GFMA Digital Finance Monthly Update

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.

October 2025

GFMA, AFME, ASIFMA, and SIFMA

GFMA and Joint Trades Call for Recalibration of Cryptoasset Prudential Standards and Highlight DLT's Transformative Role in Capital Markets (August 19, 2025)
GFMA, in partnership with a coalition of leading global financial trade associations ("joint trades"), and with support from technical advisors Boston Consulting Group (BCG), Ashurst, and Sullivan & Cromwell, issued a letter to the Basel Committee on Banking Supervision (BCBS) urging a pause and recalibration of the Cryptoasset Exposures Standard (SCO60) and published a comprehensive report highlighting the transformative potential of Distributed Ledger Technology (DLT) in capital markets. Download the full "*Impact of DLT on Capital Markets*" report here and the prudential letter here.

BAFA Calls for Cooperation on Digital Asset Regulation (October 20, 2025)
The British American Finance Alliance (BAFA), which is co-chaired by **SIFMA** President and CEO Kenneth E. Bentsen Jr., published a paper on "Finance for Growth: A Shared U.S.-UK Prosperity Agenda." One of the key recommendations from the report is "cooperation on digital asset regulation to reduce costs and boost investor confidence."

SIFMA Submits Comments on Proposed Rule Change to Amend the Exchange's Rules to Enable the Trading of Securities on the Exchange in Tokenized Form (October 14, 2025)
SIFMA provided comments to the U.S. Securities and Exchange Commission (SEC) in response to the proposal by The Nasdaq Stock Market LLC to amend its rules to allow securities transactions executed on Nasdaq to clear and settle in tokenized form at The Depository Trust Company.

ASIFMA Submits Response to HKMA on Basel Capital Treatment of Tokenised Assets and Stablecoins Issued on Permissionless Blockchains (October 10, 2025)
ASIFMA submitted a response to the Hong Kong Monetary Authority's (HKMA) "Consultation on SPM modules and code of practice in connection with Hong Kong's implementation of the Basel Committee on Banking Supervision's standards on the prudential treatment of banks' cryptoasset exposures."

AFME Publishes DLT-Based Capital Market Report for September 2025 (October 6, 2025)
AFME published the latest edition of its Global Distributed Ledger Technology (DLT) Market Report for September 2025. This report provides a comprehensive overview of the primary DLT-based fixed income market, secondary market activity and valuations, stablecoins, repo transactions, and the growth of the tokenized fund industry alongside other tokenized assets.

SIFMA Publishes Blog on Key Policy Questions Around the Application of Decentralized Trading Models to Tokenized Securities Markets (October 2, 2025)
SIFMA published a blog titled "DeFi: Key Policy Questions Around the Application of Decentralized Trading Models to Tokenized Securities Markets." The blog explores how decentralized finance ("DeFi") models offer exciting new opportunities, but also raise critical questions and risks that must be addressed before they can be used for trading securities, derivatives, and "digital commodities."

GLOBAL

BIS APAC Chief Representative Delivers Remarks on Strengthening Financial Governance and Cooperation Amid Rapid Tech Transformation (October 28, 2025)
Tao Zhang, Bank for International Settlements (BIS) Chief Representative for Asia and the Pacific (APAC), delivered remarks on "Strengthening financial governance and cooperation amid rapid technological transformation." In the remarks, he highlighted developments in tokenization including its application in cross-border payments and securities settlement. He also noted why governance is essential, as well as the role of central banks and BIS.

BIS FSI Publishes Summary Brief on Regulatory Approaches for Stablecoin-related Yields (October 23, 2025)
The Bank for International Settlements (BIS) Financial Stability Institute (FSI) published a summary brief on "Stablecoin-related yields: some regulatory approaches." The brief notes that "addressing the risks posed by these arrangements may require a framework that extends beyond issuers to cover CASP's stablecoin-related activities, close regulatory gaps and safeguard end users' protection and financial stability."

FSB and IOSCO Issue Joint Note Accompanying Their Thematic Reviews on Implementing Regulatory Frameworks for Crypto-Asset Activities (October 16, 2025)
The Financial Stability Board (FSB) and International Organization of Securities Commissions (IOSCO) published a joint note accompanying their respective reports on "Progress towards implementing comprehensive regulatory frameworks for crypto-asset activities." Additional details on each review can be found in the updates below.

