

# Shaping Finance 2025

Insights from the FutureMatters Stage  
Singapore FinTech Festival 2024

January 2025



**Global Finance &  
Technology Network (GFTN)**

89 Neil Road, #02-04, Singapore 088849  
gftn.co | hello@gftn.com

This document is published by Global Finance & Technology Network Limited (GFTN) as part of its FutureMatters insights platform. The findings, interpretations and conclusions expressed in GFTN Reports are the views of the author(s) and do not necessarily represent the views of the organisation, its Board, management or its stakeholders.

© 2025 Global Finance & Technology Network Limited, All Rights Reserved.  
Reproduction Prohibited.

<b>Financial Innovation and Global Trends</b>	4	<b>Web3 and Digital Assets</b>	11
From Tradition to Innovation	4	Global Layer 1 and the Evolution of Digital Asset Infrastructure	12
Central Banks Getting Ready for 2025	4	The Future of Digital Assets and Interoperable Ecosystems	12
<hr/>		Digital Asset Policy and Growth Outlook for 2025	13
<b>Sustainable Future</b>	5	Key Predictions for 2025	14
Sustainability	5	Future of Digital Currencies	15
Empowering the Global South	7	Emerging Trends and The Road Ahead	15
Advancing Financial Access for SMEs	8	Spotlight: Applications of AI	15
<hr/>		What is Happening in The Cross-Border Payments Space?	16
<b>Frontier Technologies</b>	8	<hr/>	
Artificial Intelligence in Financial Services	8	<b>Conclusion</b>	18
Spotlight: J.P. Morgan Chase's Advancements in Quantum Computing	11		

The FutureMatters Stage at the Singapore FinTech Festival 2024 focused on explorations about the transformative trends, challenges, and innovations shaping the global financial landscape. Featuring experts from diverse disciplines, the discussions ranged from sustainability and artificial intelligence to the future of digital assets and central bank strategies for 2025.

# Financial Innovation and Global Trends

## From Tradition to Innovation

The financial industry is on a transformative journey that nonetheless calls for harmony between tradition and innovation, noted H.E. Gilles Roth, Minister of Finance for Luxembourg, in his keynote address to the FutureMatters Stage at the Singapore FinTech Festival. "Tradition and innovation are not in opposition to one another. We have to take people and their traditions with us on our journey," he said, speaking on day 3 of the event.

Drawing parallels between Luxembourg & Singapore, Minister Roth underscored the shared trajectory of these global financial hubs. He noted that "both of our nations have embraced openness to international collaboration, positioning ourselves as gateways, creating seamless connections for capital, ideas, & innovation."

Roth highlighted open finance as a key driver of transformation, describing its potential to "merge asset and wealth management, banking, insurance, and payments into a unified network." Reflecting on Luxembourg's proactive role within the European Union (EU), he emphasised that "making the EU more competitive goes hand in hand with remaining open to global capital and welcoming to companies from outside the EU."

The minister also emphasised the transformative role of tokenization, predicting that "tokenized funds will make fractional investments easier, cheaper, and more liquid," democratising access to private assets.

In discussing the payments industry, Roth highlighted its foundational role in global commerce, describing it as "the backbone of the economy." Innovations in real-time payments, blockchain, and digital wallets are reshaping cross-border transactions, making them "instant, more secure, and more accessible." The EU's Markets in Crypto-Assets (MiCA) regulation and the recent authorisation of a bank-backed stablecoin in Luxembourg are setting the stage for "central bank digital currencies and stablecoins to become fundamental elements of a digital-native financial ecosystem."



H.E. Gilles Roth, Minister of Finance, Luxembourg

*"Open finance has the potential to merge asset and wealth management, banking, insurance, and payments into a unified network."*

Roth concluded with a vision for a sustainable financial future, where "AI-driven funds will optimise not only financial returns but also environmental, social, and governance outcomes."

## Central Banks Getting Ready for 2025

As economies navigate rapid technological change, economic uncertainty, and global challenges, meanwhile, central banks will play a pivotal role, said Gabriel Makhoul, Governor of the Central Bank of Ireland. He called for a measured approach to monetary policy, noting, "With the finish line in sight, we don't need to rush to it." While confident that the **Euro area would meet its 2% inflation target by 2025**, he stressed the importance of tackling sector-specific dynamics, particularly in services inflation, to achieve lasting price stability.

Reflecting on recent years, Gabriel highlighted the extraordinary circumstances central banks have faced, from low inflation and deflation risks during economic shutdowns to the current phase of rapid disinflation. He pointed to demographic shifts, technological advances, and climate transitions as transformative forces reshaping the global financial system at an unprecedented pace. "The pace of change we see and feel today makes change in the present very different from change in the past," he observed.

Ireland has emerged as a vibrant hub for financial innovation, driven by an open economy, skilled workforce, and transparent regulations. Makhlouf highlighted the transformative impact of electronic payments, open banking, and blockchain technologies on consumer demand and business models. He introduced Ireland's sandbox programme as a strategic initiative to foster innovation, deepen regulatory understanding of emerging technologies, and inform balanced regulatory frameworks.

