed.

[FSB Sub-Saharan Africa RCG Discusses Crypto-Assets \(June 16, 2022\)](#)

The Financial Stability Board (FSB) Sub-Saharan Africa Regional Consultative Group (CRG) discussed climate-related risks, cross-border payments, and crypto-assets at its June meeting.

NORTH AMERICA

US

[CFTC Commissioner Pham Delivers Statement on CPMI-IOSCO Final Guidance on Stablecoin Arrangements \(July 13, 2022\)](#)

Caroline D. Pham, Commissioner of the Commodity and Futures Trading Commission (CFTC) delivered a statement on the recent Bank of International Settlements’ (BIS) Committee on Payment and Market Infrastructures (CPMI) and International Organization of Securities Commissions (IOSCO) [Final Guidance on Stablecoin Arrangements](#). The guidance confirms that the Principles for Market Infrastructures apply to systematically important stablecoin arrangements that transfer stablecoins. Additional details can be found above (see 13 July update in global section above).

[UST Issues RFC on the Responsible Development of Digital Assets \(July 8, 2022\)](#)

The US Department of the Treasury (UST) issued a request for comment (RFC) focused on “Ensuring Responsible Development of Digital Assets.” Comments are requested for submission by 8 August 2022.

[FRB Governor Brainard Delivers Remarks on Financial Stability Risks Relating to Crypto-Assets \(July 8, 2022\)](#)

Federal Reserve Board (FRB) Governor Lael Brainard delivered a speech at the Bank of England Conference on “Crypto-Assets and Decentralized Finance through a Financial Stability Lens.” The speech calls for the need to distinguish between responsible innovation and regulatory evasion.

[FASB includes Accounting for and Disclosure of Digital Assets in Technical Agenda \(June 29, 2022\)](#)

The Financial Accounting Standards Board (FASB) included a new project on “Accounting for and Disclosure of Digital Assets” as part of technical agenda. This was published in the 2021 FASB Agenda Consultation Report.

[CFTC Commissioner Pham Delivers Address on Building Responsible Digital Asset Markets \(June 28, 2022\)](#)

Caroline D. Pham, Commissioner of the Commodity and Futures Trading Commission (CFTC) delivered the keynote address at the 18th Nasdaq Technology of the Future Conference. The remarks focused on “Regulation of the Future: Building Responsible Digital Asset Markets.”

[HFSC Hearing Includes FRB Chair Discussion on Digital Currency \(June 23, 2022\)](#)

The House Financial Services Committee (HFSC) Hearing on Monetary Policy and the State of the Economy included discussion from Federal Reserve Board (FRB) Chair Jerome Powell regarding digital currency. A **SIFMA** summary of the hearing can be found [here](#).

[House Agriculture Committee Holds Hearing on the Future of Digital Asset Regulation \(June 23, 2022\)](#)

The House Agriculture Committee’s Subcommittee on Commodity Exchanges, Energy, and Credit held a hearing on “the Future of Digital Asset Regulation.” A **SIFMA** summary of the hearing can be found [here](#).

[Federal Reserve Bank of Cleveland Publishes Report on the Lightning Network \(June 21, 2022\)](#)

The Federal Reserve Bank of Cleveland published a report on “The Lightning Network: Turning Bitcoin into Money.” The Lightning Network is a means of netting Bitcoin payments outside of the blockchain and the report suggests that the network has helped improve the efficiency of Bitcoin as a means of payment. The full text of the report is available [here](#).

[FRB Chair Delivers Remarks on the International Roles of the US Dollar \(June 17, 2022\)](#)

Jerome H Powell, Chair of the Federal Reserve Board (FRB) delivered welcoming remarks at the “International Roles of the US Dollar” conference sponsored by the FRB. The remarks highlighted that the FRB’s instant payment service, FedNow will be coming online in 2023 and that the FRB is “examining whether a US central bank digital currency (CBDC) would improve on an already safe and efficient domestic payment system.”

[FRB Monetary Policy Report Includes Update on Impact of Digital Assets on Stability \(June 17, 2022\)](#)

The Federal Reserve Board’s (FRB) biannual Monetary Policy Report included updates on the impact of digital assets on financial stability. Updates primarily focused on the latest market developments relating to stablecoins, as well as regulatory recommendations to address prudential risks posed by stablecoins.

EUROPE

EU

[European Council Approves Conclusions on EU Digital Diplomacy \(July 18, 2022\)](#)

The European Council agreed to a more concerted European approach to challenges posed by new digital technologies by approving conclusions on EU Digital Diplomacy. The text of the conclusions can be found [here](#).