FSB Publishes Thematic Peer Review on its Global Regulatory Framework for Crypto-asset Activities (October 16, 2025)
The Financial Stability Board (FSB) published a "Thematic Peer Review on the FSB Global Regulatory Framework for Crypto-asset Activities." The review found "significant gaps and inconsistencies in implementation of crypto and stablecoin recommendations" and the "FSB urges jurisdictions to prioritise full and consistent implementation, so as to minimize the risk of regulatory arbitrage and to improve the oversight of an inherently global crypto-asset market."

IOSCO Publishes Thematic Review Assessing the Implementation of Recommendations for Crypto and Digital Asset Markets (October 16, 2025)
The Board of the International Organization of Securities Commissions (IOSCO) published a Final Report on the "Thematic Review Assessing the Implementation of IOSCO Recommendations for Crypto and Digital Asset Markets." The report "has concluded that significant progress is being made in relation to the implementation of the key elements of the Assessed Recommendations, focusing on market integrity and investor protection."

BCBS Chair Delivers Remarks on Innovation (October 15, 2025)

Erik Thedéen, Chair of the Basel Committee on Banking Supervision (BCBS) and Governor of Sveriges Riksbank, delivered remarks on "Implementation, Innovation, and Interconnections." In his remarks, he noted that "innovation in finance is accelerating, with particular momentum around tokenisation and the broader crypto finance system." He also noted that "an overarching principle in our work on crypto is simple: we aim to ensure that innovation contributes to, rather than undermines, the resilience of the financial system."

BIS Publishes Working Paper on the Payment Preference for CBDCs (October 8, 2025)

The Bank for International Settlements (BIS) published a paper titled "Predicting the payment preference for CBDC: a discrete choice experiment." The paper focuses on an experiment to "examine how people in Korea may respond to the introduction of a retail central bank digital currency as a payment method."

IOSCO WIW Includes Digital Finance and Crypto Assets as Key Focus Areas (October 6 – 12, 2025)

IOSCO held its annual World Investor Week (WIW) which "is a week-long, global campaign promoted by IOSCO to raise awareness about the importance of investor education and protection and highlight the various initiatives of securities regulators in these two critical areas." For WIW 2025, digital finance and crypto assets were included as main themes. Further details are available here.

FSB Chair's Letter to the G20 Highlights Efforts on Crypto (October 8, 2025)

Andrew Bailey, Chair of the Financial Stability Board (FSB), submitted a letter to the G20 Finance Ministers and Central Bank Governors ahead of their meeting 15-16 October. In the letter, he highlighted FSB efforts on crypto including their crypto-asset thematic review and report to the G20 (see 16 October update above).

BIS Publishes Paper on Pricing in Fast Payments (October 6, 2025)

As par to their Working Papers series, the Bank for International Settlements (BIS) published a report titled "Pricing in fast payments: a practical and theoretical overview." The paper notes that "fast payments are at the forefront of payments digitalisation globally" and that "by enabling immediate availability of funds on a 24/7 basis, they offer the potential to enhance efficiency, promote financial inclusion, drive innovation and foster competition."

FSB Chair Provides Update on Crypto Assets (October 3, 2025)

Andrew Bailey, Chair of the Financial Stability Board (FSB), delivered remarks on "Challenges to Financial Stability." In his remarks, he reflected "on the reforms made to the financial system since the 2008 financial crisis" and addressed "challenges these reforms face in an ever-changing world." He highlighted that a "big change in financial intermediation post-crisis that I would highlight is the growth of crypto assets" and noted that "we want to maintain the singleness of money, including where new types of non-bank that have grown up in the crypto world seek to issue money for real-world payments purposed."

AMERICAS

Canada

OSFI Announces Changes to Treatment of Crypto-asset Exposures (October 29, 2025)
In a letter to industry, the Office of the Superintendent of Financial Institutions (OSFI) announced a revision to their "Capital and Liquidity Treatment of Crypto-asset Exposures (Banking) – Guideline." The update includes revised guidelines that "an institution's total gross exposure to Group 2 crypto-assets should not exceed 5% of the institution's Net Tier 1 capital" and that "we have removed the requirement that Group 2 crypto-asset exposures above 1% of an institution's Net Tier 1 capital be subject to the capital requirements that apply to Group 2b crypto-asset exposures."

Chile

Rosanna Costa Highlights Advancements in Digital Payments (September 16, 2025)
Rosanna Costa, Governor of the Central Bank of Chile, delivered remarks on the "Chilean economy and digital payments – progress and challenges." In her remarks, she highlights how "the use of digital payments has grown rapidly over the last decade in our country, with the Central Bank playing a significant role in supporting this transformation."