Gabriel emphasised the importance of forward-looking regulatory principles to maintain trust and stability. He advocated for agile, proportionate, transparent, and predictable regulations, noting, "Agility is not often associated with central banks, but embedding agility into regular operations is now essential."



Gabriel Makhlouf, Governor of the Central Bank of Ireland

*"Agility is not often associated with central banks, but embedding agility into regular operations rather than reserving it for crises is now essential."*

The governor also underscored the significance of a digital euro, describing it as "a digital form of cash issued by the central bank." Combining the simplicity of cash with digital convenience, the digital euro would modernise payment systems, enhance efficiency, and meet the demands of the digital age. "A digital euro would be the logical next step for our single currency," he asserted.

In closing, Makhlouf stressed the collective responsibility of regulators, firms, and consumers to build a financial ecosystem that balances innovation with resilience, ensuring a sustainable and inclusive future.



Gabriel Makhlouf, Governor of the Central Bank of Ireland

*"A digital euro would be the logical next step for our single currency."*

# Sustainable Future

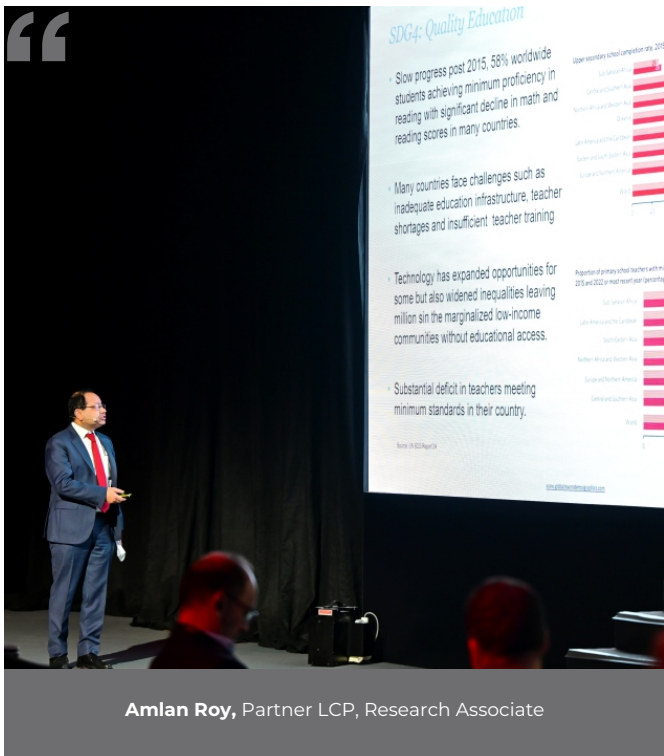
## Sustainability

On day 1 of the Singapore FinTech Festival, Amlan Roy's keynote address emphasised the crucial role of FinTech in bridging data gaps across industries. He highlighted the integration of finance with big data, machine learning, and optimisation theory as essential to advancing FinTech's impact. However, he warned, "Global progress towards the Sustainable Development Goals (SDGs) is critically behind schedule, with only 65% of the goals achieved overall and poorer nations further behind at just 52%."

Roy identified pressing issues within the SDGs, stating that **"extreme poverty affects 9.7% of the global population, while food insecurity impacts 3.3 billion people."** He also pointed out that "58% of global students lack basic reading proficiency, and 230 million women still suffer FGM<sup>1</sup> - a crime in today's world."

A panel discussion moderated by Lionel Wong, Executive Director, GPrnt, shed light on the urgent need for transition finance to address climate change. Diana Guzmán, Chief Sustainability Officer at Prudential, underscored the gravity of the situation, explaining: **"We are projected to reach 2.5°C of warming by 2050, with 1.5°C expected as early as 2034."**

1 female genital mutilation.



**Amlan Roy**, Partner LCP, Research Associate

*"Women outlive men, they are better educated than men in the G20, yet they are given roughly 19% less jobs and paid 32% less even today."*

*"230 million women today in today's world still suffer FGM, and that is a crime in today's world."*

Gillian Tan, Assistant Managing Director at the Monetary Authority of Singapore (MAS), stressed the critical role of transition finance: "The central challenge is catalysing transition finance. Green is, frankly, relatively easy." She also highlighted MAS's commitment to innovation: "We're piloting a new model of blended finance, putting our money where our mouth is with US\$5 billion in the Financing Asia's Transition partnership."

Melissa Moi of UOB emphasised the need for substantial investments in renewable energy and electrification. From the perspective of banks, she also stressed the importance of focusing on the real economy's transition rather than simply decarbonising financial portfolios. She outlined the urgent need for investments in renewable energy, transmission infrastructure, and electrification to decouple Southeast Asia's GDP growth from energy emissions.

