



# Digital Finance Forum

## Key Takeaways

Q4 2025



# Digital Finance Forum

*Global Policy & Regulatory Updates*



# GDF Q4 Consultation Responses

Q4 2025



## CONSULTATION RESPONSES X 11



UNITED ARAB EMIRATES

- GDF RESPONSE TO THE UAE MINISTRY OF FINANCE - CARF IMPLEMENTATION CONSULTATION
- GDF RESPONSE TO THE DFSA'S CONSULTATION PAPER 168 ON ENHANCEMENTS TO THE REGULATION OF CRYPTO TOKENS
- GDF RESPONSE TO FSRA OF THE ADGM CONSULTATION PAPER ON PROPOSED REGULATORY FRAMEWORK FOR REGULATED ACTIVITIES INVOLVING FIAT-REFERENCED TOKENS
- GDF RESPONSE TO FSRA OF THE ADGM CONSULTATION PAPER ON PROPOSED REGULATORY FRAMEWORK FOR REGULATED ACTIVITIES INVOLVING FIAT-REFERENCED TOKENS (PART 2)



UNITED KINGDOM

- GDF RESPONSE TO FCA CONSULTATION PAPER CP25/28 - PROGRESSING FUND TOKENISATION (PART 1: ACCELERATING TOKENISATION OF AUTHORISED FUNDS)
- GDF & CCI RESPONSE TO FCA CP25/25 ON THE APPLICATION OF THE FCA HANDBOOK FOR REGULATED CRYPTOASSET ACTIVITIES CHAPTERS 1-5
- GDF & CCI JOINT RESPONSE TO CP25/25 APPLICATION OF FCA HANDBOOK FOR REGULATED CRYPTOASSET ACTIVITIES (CHAPTERS 6 AND 7)
- GDF RESPONSE TO FCA CONSULTATION PAPER CP25/28 - PROGRESSING FUND TOKENISATION (PART 2)



UNITED STATES

- GDF RESPONSE TO COMMODITY FUTURES TRADING COMMISSION (CFTC) - CRYPTO SPRINT ON PRESIDENT'S WORKING GROUP ON DIGITAL ASSET MARKETS REPORT
- GDF RESPONSE TO THE DEPARTMENT OF THE TREASURY ADVANCE NOTICE OF PROPOSED RULEMAKING ON IMPLEMENTATION OF THE GENIUS ACT
- GDF BOARD RESPONSE TO GENERAL CFTC REQUEST FOR INPUT ON USE OF TOKENIZED COLLATERAL INCLUDING STABLECOINS IN DERIVATIVES MARKETS

Total Consultations Responded to Globally in 2025:

**X44**

All GDF Consultation Responses can be found here:  
<https://www.gdf.io/resources/gdf-response-to-the-european-commission-consultation-on-integration-of-eu-capital-markets/>

To get involved in GDF Policy and Regulatory work please reach out to ***elise@gdf.io***

# Recent Global Developments

## The Basel committee's revisions to their standard

- Basel Committee announced an expedited review of the prudential treatment of crypto assets, including the 1,250% risk-weight classification.
- The outcome of this review would have a global impact, but particularly could encourage a reconsideration from EU and other jurisdictions, which planned to implement the Basel standards as previously drafted..
- Industry pressure and certain jurisdictions have been pushing over the past several years for reassessment of the current capital treatment and assessment of different DLT archetypes.
- Expected timeline for Basel-level changes is ~6 months, after which, various jurisdictions will need to reassess their position on implementation.