United States

Senate Finance Committee Holds Hearing on the Taxation of Digital Assets (October 1, 2025)
The US Senate Committee on Finance held a hearing titled "Examining the Taxation of Digital Assets." A recording, and member and witness statements are available on the hearing webpage.

FRB Governor Waller Delivers Remarks on Payments Innovation (September 29, 2025)
Christopher J Waller, Member of the Board of Governors of the Federal Reserve System (FRB), delivered remarks on "The Next Frontier of Payments Innovation" at the Sibos 2025 Conference. In the remarks, he highlighted the potential benefits of distributed ledger technology (DLT) for payments innovation.

EUROPE

EU

ESMA Publishes Updated Q&As on Digital Finance and Innovation (October 17, 2025)
The European Securities and Markets Authority (ESMA) published new questions and answers (Q&As) regarding digital finance and innovation. One Q&A focuses on how to distinguish between different crypto execution services and another Q&A focuses on crypto asset service providers' (CASPs) responsibilities with regards to white papers for Title II tokens.

[Pedro Machado Delivers Remarks on Embracing Digital Change While Ensuring Stability (October 16, 2025)]
Pedro Machado, Member of the Supervisory Board of the European Central Bank (ECB), delivered remarks titled “Time is on our side: Embracing digital change while ensuring stability.” His remarks focused on “the future of banking and emerging digital trends, the implications for banks in terms of opportunities and risks, and the impact of digitalisation on banking supervision.”

[EBA Publishes Proposed Changes to the Technical Standards on Liquidity Requirements of the Reserve Assets Under MiCA (October 10, 2025)]
The European Banking Authority (EBA) “published two Opinions in response to the European Commission’s (EC) amendments relating to the draft Regulatory Technical Standards (RTS) specifying the composition and liquidity requirements of the reserve of assets under the Markets in Crypto-Assets Regulation (MiCA).” The EBA also announced that it “considers that the EC’s proposed substantive amendments are not consistent with the prudential framework established by MiCA.”

[EBA Calls for Supervisors to Learn from Recent Cases to Prevent Financial Crime in Crypto Firms (October 9, 2025)]
The European Banking Authority (EBA) announced that “Supervisors should learn from recent cases to prevent financial crime in crypto firms.” The announcement followed publication of a “Report on tackling money laundering and terrorist financing (ML/TF) risks in crypto-asset services, including issuance, trading, and service provision.”

[ESAs Warn Consumers of Risks and Limited Protection for Certain Crypto-Assets and Providers (October 6, 2025)]
The European Supervisory Authorities (EBA, EIOPA, and ESMA – the ESAs) “issued a warning to consumers that crypto-assets can be risky and that legal protection, if any, may be limited depending on which crypto-assets they invest in.” This warning was “accompanied by a factsheet explaining what the new EU regulation on Markets in Crypto-Assets (MiCA) means for consumers.”

[ESMA Includes the Effective Use of Data and Technological Innovation as Priority Topic for 2026 (October 3, 2025)]
The European Securities and Markets Authority (ESMA) published their “2026 Annual Work Programme.” The Work Programme includes the “Effective Use of Data and Technological Innovation” as a key priority, as well as many workstreams relating to digitalization.

[Piero Cipollone Delivers Remarks on Central Bank Money in the Digital Era (September 30, 2025)]
Piero Cipollone, Member of the Executive Board of the European Central Bank (ECB), delivered remarks titled “Innovating for stability - central bank money in the digital era.” In the remarks, he discussed the implications for retail, wholesale, and cross-border payments.

[ESAs Call for Monitoring Contagion Risks from Crypto Assets (September 19, 2025)]
The European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) published their “Autumn 2025 Joint Committee Report on risks and vulnerabilities in the EU financial system.” The report calls for monitoring “contagion risks from crypto assets as the market expands and interlinkages between crypto markets and the traditional financial sectors deepen.”

ESMA Highlights Financial Innovation in Risk Monitoring Report (September 9, 2025)
The European Securities and Markets Authority (ESMA) published their second risk monitoring report of 2025. The report includes financial innovation as a key structural development and notes that "tokenisation has had limited adoption so far, but tokenised funds have seen some uptake recently" and that "the impacts and risks of tokenisation on markets still need to be fully understood."

France

François Villeroy de Galhau Delivers Speech on Fintechs and Sovereignty (October 9, 2025)
François Villeroy de Galhau, Governor of Banque de France, gave remarks on "Fintechs and Sovereignty: Three pillars to be strengthened Together." In the remarks he noted that he advocates "along with the Chair of the AMF, for the European supervision of crypto-asset issuers, exercised by ESMA."