[European Commission Welcomes Adoption of EU's New Rulebook for Digital Services by the European Parliament \(July 5, 2022\)](#)

The European Commission published a statement welcoming adoption of the EU's new rulebook for digital services by the European Parliament. The Commission notes that the new rules will be applicable across the whole EU and will create a safer and more open digital space, grounded in respect for fundamental rights.

[Fabio Panetta Highlights Role of Digital Euro in Remarks on Protecting the Euro Area Economy from Global Shocks \(July 1, 2022\)](#)

Fabio Panetta, Member of the Executive Board of the European Central Bank (ECB), delivered a speech on "Europe as a common shield - protecting the euro area economy from global shocks." In his remarks he highlighted the ECB's work on a digital euro and its potential role serving EU interests in a digital world.

[Agreement Reached on European Crypto-Assets Regulation \(MiCA\) \(June 30, 2022\)](#)

The Council presidency and the European Parliament reached provisional agreement on the markets in crypto-assets (MiCA) proposal. This proposal covers issuers of unbacked crypto-assets, stablecoins, and the trading venues and wallets where crypto-assets are held.

[Fabio Panetta Delivers Remarks on the Digital Euro and Evolution of the Financial System \(June 16, 2022\)](#)

Fabio Panetta, Member of the Executive Board of the European Central Bank (ECB), delivered an introductory statement on "The Digital Euro and the Evolution of the Financial System" at the Committee of Economic and Monetary Affairs of the European Parliament.

France

[Banque de France Governor Delivers Speech on Central Banks and DLT \(March 22, 2022\)](#)

François Villeroy de Galhau, Governor of the Banque de France delivered opening remarks at the second BIS Innovation Summit regarding the role of central banks relating to distributed-ledger technologies (DLT). He notes that central banks should "regulate and supervise all players that issue, value, deal, settle, offer custody and related services regarding" new assets built on DLT, as well as "continue to be active players in innovation."

Germany

[Burkhard Balz Delivers Speech on the future of CBDCs and Private Digital Payment Solutions \(June 29, 2022\)](#)

Burkhard Balz, Member of the Executive Board of the Deutsche Bundesbank delivered a speech on "The Landscape in 2030 – Central Bank Digital Currencies (CBDC) or Private Digital Payment Solutions?" The speech finds that by the year 2030, it will be likely that both types of payments will exist in good cooperation.

[BaFin Publication on the Challenges of Decentralised Finance for Financial Supervision \(June 28, 2022\)](#)

Birgit Rodolphe, Chief Executive Director of Resolution and Prevention of Money Laundering at the German Federal Financial Supervisory Authority (BaFin), authored an article on “A future without supervision? The challenges of decentralised finance for financial supervision.” The article calls for regulation and supervision of decentralised finance (DeFi).

Italy

[CONSOB Publishes First Report on Emerging Trends in Cryptoasset Markets \(June 27, 2022\)](#)

CONSOB published the first report about emerging trends in sustainable investing and cryptoasset markets. The report considers how these topics can affect the achievement of CONSOB remit.

Spain

[Pablo Hernández de Cos Delivers Presentation on the Bank of Spain’s Action Plan Against Financial Fraud \(June 21, 2022\)](#)

Pablo Hernández de Cos, Governor of the Bank of Spain and Chair of the Basel Committee on Banking Supervision (BCBS) delivered remarks on the Bank of Spain’s action plan against financial fraud. The presentation highlighted new technologies and business models that offer payment or credit services without sufficient safeguards and transparency.

[Pablo Hernández de Cos Delivers Remarks on Crypto-Assets from a Financial Authority’s Point of View \(June 21, 2022\)](#)

Pablo Hernández de Cos, Governor of the Bank of Spain and Chair of the Basel Committee on Banking Supervision (BCBS) delivered remarks at EASDE focused on crypto-assets. The remarks highlighted the regulatory response and perspective at the international, regional, and national level.

UK

[Financial Services and Markets Bill Looks to Harness the Opportunities of Innovative Technologies in Financial Services \(July 20, 2022\)](#)

The Financial Services and Markets Bill was introduced to Parliament on 20 July 2022. A highlighted focus of this Bill is to “harness the opportunities of innovative technologies in financial services.” Additional details on the Bill can be found [here](#). The Rt Hon Nadhim Zahawi also highlighted the Bill and this point when he gave a [Mansion House Speech](#) as UK Chancellor of the Exchequer.