Chen Leiming, Chief Sustainability Officer at Ant Group, elaborated on technology's role in empowering small and medium-sized enterprises (SMEs). **"We've rated over 8.3 million SMEs through our green rating system and provided preferential green loans to 1.4 million of them,"** he said, highlighting Ant Group's "dual value" strategy, which integrates business and sustainability goals.



**Gillian Tan**, Assistant Managing Director (Development and International) and Chief Sustainability Officer, Monetary Authority of Singapore

*"Asia is in a catch-22 situation. Our energy needs are going up, but coal is entrenched in our energy landscape."*



**Melissa Moi**, Head of Sustainable Business, UOB

*"Southeast Asia needs US\$50 billion annually to meet current energy policies and over \$100 billion a year to achieve net-zero targets. Yet, the capital isn't flowing fast enough."*

## Empowering the Global South

Recent International Monetary Fund statistics reveal that, in 2023, 60% of the global economy came from the Global South - emerging and developing economies. The [Global South](#), encompasses Africa, most countries in Asia, the Caribbean, Latin America, and Oceania, excluding Australia and New Zealand. By 2030, it is [estimated](#) that three out of the four largest economies will come from the Global South.

The countries in this region are leapfrogging to digital economies, and a [study](#) by the World Bank Group estimates that 70% of the new value created in the economy in the coming decade will be based on digital ecosystems. A panel discussion explored the region's economic leapfrogging into digital ecosystems.

Currency volatility remains a significant challenge for the Global South. Over 23 African currencies have experienced record devaluations, impacting imports, foreign reserves, and livelihoods. Kwamina Duker, CEO of the Development Bank of Ghana, illustrated the magnitude of the issue, mentioning that **over the last three years, currency depreciation in Africa is about 73%.** However, Kwamina sees opportunities: "Even despite all these challenges, Ghana, Africa, the rest of the continent is very much in a sweet spot at the moment... reducing the risk premium and building scale." Solutions such as leveraging digital ecosystems and promoting risk-sharing frameworks are vital for mitigating these fluctuations.

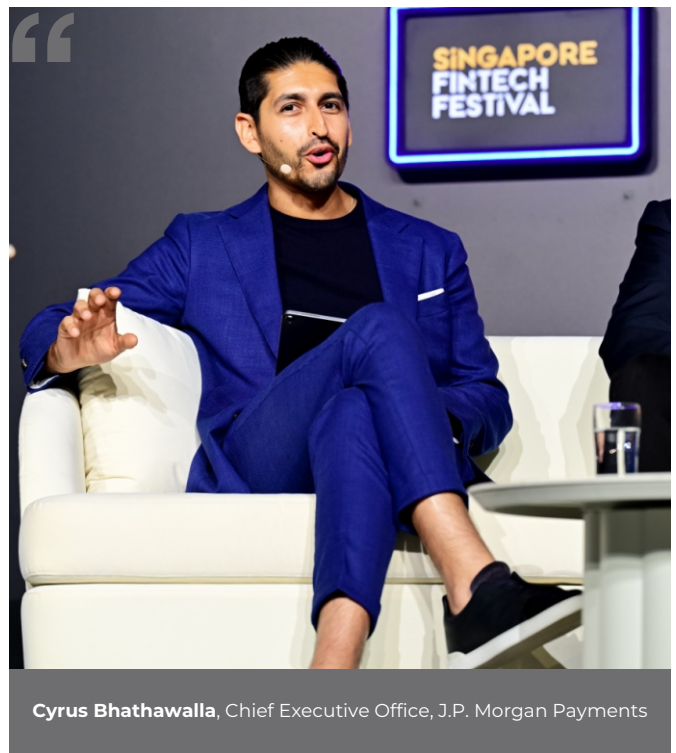
Digital ecosystems are proving to be a cornerstone for the Global South's economic growth. Wang Bing Ling, Deputy Chief Executive, from Chiyu Banking Corporation Limited explained that their clients face **"three key challenges: finding the right cross-border trading partner, making a faraway deal, and collecting money in the right way."** Innovations such as blockchain, trusted credentials, and one-stop e-commerce solutions are being developed to address these gaps. "We have created a smart foreign exchange system and a one-stop e-station for e-commerce clients to handle their very complicated business online," she said.

The fragmented regulatory environment in the Global South is another significant barrier. "Varied global anti-money laundering standards, legacy capital and currency controls, and fragmented data privacy laws present challenges," said Cyrus Bhathawalla, Chief Executive Office, J.P. Morgan Payments, highlighting inconsistencies across markets. He also emphasised the importance of harmonisation: "If we want to achieve the G20's 2027 goal of 75% of international payments processed within an hour, we're going to need to address harmonising standards."

The panel also highlighted the importance of trust and transparency in financial transactions. "We're building the largest database in the country so clients can transact with absolute trust in their counterparty," Kwamina explained.



