



The following provides a collection of relevant publications regarding digitalization and financial innovation at both the global and jurisdictional level. To view previous versions since June 2022, please see the [newsletter's page](#) on the GFMA website.

## May 2023

### GFMA, AFME, ASIFMA, and SIFMA

#### [GFMA Publishes Report on the Impact of DLT in Global Capital Markets \(May 17, 2023\)](#)

GFMA with Boston Consulting Group (BCG), Clifford Chance and Cravath, Swaine & Moore LLP, have published a new report highlighting the potential transformative benefits of Distributed Ledger Technology (DLT) for capital markets and calling for market participants to proactively shape its future use, as well as for greater regulatory clarity from policy makers. The report, “The Impact of Distributed Ledger Technology in Global Capital Markets” evaluates the opportunities and risks of DLT and DLT-based securities and assesses the applicability of existing legal, regulatory, and risk management frameworks. To illustrate the potential of DLT in capital markets, the report examines three emerging use cases: collateral management; tokenization of assets; and sovereign and quasi-sovereign bonds. As part of the report, GFMA has also developed an approach to the classification of digital assets that reflects the principle that the treatment of digital assets should be underpinned by a clear methodology for identifying different types of digital assets’ risk. This can be found in [Annex 1](#) of the report.

## GLOBAL

#### [BIS FSI Publishes Executive Summary on the Prudential Treatment of Cryptoasset Exposures \(May 31, 2023\)](#)

The Bank for International Settlements (BIS) Financial Stability Institute (FSI) published an executive summary on the “Prudential treatment of cryptoasset exposures.” The summary includes an overview of cryptoasset classification under the Basel framework.

#### [BIS IH Publishes Phase 1 Results of Project Aura \(May 31, 2023\)](#)

The BIS Innovation Hub (BIS IH) announced the completion and summary of phase 1 of Project Aura. Project Aura focuses on “the power of data, technology and collaboration to combat money laundering across institutions and borders.”

#### [FSB Americas RCG Discusses Developments in the Crypto-Asset Sector \(May 26, 2023\)](#)

The Financial Stability Board (FSB) Regional Consultative Group (RCG) for the Americas discussed developments in the banking and crypto-asset sectors during their May 2023 meeting in Toronto.

### **[BIS IH Publishes Ongoing Policy Perspectives Relating to Work on CBDCs \(May 25, 2023\)](#)**

The Bank for International Settlements (BIS IH) published an update for May 2023 on “Central bank digital currencies: ongoing policy perspectives.”

### **[FSB Europe Group Discusses Risks from DeFi \(May 23, 2023\)](#)**

The Financial Stability Board (FSB) Regional Consultative Group for Europe discussed risks to financial stability including those from decentralized finance (DeFi). It was noted that “in July, the FSB will finalise its recommendations for the regulation, supervision and oversight of crypto-assets and markets and its revised recommendations specifically addressing global stablecoin arrangements.”

### **[IOSCO Publishes Consultation on Policy Recommendations for Crypto and Digital Asset Markets \(May 23, 2023\)](#)**

The International Organization of Securities Commissions (IOSCO) published a consultation on “Policy Recommendations for Crypto and Digital Asset Markets.” Responses were requested by 31 July 2023. The full text is available [here](#).

### **[NYIC and MAS Publish Results of Joint Wholesale Cross-Border Payments Research Study \(May 19, 2023\)](#)**

The Federal Reserve Bank of New York’s New York Innovation Center (NYIC) and Monetary Authority of Singapore (MAS) published the results of their joint wholesale cross-border payments search study. The study “examined whether distributed ledger technology (DLT) could be used to improve the efficiency of cross-border payments and settlements involving multiple currencies.”

### **[BIS FSI Publishes Paper on the Regulatory Landscape of Crypto, Tokens, and DeFi \(May 17, 2023\)](#)**

As part of the FSI Insights series, the Bank for International Settlements (BIS) Financial Stability Institute (FSI) published a paper on “Crypto, tokens and DeFi: navigating the regulatory landscape.”

### **[FSB RCG Asia Discusses Vulnerabilities from Crypto-assets \(May 17, 2023\)](#)**

The Financial Stability Board (FSB) Regional Consultative Group for Asia (RCG Asia) discussed “vulnerabilities arising from non-bank financial intermediation and crypto-assets.”

### **[IMF Deputy Managing Director Delivers Remarks on Digital Money and Technology in Asia and the Pacific \(May 11, 2023\)](#)**

Bo Li, Deputy Managing Director of the International Monetary Fund (IMF), delivered opening remarks for the “Learning Webinar Series on Digital Money/Technology in Asia and the Pacific.”

### **[G20 Techsprint Announced Focusing on Cross-border Payment Solutions \(May 4, 2023\)](#)**

The Reserve Bank of India (RBI) and Bank for International Settlements (BIS) announced the 2023 G20 Techsprint focusing on cross-border payment solutions. The announcement highlighted efforts relating to central bank digital currencies (CBDCs).

## **[BIS IH Publishes Webpage for Project Polaris \(May 2023\)](#)**

The BIS Innovation Hub (BIS IH) published a webpage and related resources for project Polaris which focuses on “secure and resilient CBDC systems, offline and online.” The page includes links for a [handbook for offline payments with CBDC](#), for a [security and resilience framework for CBDC systems](#), and for [closing the CBDC cyber-threat modeling gaps](#).

## **NORTH AMERICA**

### **United States**

#### **[CFTC DCR Issues Staff Advisory on the Risk of Clearing Digital Assets \(May 30, 2023\)](#)**

The Commodity and Futures Trading Commission (CFTC) Division of Clearing and Risk (DCR) issued a “Staff Advisory on the Risk Associated with Expansion of Derivatives Clearing Organization Clearing of Digital Asset.” The full text can be found [here](#).