# Digital Finance Forum

*2025 Regional Policy & Regulatory Roundup: APAC Update*

***Co-Chairs: Steven McWhirter, Dea Markova and Gary Liu***

**Q4 2025**



# APAC Roundup



Japan	<ul style="list-style-type: none"> <li>Expanded supervisory work on “<b>healthy stablecoin development</b>”, focusing on reserve quality, interoperability, and bank-grade risk controls.</li> <li>Intensified oversight of <b>bank-affiliated digital asset subsidiaries</b>, with prudential supervisors examining intra-group risk transmission and operational resilience.</li> <li>Continued alignment of domestic initiatives with broader <b>cross-border recognition and reciprocity themes</b> highlighted in regional discussions</li> </ul>
Singapore	<ul style="list-style-type: none"> <li>Successfully implemented its <b>stablecoin regulatory framework</b>, viewed by institutions as one of the most mature and reliable models globally.</li> <li>Demonstrated strong supervisory confidence through clear reserve standards, attestation rules, and issuer governance expectations.</li> <li>Advancing <b>BIS Innovation Hub collaborations</b>, including cross-border pilots related to tokenised deposits, FX settlement, and wholesale market use cases, consistent with the public-private pilot focus noted in the deck</li> <li>MAS continues to prioritise <b>banking connectivity and fiat ramp reliability</b>, which ranked among the top regional challenges for 2026.</li> </ul>
Hong Kong	<ul style="list-style-type: none"> <li><b>Stablecoin Issuance Ordinance</b> came into effect on <b>1 August 2025</b>, establishing a licensing regime with first issuers expected in <b>2026</b>.</li> <li>Regulatory focus extends to issuer governance, reserve transparency, custody segregation, and operational resilience—key pillars highlighted in the APAC roundtable themes</li> <li>Supervisors continue to explore how OTC settlement, custody, and collateral frameworks evolve as part of broader <b>tokenised market infrastructure</b> development.</li> </ul>
Australia	<ul style="list-style-type: none"> <li>Released an <b>exposure draft</b> covering digital asset platform regulation, custody, and client asset segregation.</li> <li>Advanced work on <b>stablecoin oversight</b>, with consultation feedback stressing reserve attestation and trust-account structures.</li> <li>ASIC emphasised <b>practical licensing lessons</b> over rapid harmonisation, echoing the region-wide approach captured in the PowerPoint</li> </ul>
South Korea	<ul style="list-style-type: none"> <li>Completed its first supervisory year under the <b>Virtual Asset User Protection Act</b>, embedding heightened <b>consumer safeguards</b>, stringent exchange controls, and clearer enforcement pathways.</li> <li>Regulatory activity increasingly aligns with top-ranked policy concerns in the APAC poll: <b>bank risk appetite, custody resilience, and issuer transparency</b>.</li> <li>Authorities continue to refine prudential overlays for VASP operations ahead of 2026.</li> </ul>
Cross-APAC Regulatory Themes	<ul style="list-style-type: none"> <li>Supervisors across APAC emphasised <b>practical licensing learnings</b>, operational readiness, and ecosystem resilience <b>rather than formal harmonisation</b>, consistent with the discussion themes on “clarity, banking access, institutional participation” from the deck</li> <li>Strong regional interest in <b>public-private pilots</b>, especially in tokenised wholesale markets, OTC settlement, and cross-border payments—central topics in Theme 3 of the roundtable.</li> <li><b>Top challenges identified for 2026</b> across APAC (poll results): cross-border recognition, bank risk appetite, issuer reserve transparency, custody segregation, and regulatory timeline frictions.</li> <li>GDF contributed actively across the region via submissions to <b>MAS, ASIC, Taiwan’s VAS Act process, and Hong Kong custody/dealing consultations</b>, helping shape standards and provide industry-led clarity.</li> </ul>



# Digital Finance Forum

*2025 Regional Policy & Regulatory Roundup: MEA  
Update*

***Co-Chairs: Abdallah Mukalled & Akos Erze***

**Q4 2025**

# Middle East Roundup

## Jordan

- Enacted Law 14/2025, establishing a comprehensive licensing and supervisory regime for Virtual Asset Service Providers (VASPs) under the Jordan Securities Commission, while payment-related use cases fall under the central bank's remit.
- The law represents one of the region's most substantive shifts toward a structured, market-wide regulatory framework, following years of conservative positioning.
- Authorities are working toward finalising implementation by year-end, which would make Jordan the first non-GCC Arab jurisdiction with a fully operational virtual assets regime.
- The process has included cross-industry consultation, with engagement from international and regional stakeholders, signalling an intent to build a credible and internationally aligned framework.