François Villeroy de Galhau Calls for Faster Innovation in Developing a Digital Euro (October 2, 2025)
François Villeroy de Galhau, Governor of the Banque de France, delivered a speech on "The international role of the euro and the development of European safe assets." In his remarks, he urged that "we need to *innovate faster*" and that "the creation of a wholesale central bank digital currency (CBDC), as well as the digital euro for retail, are both urgently needed, not only to strengthen our economic and financial sovereignty, but also to enhance the global standing of the euro."

Germany

Burkhard Balz Delivers Remarks on the Digital Euro (October 9, 2025)
Burkhard Balz, Member of the Executive Board of the Deutsche Bundesbank, delivered remarks on "Empowering Europe - how the digital euro unlocks digital sovereignty." In his remarks, he noted that the digital euro "will improve the autonomy of every single European citizen," that it "would establish a unified payment zone within the euro area," and that it "would strengthen the resilience of euro area economies against competing currencies and stablecoins by preserving the anchoring function of central bank money."

Joachim Nagel Discusses Digitalization in Remarks at Sibos (September 29, 2025)
Joachim Nagel, President of the Deutsche Bundesbank, delivered introductory remarks at the Sibos 2025 conference. In his remarks he highlighted the impacts from the "creation of new forms of payment instrument such as crypto-tokens, stablecoins and tokenised deposits" and the potential opportunities for "an economy in which the settlement of contracts is largely automated, supported by digital money, distributed ledger technology (DLT) and smart contracts." He also urged that to preserve financial stability, regulators "have to make sure that large-value payments are settled in central bank money" and that these "may use DLT, but with wholesale central bank digital currencies (CBDC)."

Greece

[Yannis Stournaras Delivers Remarks on New Technologies, Crypto, Stablecoins and Payments (September 29, 2025)]
Yannis Stournaras, Governor of the Bank of Greece, delivered remarks on "New technologies, crypto, stablecoins and payments - a central bank perspective." In his remarks, he provided a summary of the growth of digitalization, the related policy response, and an update on the Digital euro project.

Latvia

[Governor of the Bank of Latvia Calls for Embracing Digital Services (October 1, 2025)]
Mārtiņš Kazāks, Governor of the Bank of Lativa, delivered the opening speech of the Latvia Fintech Forum 2025. In his remarks, he noted that "in Latvia we have built a unique foundation for payments and crypto" and that "we're ready to see new forms of payments and new tokenized assets to flow into the financial system." He also made a call to embrace "digital services to compete on speed, improved customers' experience, and efficiency."

Netherlands

[Steven Maijoor Delivers Speech on Unlocking Europe's Financial Potential at AFME OPTIC Conference (October 7, 2025)]
Steven Maijoor, Executive Member and Chair of Supervision of De Nederlandsche Bank, delivered a speech titled "Unlocking Europe's financial potential - innovation, regulation, and trust" at **AFME**'s OPTIC Conference. In his remarks, he discussed the potential for new technologies and also the related regulatory regimes.

United Kingdom

[Victoria Cleland Delivers Speech on Work to Modernize Wholesale Settlement Using Central Bank Money (October 21, 2025)]
Victoria Cleland, Executive Director, Payments at the Bank of England (BoE), delivered remarks on "Advancing settlement: central bank money for the next era of payments." In the remarks, she "shares the work undertaken by the Bank to modernise wholesale settlement using central bank money," "reflects on the DLT Innovation Challenge," "and unveils the Synchronisation Lab – a new dynamic space to explore how atomic settlement could benefit various markets and transaction types."

[BoE Publishes Approach to Innovation in AI, DLT, and Quantum Computing (October 15, 2025)]
The Bank of England (BoE) published their "Approach to Innovation in Artificial Intelligence, Distributed Ledger Technology, and Quantum Computing." The report "outlines the Bank's approach to delivering the environment necessary to ensure that responsible innovation flourishes, setting out the work we have done, and will do."

Sarah Breeden Speaks on the Tokenization of Assets and Stablecoins (October 15, 2025)
Sara Breeden, Deputy Governor, Financial Stability at the Bank of Engand (BoE), delivered remarks on the "Real World Assets Tokenisation: What Asset Classes Will Work – and Which Won't" panel at DC Fintech Week 2025. In the remarks, she provided details on the BoE's approach to the tokenization of assets, as well as on their upcoming consultation on requirements for sterling-denominated stablecoins used in systemic payment systems.