*"I would summarise the challenges into three buckets: technology, liquidity, and data."*



*"The fragmented and varied regulatory environments present challenges like the speed of adapting to new technology, varied global AML standards, legacy capital and currency controls, and data privacy."*

Public-private partnerships are key to overcoming the unique challenges faced by the Global South.

## Advancing Financial Access for SMEs

SMEs play a vital role in global economies but face significant barriers to financial inclusion. This includes challenges such as fragmented access and perceived credit unworthiness, said Toh Su Mei, CEO of ANEXT Bank. She remarked: “Leveraging alternative data and embedded finance solutions can lower these barriers significantly.”

Ashmita Acharya, Head of Wealth and Personal Banking at HSBC Singapore, noted that transparency, accessibility, and tailored pricing models are essential to build trust and foster inclusion. Henry Chio of UOB emphasised technology's transformative potential, stating, “Digital platforms and AI-driven solutions can efficiently bridge gaps in remote regions.”

Henry Chio, Managing Director, Head of Retail TMRW at UOB, emphasised the transformative potential of technology in serving underserved populations. He noted that while traditional banking faces high costs in expanding to remote regions, digital platforms, and AI-driven solutions can bridge this gap efficiently. Sujit Misra, Director, Amazon Payments APAC, reinforced this view, discussing Amazon's approach to embedding finance into e-commerce platforms. He explained how tools like buy-now-pay-later services and



Sujit Misra, Director, Amazon Payments APAC

“Technology can help MSMEs by creating packaged solutions, with financing as a critical part of that”

tokenized loans could drive inclusion by simplifying access to credit and enabling digital commerce for micro, small and medium-sized enterprises. Both speakers agreed that technology is not just a tool but a critical enabler for economic participation and growth.

# Frontier Technologies

## Artificial Intelligence in Financial Services

AI's transformative potential in financial services was a recurring theme across panels at the FutureMatters Stage during the Singapore FinTech Festival 2024. Participants shared how their respective countries are using the technology.

- Shaun Khalfan, Senior Vice President at PayPal highlighted a decade of AI use in areas like fraud detection, personalisation, and product engineering. He emphasised PayPal's current investments in generative AI to accelerate innovation and improve operational efficiency.
- Matthew Driver, Executive Vice President, Head of Services at Mastercard, explained how AI has been



Ashmita Acharya, Head of Wealth and Personal Banking, Singapore, HSBC

“Clients expect hyper-personalisation, data democratisation, and a connected ecosystem.”



integral to their network for over ten years, processing 150 billion transactions annually with AI-driven fraud detection. He also discussed their move into personalisation and operational efficiency through dynamic AI tools.

- Anette Bronder, Chief Technology and Operations Officer at Prudential, described the insurance sector's transition from manual processes to scalable AI implementation. She highlighted their focus on call centre automation with talkbots and end-to-end customer engagement, aiming for high levels of personalisation and automation in the future.
- Akio Isowa, Senior Managing Executive Officer and Group Chief Digital Innovation Officer at SMBC, shared the organisation's decade-long AI journey, starting with IBM Watson in call centres to enhance efficiency and satisfaction. He also discussed their use of AI in trade finance processing, which tripled capacity, noting AI's widespread adoption across departments.

**The panel emphasised the critical need to retain a human touch when integrating AI into industries like insurance, banking, and financial services.** While AI enhances efficiency, automation, and personalisation, the panellists stressed that humans remain essential for nuanced decision-making and customer engagement.

Talking about the use cases of AI, Bronder at Prudential stressed the importance of proactive measures through AI to handle vast volumes of complex data, particularly in fraud detection and claims management. "Claims management is another very important area where AI can help us focus on accurate risk management and bring new capabilities," she noted.

PayPal's Khalfan discussed how generative AI is reshaping the fraud landscape, with compressed attack lifecycles enabling faster weaponisation of vulnerabilities.

The panel addressed the question of the safest use cases for AI in financial services, focusing on areas where AI delivers significant value with minimal risk.

Anette highlighted fraud management, claims processing, and healthcare insurance as key low-risk areas. She emphasised how AI aids in delivering timely and accurate responses, especially in healthcare, and supports effective risk management across operations.

Building on this, Shaun identified contract scanning and regulatory compliance as safe and impactful use cases. He explained how AI can streamline processes such as reviewing contracts to ensure compliance and scanning global regulations to identify gaps in policies. He also mentioned the use of internal chatbots for querying company policies, saving



**Shaun Khalfan**, Senior Vice President and Chief Information Security Officer, PayPal

*"By leveraging AI fraud models, we were able to cut fraud losses in half, demonstrating tangible ROI (return on investment). Similarly, with generative AI and co-pilot tools, we've accelerated code production and boosted product velocity for our engineers."*



**Matthew Driver**, Executive Vice President, Head of Services, Asia Pacific, Mastercard

*"In the UK for the first time we saw a 12% reduction in app and scam fraud, which is the first and we've seen a reduction really since we've been tracking it. So, it shows that with the right solutions, the right collaboration, you can get good results, but you can't take it for granted."*

time and resources while operating in a controlled, low-risk environment.