## Morocco

- Published Draft Bill 42.25, marking a major pivot away from its long-standing conservative and prohibition-driven stance toward a structured regulatory regime for digital assets.
- The move comes after nearly a decade of restrictive measures and follows several years of internal deliberation (drafting work since 2022).
- While the timeline for final rules remains uncertain, the draft law demonstrates recognition of growing domestic demand for regulated digital financial services and the importance of consumer protection and AML/CFT alignment.



# Middle East Roundup

## Saudi Arabia

- Continued public regulatory exploration of tokenisation and stablecoins, with senior policymakers signalling these areas as near-term priority use cases.
- Both the central bank and the capital markets regulator have referenced ongoing work to assess how institutional tokenisation frameworks and fiat-referenced digital assets could support payments, collateral management, and capital market functions.
- This thematic focus reflects the Kingdom's preference for incremental, use-case driven progression, rather than a broad VASP licensing framework at this stage.
- Saudi Arabia remains one of the region's largest on-chain markets, reinforcing the commercial relevance of these regulatory explorations.

## Bahrain

- The Central Bank of Bahrain introduced a Stablecoin Issuance & Offering Module (May 2025), providing a clear regulatory pathway for issuing fiat-referenced stablecoins denominated in BHD, USD, or other approved currencies.
- Bahrain's framework is notable for permitting yield distribution to token holders, a structure not widely adopted elsewhere, reflecting the jurisdiction's innovation-friendly supervisory stance.
- Stablecoins are increasingly treated as legitimate means of payment, reinforcing Bahrain's goal of supporting institutional-grade digital finance infrastructure.
- Tokenisation has been elevated as a top regulatory and strategic priority for 2026, with further rulebook enhancements expected in the first half of the year.