[Nathanaël Benjamin Speech Highlights Impact of Digitalization on Financial Services \(July 20, 2022\)](#)

Nathanaël Benjamin, Executive Director, Authorisations, Regulatory Technology, and International Supervision at the Bank of England (BoE) delivered a speech on new risks impacting the future of financial services. The speech highlights how digitalization might change the financial services ecosystem and their related potential risks.

[FCA Chief Executive Highlights how the UK will Regulate Crypto Assets in the Future \(July 14, 2022\)](#)

UK Financial Conduct Authority Chief Executive, Nikhil Rathi, delivered a speech on “How the UK will Regulate the Future.” The speech highlighted that the FCA is embarking on a new approach to digital regulation in the UK through a “[Digital Regulators Cooperation Forum](#).” The speech also noted that during talks as part of the “[US-UK Financial Innovation Partnership](#)”, the UK and US have agreed to deepen ties on financial innovation, including in relation to stablecoins and the exploration of central bank digital currencies (CBDC).

[Sir Jon Cunliffe Delivers Speech on Lessons from the “Crypto Winter” \(July 12, 2022\)](#)

Sir Jon Cunliffe, Deputy Governor, Financial Stability at the Bank of England (BoE) delivered a speech highlighting lessons from recent instability and losses in crypto markets also known as the “crypto winter.” The speech highlights how technology cannot remove all financial risks, how regulators should continue and speed up their work, how future regulation should be designed on the principle of “same risk, same regulation,” and how appropriate regulation will support innovation.

[FPC Financial Stability Report and Financial Policy Summary and Record Highlight Volatility and Risks from Stablecoins \(July 5, 2022\)](#)

The Financial Policy Committee (FPC) highlighted recent stablecoin volatility and potential related risks in both the [July 2022 Financial Stability Report](#) and [July 2022 Financial Policy Summary and Record](#).

[BoE and PRA Annual Reports Include Updates on Digitalization Efforts \(June 23, 2022\)](#)

The Bank of England (BoE) and UK Prudential Regulation Authority (PRA) published their annual reports for 2022. Each report includes key updates on efforts relating to digitalization. The BoE report can be found [here](#) and the PRA report can be found [here](#).

[FCA Chief Executive Calls for International Coordination on Digitalisation \(June 16, 2022\)](#)

UK Financial Conduct Authority (FCA) Chief Executive, Nikhil Rathi, highlighted the need for international coordination regarding the increasing risk associated with digitalization and gamification as part of his remarks at the Dutch Authority for the Financial Markets (AFM) 20th anniversary seminar.

MIDDLE EAST

Israel

[Bank of Israel Governor Delivers Remarks on the Future World of Payments \(June 20, 2022\)](#)

Yaron Amir, Governor of the Bank of Israel delivered remarks on “a look at the future world of payments – trends, the market, and regulation.” As part of the remarks, he highlighted the potential impacts of DLT, digital assets, and central bank digital currencies (CBDCs).

ASIA

India

[RBI Governor Gives Speech on the Future of Banking \(July 22, 2022\)](#)

Shaktikanta Das, Governor of the Reserve Bank of India (RBI), delivered a speech on “Banking beyond tomorrow” at the Bank of Baroda's Annual Banking Conference. The speech highlighted the role of banks and the impact of digitalization on future banking services.

[RBI Governor Delivers Remarks on Disruptions and Opportunities in the Financial Sector \(June 17, 2022\)](#)

Shaktikanta Das, Governor of the Reserve Bank of India (RBI), delivered remarks on “Disruptions & Opportunities in the Financial Sector” at the Financial Express Modern BFSI Summit in Mumbai. The remarks highlighted the impact of technology on the sector and also noted that the RBI is moving towards the introduction of a central bank digital currency (CBDC).

Singapore

[Ravi Menon Highlights Developments in the Crypto Ecosystem During Speech on MAS Annual Report \(July 19, 2022\)](#)

Ravi Menon, Managing Director of the Monetary Authority of Singapore (MAS) provided an overview of developments in the crypto ecosystem during a speech at the MAS Annual Report 2021/2022 Media Conference. Remarks highlight that the key lesson from the upheaval of the global crypto industry is that investing in cryptocurrencies is highly risky. Mr. Menon also notes that in August 2022, MAS will organize a dedicated “Green Shoots” seminar to share strategies to develop Singapore as a digital asset hub.

*All information collected and provided for this report is publicly available.