Another panel also discussed AI and its promise in financial services. Paula Ingabire, Minister of ICT in Rwanda, advocated for a balanced approach to AI adoption. "Policymakers must balance purpose and profit, ensuring AI delivers tangible benefits like efficiency and productivity," she remarked.



**Paula Ingabire**, Minister of ICT and Innovation, Republic of Rwanda

*"The beauty of using some of these AI models is that you're able to balance between purpose and profit. It's not about the hype—it's about delivering better, more efficient services and getting better value out of doing that."*

Vincent Iswara of DANA further stressed AI's role in risk management, noting, "90% of our customer interactions are handled by AI, enabling scalable solutions for SMEs." He explained that AI is used for security, risk management, onboarding, and customer protection, with **90% of customer interactions now handled by AI at Dana**. This includes onboarding SMEs, managing disputes, and assessing risks like fraud or scams. He described AI as "augmented intelligence".

Kamal Quadir, Founder and Chief Executive Officer of bKash, shared a unique perspective on how AI is creating opportunities not just in wealthy nations but also in developing countries like Bangladesh. He highlighted the democratisation of technology, noting that what is achievable in places like San Francisco or Singapore can now be implemented in poorer nations due to advancements in processing power and affordability. Kamal explained that AI is transforming financial services by enabling better fraud management, personalised



**Vincent Iswara**, Chief Executive Officer, DANA

*"AI helps the people in our team and organisation to augment their expertise and to augment their productivity."*

customer experiences, and tailored product offerings, such as custom-fit solutions for individual needs in low-income countries.



**Kamal Quadir**, Founder & Chief Executive Officer, bKash

*"AI will have its limitations. Human emotion and human power will always triumph over AI. It's the people behind AI that make the difference."*

He emphasised that AI acts as a collective brain, enhancing human capabilities and providing unprecedented opportunities for countries with large populations and well-regulated environments to leverage data for innovation. However, he acknowledged that governance, data security, and privacy remain critical challenges as the field continues to evolve.

## Spotlight: J.P. Morgan Chase's Advancements in Quantum Computing

At the FutureMatters Stage, Singapore FinTech Festival 2024, Marco Pistoia, Head of the Global Technology Applied Research Lab at J.P. Morgan Chase, discussed how quantum computing is transforming the financial sector.



Marco Pistoia, Managing Director, Head of Global Technology Applied Research, J.P. Morgan

*"What Google achieved in its quantum supremacy experiment, we improved by 100 times, with significantly reduced energy consumption, demonstrating the practical capabilities of quantum systems in solving real-world problems."*

He highlighted the lab's focus on solving complex problems such as portfolio optimisation and risk management using **adiabatic quantum optimisation** and **mixed-integer programming**. A key achievement was improving Google's quantum supremacy experiment by **100 times**, with significantly lower energy consumption, showcasing the potential of quantum systems for real-world financial applications.

Pistoia addressed the growing threats quantum computing poses to cryptographic security. He introduced **quantum key distribution** and **post-quantum cryptography** as critical tools to protect sensitive data against evolving cyberattacks. With teams in Singapore and New York, the bank is driving innovations in quantum communication and enhancing global financial security.

Contrary to perceptions of secrecy in banking, he emphasised the importance of transparency. He also highlighted the need for skilled professionals as the bank expands its quantum computing and communication initiatives. By advancing quantum technology, JPMorgan Chase aims to address critical challenges, safeguard data, & lead the financial sector into a quantum-powered future.

## Web3 and Digital Assets

### Global Layer 1 and the Evolution of Digital Asset Infrastructure

The discussion on Global Layer 1,<sup>2</sup> centred around the need for collaborative efforts, standardisation, and technological innovation to enable the evolution of digital finance while maintaining regulatory compliance and trust.

The panellists explored the motivations behind GL1, positioning it as a critical step in addressing the fragmentation and inefficiencies currently plaguing digital asset ecosystems.

Caroline Butler, Global Head of Digital Assets, BNY Mellon, highlighted that GL1 seeks to eliminate redundancies in foundational infrastructure, allowing financial institutions to focus on value-added products.

Naveen Mallela, Managing Director, J.P. Morgan, explained that GL1 would reduce costs, increase infrastructure resilience, and enable interoperability across organisations. "We don't compete on which cloud service provider we use. GL1 is about mutualising costs, increasing resilience, and enabling composability across organisations," he emphasised.



**Caroline Butler**, Global Head of Digital Assets, BNY Mellon

*"GL1 has to be asset agnostic. It's not a payment solution or a tokenization-only solution. It needs to bridge the divide between the cash world and the asset world."*

The panellists underscored the importance of regulatory alignment and a phased approach to integrating traditional and digital infrastructures. Masashi Watanabe, Managing Director, Deputy Head of Digital Strategy Division, MUFG Bank clarified that GL1 is not a business consortium, but an infrastructure initiative aimed at integrating regulated financial activities onto a shared ledger. He stated: "GL1 will provide a payment instrument that is on-chain with trust and finality."