# Middle East Roundup

## United Arab Emirates (UAE)

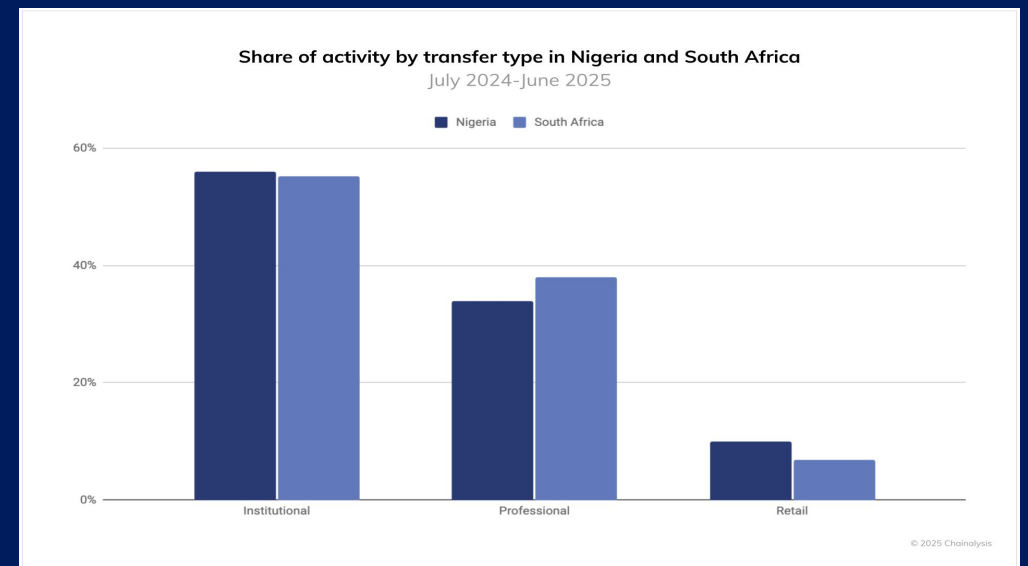
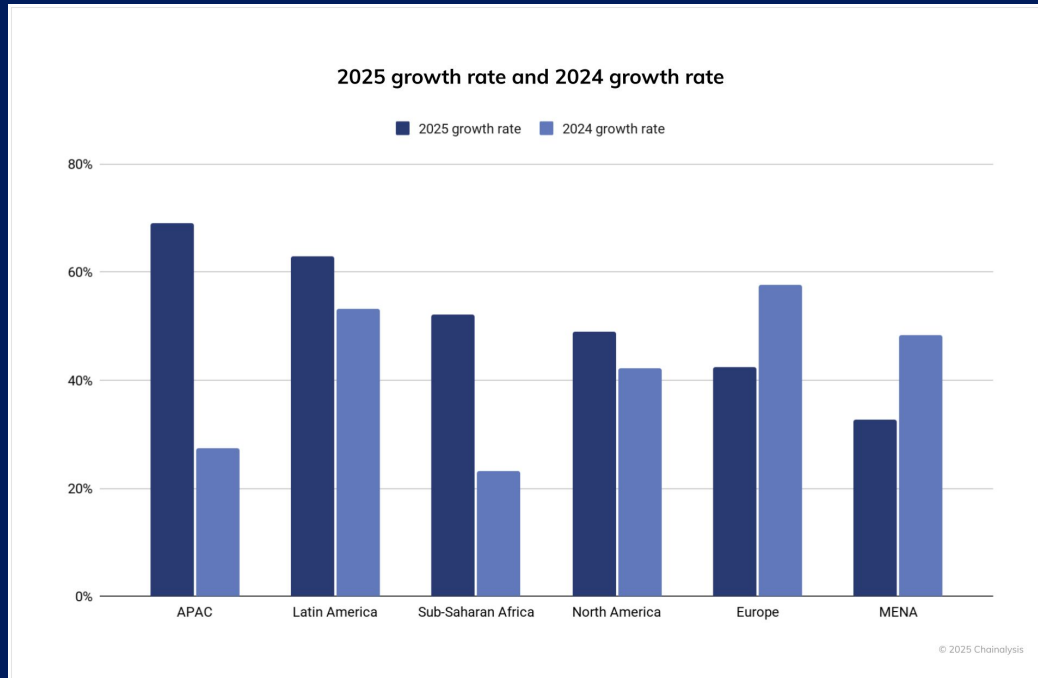
- The UAE's digital asset landscape continued to evolve across a multi-layered regulatory architecture, with active developments at the federal, emirate, and free-zone levels.
- At the federal level, the central bank advanced work on payment tokens and stablecoins, including extending compliance deadlines for the Payment Token Services Regulation and overseeing the registration of domestic and foreign issuers.
- Regulators also progressed efforts on CBDC development ("Digital Dirham"), while supporting a growing ecosystem of AED-backed stablecoins.
- At the emirate level, Dubai VARA expanded its rulebooks (May 2025), providing mechanisms for issuing fiat-referenced tokens in non-AED currencies and launching pilots in real-estate tokenisation and retail derivatives.
- Within financial free zones, ADGM/FSRA refined and expanded frameworks for fiat-referenced tokens used in regulated financial activities, contributing to the UAE's positioning as a regional hub for institutional digital asset markets.
- The Securities & Commodities Authority (SCA) also issued new rules governing security and commodity tokens, strengthening the foundation for a tokenised multi-asset market structure.
- A new federal decree expanded the central bank's supervisory perimeter over activities conducted via emerging technologies (e.g., virtual assets, decentralised networks), enhancing oversight but also generating near-term market uncertainty pending implementing guidance.