FCA Announces Plans to Support Tokenisation to Boost Efficiency and Innovation in Asset Management (October 14, 2025)
The Financial Conduct Authority (FCA) issued a statement noting it "has set out plans to support tokenisation, to drive innovation and growth in asset management." The statement notes that "the plans include guidance to provide firms with additional clarity to aid adoption of this new technology."

Sasha Mills Delivers Remarks on Innovation at the AFME OPTIC Conference (October 8, 2025)
Sasha Mills, Executive Director, Financial Market Infrastructure at the Bank of England (BoE), delivered remarks titled "From new ideas to new market structures, how innovation is reshaping the financial system" at the **AFME** OPTIC Conference. In her remarks, she discussed "how new ideas and technologies, such as distributed ledgers, are driving innovation and reshaping market structures" and also highlighted the BoE's "support for responsible innovation by start-ups and established firms and how our approach to regulation is evolving in step with technology."

APAC

Australia

RBA Governor Delivers Remarks on the Global Payments Landscape (October 3, 2025)
Michele Bullock, Governor of the Reserve Bank of Australia (RBA), delivered remarks on "The Evolving Global Payments Landscape - Challenges and Opportunities for Australia and the Broader Asia-Pacific Region." In the remarks, she highlighted potential new forms of digital currencies, such as central bank digital currencies (CBDCs) and stablecoins, to boost the efficiency of cross-border payments and financial markets.

Hong Kong

HKIMR issues report on "Long-term Investing in Hong Kong: Developments and Opportunities in a Digital Economy" (September 22, 2025)
The Hong Kong Institute for Monetary and Financial Research (HKIMR) released a research report titled "Long-term Investing in Hong Kong: Developments and Opportunities in a Digital Economy".

FSTB Provides Details of OTC Trading of Virtual Assets Under Stablecoin Law (September 10, 2025)
Christopher Hui, Secretary of the Financial Services and Treasury Bureau (FSTB) provided answers to Legislative Council questions that OTC virtual asset trading institutions are not "permitted offerors" of stablecoins under the Stablecoin Ordinance. At present, the Ordinance specifies five types of "permitted offerors", which may offer stablecoins issued by licensed issuers regulated by the HKMA. HKMA has not licensed any stablecoin issuers yet.

India

Sanjay Malhotra Delivers Address on Driving Inclusive and Sustainable Growth Through Digital Public Infrastructure and FinTech (October 8, 2025)

Sanjay Malhotra, Governor of the Reserve Bank of India (RBI), delivered the keynote address at the Global Fintech Fest in Mumbai on "Driving inclusive and sustainable growth through digital public infrastructure and FinTech." In the address, he included an update on India's Central Bank Digital Currency (CBDC), the Digital Rupee, which "represents a critical new rail in the DPI architecture."

New Zealand

FMA Consults on Tokenization in the Financial Markets (September 3, 2025)

The New Zealand Financial Markets Authority (FMA) issued a consultation seeking feedback on the implications of a growing market for tokenised products, with comments due by 31 October.

Singapore

MAS Defers Implementation of BCBS Prudential Treatment of Cryptoassets Exposures (October 9, 2025)

The Monetary Authority of Singapore (MAS) published a report summarizing feedback received regarding the "Prudential Treatment of Cryptoasset Exposures and Requirements for Additional Tier 1 and Tier 2 Capital Instruments for Banks." In the report, they announced that "in view of the feedback, MAS will defer the implementation of the prudential treatment and disclosures of cryptoasset exposures to 1 January 2027 or later and will provide updates on the final cryptoasset standards and implementation date in due course."

MAS Update to Guidelines on Licensing and Conduct of Business for Fund Managers Includes Expectations for Digital Asset Investments and Governance (September 3, 2025)

The Monetary Authority of Singapore (MAS) issued revised guidelines on licensing and business conduct requirements for fund management companies and venture capital fund managers, setting out stricter licensing criteria, enhanced custody and valuation standards, conflict of interest mitigation, disclosure improvements and clarified expectations for digital asset investments and governance.

Thailand

BoT Governor Delivers Speech on Responsible Financial Innovation (September 16, 2025)

Sethaput Suthiwartnarueput, Governor of the Bank of Thailand (BoT), delivered remarks on "Responsible financial innovation in ASEAN" at the Bangkok Digital Finance Conference 2025. In his remarks, he highlighted developments and background relating to "digital payments, tokenization, and open data."