Caroline Butler concluded by emphasising that while GL1 aims to build a foundational infrastructure, interoperability with existing systems such as SWIFT will remain essential during the transition phase.

## The Future of Digital Assets and Interoperable Ecosystems

During the panel discussion on infrastructure for digital assets, interoperability was underscored as a fundamental enabler for the widespread adoption of digital assets.

Georgios Vlachos, Co-founder of Axelar Protocol & Director emphasised the role of interoperability, noting that "simplified user experiences in a blockchain ecosystem (are) expected to host at least 1,000 chains with substantial economic activity."



**Andrew Murray**, Head of Institutional Strategic Investments, Citigroup

*"The digital asset environment today is fragmented. GL1 offers the opportunity to align standards, simplify adoption, and drive innovation."*



**Georgios Vlachos**, Co-founder of Axelar Protocol & Director

*"Interoperability is crucial in a world with many fragmented blockchains. Users should only think about assets and applications, not the underlying chains."*

<sup>2</sup> Global Layer 1 is a project initiated by MAS, which aims to develop a global financial infrastructure based on distributed ledger technology. The project focuses on cross-border payments and asset tokenization, aiming to reduce operating costs, improve market liquidity and efficiency, and ensure compliance with international regulatory standards. GL1 envisions creating an open and interoperable distributed ledger technology infrastructure that can host multiple types of tokenized financial assets while meeting regulatory requirements.



*"Tokenization depends on whether you target high-frequency issuance or highly illiquid assets. The operational DNA of your organization determines your focus."*

Rehan Ahmed, CEO, Marketnode, further emphasised that interoperability is not limited to blockchain-to-blockchain connections but extends to integrating legacy financial infrastructure. He stated: "Interoperability for us means connecting into legacy transfer agency and banking infrastructure, which is a very different challenge compared to cross-chain interoperability." This underscores the complexity of creating a hybrid system that incorporates traditional and digital finance.

MarketNode for instance, has chosen to focus on high-frequency assets like credit, funds, and structured products, areas where digitisation can bring efficiency to slow and manual processes, said Rehan.

## Digital Asset Policy and Growth Outlook for 2025

The panel discussion on the 2025 outlook for digital assets provided a comprehensive examination of the emerging trends, challenges, and policy directions in the space.

Tommaso Mancini-Griffoli, Division Chief of the Payments, Currencies, & Infrastructure division at the International Monetary Fund (IMF), outlined three models for settlement platforms:

- Unified Ledger:**  
 All assets recorded on a single ledger for seamless settlement. This model allows for features like atomicity and composability but requires complex governance.
- Interconnected Ledgers:**  
 Separate ledgers that communicate with one another, posing significant technological and coordination challenges.
- Intermediary Balance Sheets:**  
 Assets moved to intermediaries for settlement, a model already in use but potentially enhanced through tokenization.

These platforms offer opportunities to improve liquidity, reduce search costs, and integrate global markets. However, risks such as currency substitution and potential monetary policy disruptions require careful management.

The discussion highlighted a global shift toward regulatory clarity and harmonisation.

- Catalytic Role of Regulation:**  
 Regulations can drive investment by providing clear "rules of the road," fostering trust and adoption. Vishal Sacheendran, Head of Regional Markets, Binance, noted that jurisdictions with proactive regulation, like Singapore, Japan, and the European Union under MiCA, have seen significant benefits.
- Balancing Innovation and Oversight:**  
 Regulations must balance the burden on companies with incentives, such as enhanced market access and consumer trust.
- Harmonisation Challenges:**  
 While global coordination is critical, achieving identical regulations across jurisdictions is unrealistic. Instead, regulators must focus on equivalence and trust between regimes, with the G7 and G20 playing pivotal roles.

Tommaso emphasised that regulation in global markets must align central principles while accommodating jurisdictional nuances to ensure competitive equity and innovation.

The panel identified trends and potential political influences shaping 2025:

- Political Will for Digital Assets:**  
 The United States (US) election signalled bipartisan interest in digital assets, reflecting their increasing importance to voters and markets. A regulatory push in the US and United Kingdom (UK) is anticipated, with expectations for clearer frameworks.

- **Market Evolution:**

As regulators catch up, institutional adoption will likely grow. Tommaso highlighted the need for clarity to enable sovereign and corporate participation, crucial for scaling the industry.

- **Sanctions and Dollar Hegemony:**

The emergence of alternative payment systems could challenge the US dollar's dominance. Maintaining leadership in digital asset development is critical to mitigating long-term risks.



*"We now have the most pro-digital asset bipartisan majority in Congress. Crypto is being discussed on its merits in presidential elections, which is a significant shift."*

## Key Predictions for 2025

1. **Regulatory Clarity:**

Major jurisdictions, including the US, UK, and Australia, are expected to establish clearer regulatory frameworks.