# Spotlight on Africa



# Blockchain Adoption in Africa

- Utility key driver for adoption
- Institutional momentum
- Mobile payments ready
- Stablecoins



Source: Chainalysis Global Crypto Adoption Index

# Regulatory Tailwinds

1

Clear, comprehensive regulation to manage risks and protect consumers

2

Africa's Fintech leadership fertile ground for use cases and innovation

3

9 African countries with clear regulation

4

Holistic approach

# Africa Policy Developments

## Nigeria

The Investments and Securities Act (ISA) 2025 came into force in March 2025 officially recognising the regulatory status of digital assets and cryptocurrencies as securities, placing them under the regulatory oversight of the Nigerian SEC. Amendments to digital assets law expected soon.



## Ghana

The Bank of Ghana has been working towards regulating virtual assets and has recently asked VASPs to register. This is a sign of upcoming formal regulations.



## Kenya

The National Treasury published the Draft Virtual Asset Service Providers (VASP) Bill in March 2025, with the goal of developing a comprehensive legal and supervisory framework. Licensing authorities are CBK and CMA, with focus on AML/CFT and consumer protection.

Signed by President October 2025.

## South Africa

Since June 2023 South Africa has been an early adopter of cryptocurrency regulation within Africa, establishing a comprehensive framework that classifies crypto assets as financial products and subjects Crypto Asset Service Providers (CASPs) to licensing and robust oversight.



IFGW focused on stablecoins.

## Mauritius



Issued the virtual Asset and Initial Token Offering Services (VAITOS) Act 2021. Comprehensive regulatory framework. The primary regulator for virtual assets in Mauritius is the Financial Services Commission (FSC).



# Looking Forward

Country		Regulation	Draft Regs	Ripple Engagement
1	South Africa	✓	✓	Rand Stablecoin issuance framework drafted. Non-rand stablecoins considerations
2	Mauritius	✓	✗	FSC issued stablecoin guidelines. Potential draft issuance framework.
3	Kenya	✓	✓	Secondary legislation being prepared by CMA
4	Nigeria	✗	✗	Central Bank considering issuing regulations to enable ICA ban removal
5	Ghana	✗	✓	Bank of Ghana preparing detailed draft regulations



# Digital Finance Forum

*2025 Regional Policy & Regulatory Roundup: EU Update*

***Co-Chairs: John Salmon & Nathan Catania***

**Q4 2025**

- Status and issues:
  - MiCA implementation delays across Member States; some countries extending grandfathering periods and not yet passing enabling legislation (e.g., Portugal lagging).
  - Outstanding Regulatory Technical Standards (RTS) and disputes (custody of reserve assets for stablecoins: composition and custody attribution disagreements between ESMA/Commission/NCAs).
  - Dual authorization complexity from MiCA/PSD2 overlaps, creating extra bureaucracy.
  - Multi-issuance stablecoin models under MiCA remain unresolved and contentious.
  - ESMA proposal under the market integration package to take over authorization/supervision of CASPs would require reopening MiCA and is expected to increase uncertainty.
  - Inconsistent application of MiCA across Member States is undermining passporting and single market effects; some authorities are blocking passporting which complicates cross-border operation.
  - Debanking remains a problem for crypto firms (access to bank accounts), which is also a prerequisite for MiCA authorizations.
  - DeFi report expected from the EU was delayed.
- Summary: Progress made but many implementation and market functioning issues that need addressing; competitiveness questions vis-à-vis US/UK.