#### **[OFR Publishes Brief and Blog on Digital Asset Data \(May 30, 2023\)](#)**

The Office of Financial Research (OFR) published a brief on “[An Early Look into Digital-Assets Regulatory Data](#)” and a blog highlighting that “[OFR Data Analysis Shows High Growth, High Concentration in Digital Asset Market](#).”

#### **[Joint Financial Services-Agriculture Subcommittee Hearing Focuses on The Future of Digital Assets \(May 10, 2023\)](#)**

The US House Financial Services Committee’s Subcommittee on Digital Assets, Financial Technology and Inclusion and the US House Committee on Agriculture’s Subcommittee on Commodity Markets, Digital Assets, and Rural Development held a joint hearing on “Measuring the Regulatory Gaps in the Digital Asset Markets.” A **SIFMA** summary is available [here](#).

#### **[SEC Chair Gensler Publishes Video on “Crypto Platforms and Securities Laws” \(May 3, 2023\)](#)**

As part of his “Office Hours” series, Gary Gensler, Chair of the US Securities and Exchange Commission (SEC), published a video on “Crypto Platforms and Securities Laws.” In the video, he “explains why intermediaries for investment contracts are required to comply with securities laws and register with the U.S. Securities and Exchange Commission.”

## **EUROPE**

### **European Union**

#### **[EBA Consults on Amendments to the Guidelines on Money Laundering and Terrorist Financing Risk Factors to Include Crypto-asset Service Providers \(May 31, 2023\)](#)**

The European Banking Authority (EBA) announced a consult “on amendments to the Guidelines on money laundering and terrorist financing risk factors to include crypto-asset service providers.” The consult will run through 31 August 2023.

### [ESRB Publishes Report on Crypto and DeFi \(May 25, 2023\)](#)

The European Systemic Risk Board (ESRB) published a “report outlining the systemic implications of crypto markets” that proposes “policy options to address the risks stemming from crypto-assets and decentralised finance (DeFi).”

## **France**

### [Denis Beau Delivers Speech on Crypto-Asset Regulation and Supervision \(May 18, 2023\)](#)

Denis Beau, First Deputy Governor of the Banque de France (BdF) delivered a speech titled “After the Crypto-winter, the spring of crypto-assets regulation and supervision.” The speech highlights “the risks to consider for regulation and supervision in the crypto ecosystem”, as well as outlines “the European regulatory stance and the importance of a convergent and coordinated regulatory response.”

### [François Villeroy de Galhau Delivers Keynote Speech on the Future of Finance \(May 9, 2023\)](#)

François Villeroy de Galhau, Governor of the Banque de France (BdF), delivered the keynote speech on “Parisian momentum” at the Bloomberg “Future of Finance” forum in Paris. The speech highlighted the BdF’s work on central bank digital currencies (CBDCs) and a potential euro retail CBDC.

### [Denis Beau Delivers Speech on Digital Currencies \(May 3, 2023\)](#)

Denis Beau, First Deputy Governor of the Banque de France (BdF) delivered a speech on “The perils and potential of digital currencies.” The speech provided an overview of the digital currency landscape and potential impacts, as well as noted the roles that central banks should play.

## **Ireland**

### [Gabriel Makhoul Publishes Blog on “Crypto and how we can protect the consumer” \(May 5, 2023\)](#)

Gabriel Makhoul, Governor of the Central Bank of Ireland, published a blog on “Crypto and how we can protect the consumer.” The speech included an overview of the crypto ecosystem, the 2022 crypto winter, and how regulators should address the risk of crypto.

## **Italy**

### [Piero Cipollone Delivers Speech on the Future of Payments \(May 18, 2023\)](#)

Piero Cipollone, Deputy Governor of the Bank of Italy (BoI), delivered a speech on “the future of payments and how to get there.” The speech highlighted the potential future for digital money and central bank digital currencies (CBDCs).

## United Kingdom

### [Carolyn Wilkins Speech Highlights Three Main Design Principles for a CBDC \(May 10, 2023\)](#)

Carolyn Wilkins, External Member of the Bank of England's (BoE) Financial Policy Committee (FPC) delivered a speech on "Money: A question of purpose and trust." The speech includes details on three main design principles for a central bank digital currency (CBDC).

### [PRA Includes Digitalisation in Business Plan for 2023/24 \(May 2, 2023\)](#)

The UK Prudential Regulation Authority (PRA) included digitalisation as a priority topic in its Business Plan 2023/24 and highlighted key workstreams on the topic.

## APAC

### Australia

#### [RBA Governor Notes RBA is Investigating AUD CBDC \(May 2, 2023\)](#)

In a speech at the Reserve Bank Board Dinner, Philip Lowe, Governor of the Reserve Bank of Australia (RBA), noted that the RBA is "investigating new forms of digital money, including a central bank digital currency." This includes a small issuance of "digital currency as part of a research project with the Digital Finance Cooperative Research Centre."

### Hong Kong

#### [Eddie Yue Delivers Remarks at the Commencement Event of the e-HKD Pilot Programme \(May 18, 2023\)](#)

Eddie Yue, Chief Executive of the Hong Kong Monetary Authority (HKMA), delivered the opening remarks at the commencement of the e-HKD Pilot Programme. The remarks provided an overview of the programme and its work.

### India

#### [RBI Governor Delivers Speech on Future-Proofing the Indian Financial System \(April 27, 2023\)](#)

Shaktikanta Das, Governor of the Reserve Bank of India (RBI), delivered a speech on "Future-proofing the Indian financial system." The speech highlighted that "the rapid developments and innovations in the financial system, especially in the areas of fintech and digital products pose new opportunities as well as risks."

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