2. **Institutional Adoption:**

As regulations mature, institutional players are likely to deepen their engagement with digital assets.

3. **Increased Harmonization:**

While perfect global alignment may be unattainable, progress toward equivalence will drive market stability and innovation.

4. **Expansion of Central Bank Digital Currencies (CBDCs):**

Central banks will refine their strategies, focusing on wholesale applications while considering retail use cases where beneficial.



*"The countries that haven't stepped up yet, like the US, UK, and Australia, are likely to come into the game with clearer regulatory frameworks."*

## Future of Digital Currencies

The panel discussion on the future of digital currencies provided key insights into stablecoins, infrastructure requirements, and their broader implications for developed and emerging markets.

Chan Yam Ki, Vice President of Circle, emphasised the transformative potential of stablecoins like USDC. "These digital dollars enable faster, cheaper, and programmable settlements," he explained, citing partnerships with UBS and BlackRock as evidence of growing adoption in traditional finance.

Carmen Hett, Corporate Treasurer of the United Nations High Commissioner for Refugees, highlighted stablecoins' role in delivering cash assistance to refugees. "Using stablecoins ensures speed, transparency, and accessibility while fostering financial inclusion and economic empowerment. Refugees can use these assets directly or off-ramp them to meet essential expenses like utility bills," she noted.

At an institutional level, Chong Kok Kee, Chief Executive Officer of AsiaNext, described digital currencies as essential for capital markets. "Their 24/7 operability enables seamless cross-border transactions and financial settlements, reducing counterparty risks and enabling real-time delivery versus payment," he remarked, adding that stablecoins act as the "super grease" along settlement rails, where fiat systems fall short.

Despite the potential of digital currencies, challenges remain. "Adoption is slower in well-developed markets due to efficient existing systems and high transition costs. However, emerging markets like Brazil and India demonstrate successful adoption driven by inefficiencies in legacy systems," said Humphrey Valenbreder, Chief Executive Officer of Partior.

The discussion also underscored the need for robust infrastructure, including scalable blockchains and privacy-focused identity management. Chong Kok Kee stressed: "Privacy mechanisms must allow users to transact securely with specific counterparties without exposing their identities across the network."

Regulatory clarity was a recurring theme. Chan Yam Ki stated: "Clear regulations are essential for encouraging traditional financial institutions to adopt digital assets. Frameworks like the EU's Markets in Crypto-Assets have spurred participation from banks and asset managers." Humphrey Valenbreder and Carmen Hett echoed this sentiment, noting that regulation is critical for transparency and trust, particularly when serving vulnerable populations.

## Emerging Trends and the Road Ahead

The panellists identified several trends that are shaping digital currencies:

### 1. Programmability:

The ability to automate transactions and integrate conditional logic will open new opportunities across industries.

### 2. Cross-Border Solutions:

Digital currencies offer unparalleled efficiency in cross-border payments, especially in regions with fragmented financial systems.

### 3. Adoption in Emerging Markets:

Markets with less efficient infrastructure are leading the way in adopting digital currencies, providing blueprints for replication in other regions.

### 4. Institutional Interest:

With increasing regulatory clarity, traditional institutions are beginning to explore tokenized assets and blockchain-based settlements as mainstream solutions.

## Spotlight: Applications of AI

Benjamin Mosk, Senior Financial Sector Expert at the IMF's Monetary and Capital Markets Department, in his plenary session provided insights into the evolving role of digital assets in global financial stability during a recent panel discussion.

Mosk described three primary models for asset settlement that could reshape financial ecosystems: unified ledger systems, interoperable ledgers, and intermediary-based settlements.

"Unified ledgers simplify settlements by centralising all assets on a single platform, but governance complexities



(Left to Right) **Carmen Hett**, Corporate Treasurer, United Nations High Commissioner for Refugees; **Chan Yam Ki**, Vice President, Circle; **Chong Kok Kee**, Chief Executive Officer, AsiaNext; **Humphrey Valenbreder**, Chief Executive Officer, Partior; **Jessica Renier**, Managing Director and Head of Digital Finance, Institute of International Finance



**Benjamin Mosk**, Senior Financial Sector Expert at the International Monetary Fund

*“Bitcoin isn’t issued in one country—it’s everywhere. Global liquidity and trust are essential for exchanges to provide best execution and for brokers to access these markets.”*

pose challenges,” he explained. Such platforms enhance liquidity, reduce search costs, and improve risk-sharing, yet risks like currency substitution could undermine national monetary policies.

He elaborated on the dual nature of CBDCs. “Retail CBDCs address gaps in economies with low banking penetration, while wholesale CBDCs revolutionise settlement processes,” he noted. Wholesale CBDCs, in contrast, have the potential to enhance tokenized asset markets, though central banks face critical decisions about whether to build proprietary blockchains, use third-party platforms, or develop interoperable solutions.

Global regulatory harmonisation is crucial, according to Mosk. “Given the borderless nature of digital assets, aligning regulatory standards across jurisdictions fosters trust and stability,” he remarked.

Looking towards 2025, Mosk anticipated significant advancements in digital asset ecosystems as regulatory frameworks evolve and CBDCs gain traction. “Balanced policy approaches are essential to fostering innovation without compromising financial stability,” he concluded.

## What is Happening in The Cross-Border Payments Space?

The panel on cross-border payments explored how innovation drives seamless and interoperable payment experiences across Asia-Pacific. Zubin Krishnan, CEO of BigPay, stated: “Southeast Asia has been at the forefront of innovation, with advancements like real-time payment rails, QR payment systems, and initiatives such as **Project Nexus connecting domestic systems regionally**.” He added that the next wave of innovation would focus on customer usability through technologies such as biometrics and wearables.

Pitapong Posharonda, President of Kasikornbank, highlighted consumers’ desire for a “seamless, fee-free experience across borders, one that feels as familiar as making payments at home.” He noted rising SME demand for lower foreign exchange fees and faster settlements, alongside corporates’ focus on cost efficiency and liquidity management.



**Pitapong Poshyanonda**, President, Kasikornbank

*“If we want to be inclusive on the digital payment, digital literacy of the consumer would be the key.”*

Doug Feagin, President of Ant International, underscored the ideal payment experience as “user-friendly and readily available, enabling consumers to securely pay and explore new experiences abroad.” For merchants, digital payments offer opportunities to “introduce new products, digital coupons, and drive transactions through innovative services.”



Zubin Krishnan added that innovation is needed to reduce cross-border fees and enable micro and small enterprises to access digital tools, allowing them to compete with larger merchants.

Leong Sing Chiong, Deputy Managing Director at the Monetary Authority of Singapore, emphasised the role of partnerships. "To strike a balance between efficiency, inclusion, and safety, public-private sector collaboration is key to unleashing technology's full potential," he said. Ulrich Bindseil, Director General for Market Infrastructure and Payments at the European Central Bank, echoed this, highlighting the need to build network effects for adoption and scalability. "Engaging all stakeholders, from providers to consumers, ensures success," he said.



**Leong Sing Chiong**, Deputy Managing Director, Monetary Authority of Singapore

*"To strike a balance between efficiency, inclusion, and safety, public-private sector collaboration is key to unleashing technology's full potential."*

Jeanette Chan, Chief Legal, Compliance and Risk Officer at Airwallex, highlighted challenges in the payments sector, including system fragmentation and the rise of fraud. "It's a technological arms race between detecting and creating threats, and fraudsters are often one step ahead," she explained. Collaboration with regulators and the use of advanced tools are vital to combating these threats. She added, "Innovation must focus on consumer protection and payment security. Without trust, the system fails."

Advancements in AI are also playing a significant role. Sandeep Malhotra, Executive Vice President at Mastercard, shared that **AI-driven solutions have improved fraud detection by 200% and reduced false positives by 300%**. "We integrate data from



**Doug Feagin**, President, Ant International

*"We need more innovation, especially to the MSMEs, the micro of small enterprises, to enable them to use digital tools and to participate in the same way as larger merchants can participate in today's system."*



**Sandeep Malhotra**, Executive Vice President, Products & Innovation, Asia Pacific, Mastercard

*"What we are doing with this new flavour of AI is taking data from other sources and trying to improve the detection of compromised accounts, which we couldn't do before. It has gone up by 200%. We are about 300% able to reduce the rate of false positives."*

new sources to detect compromised accounts more effectively," he said. Yang Wenhui, CEO of Tenpay Global, noted that Tencent achieved a remarkably low fraud ratio by combining multi-layered security measures with advanced technologies like data mining and AI.

Tencent's innovations, including a "cool-off" feature to delay suspicious transactions and high-risk user alerts, have strengthened fraud prevention. "Linking social media accounts with payment tools adds an extra layer of security, reducing risks like stolen IDs," Yang said, illustrating how cutting-edge technology supports safer cross-border payment ecosystems.

## Conclusion

The insights presented at the FutureMatters Stage underscored the interconnectedness of innovation, regulation, and sustainability in shaping finance. In 2025, the alignment of regulatory frameworks, the adoption of CBDCs, and a balanced approach to governance will be pivotal in navigating the rapidly evolving financial landscape. The Singapore FinTech Festival reinforced the importance of collaboration across public and private sectors, setting a high benchmark for future conversations on global finance and technology.

The Global Finance & Technology Network (GFTN) is a not-for-profit organisation established by the Monetary Authority of Singapore (MAS) in 2024 to harness technology and foster innovation for more efficient, resilient, and inclusive financial ecosystems through global partnerships. GFTN organises convening forums, offers advisory services on innovation ecosystems, provides access to transformative digital platforms, and invests in technology startups with the potential for growth and positive social impact through its venture fund.

For more information, visit [www.gftn.co](http://www.gftn.co)