# Digital Finance Forum

*2025 Regional Policy & Regulatory Roundup: UK  
Update*

***Co-Chairs: Stuart Davis, Raphael Landesmann***

**Q4 2025**



# Digital Assets: Current Policy & Regulatory Landscape

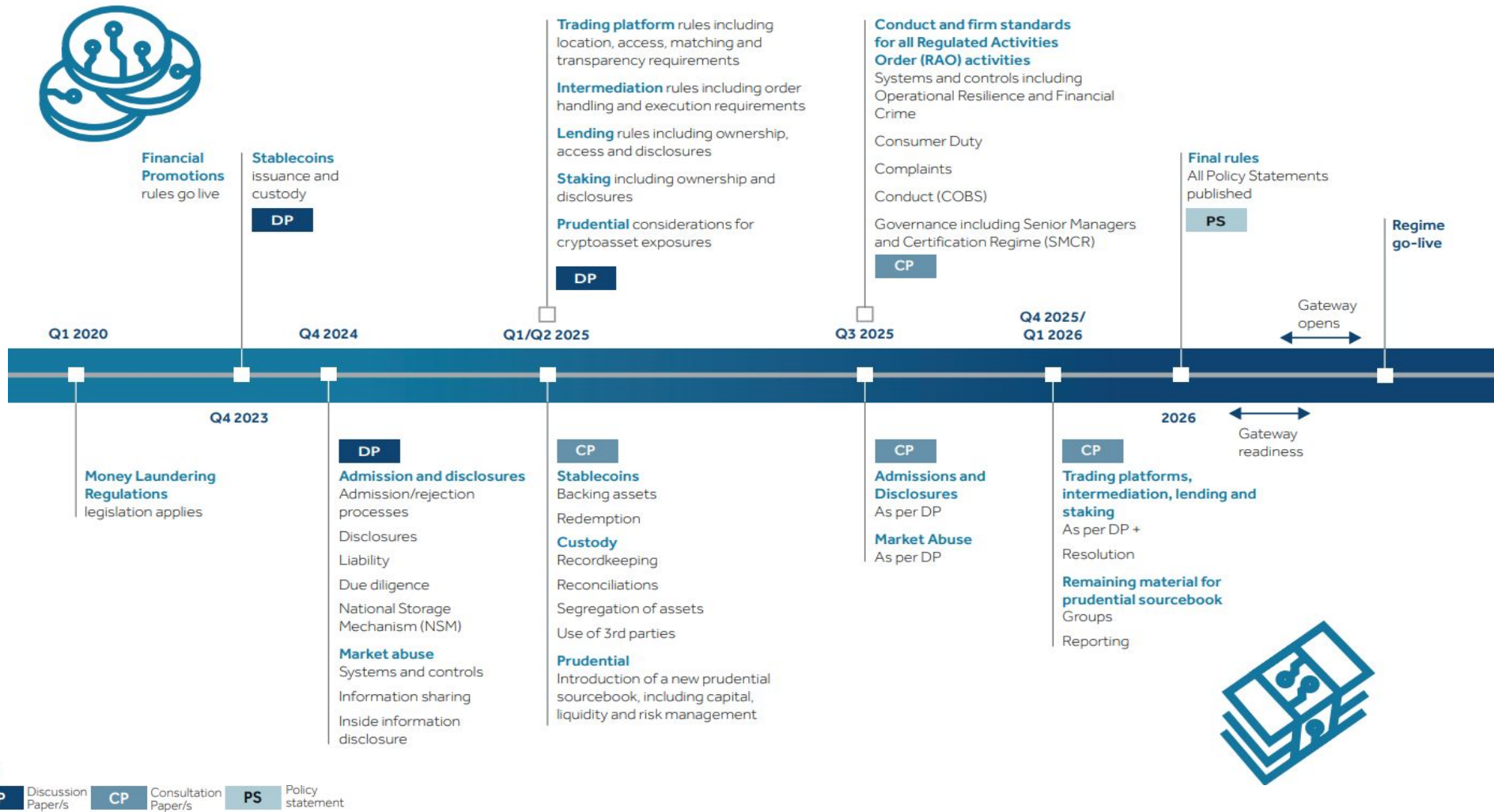
Q4 Digital Finance Forum (DFF)

4 December 2025

LATHAM & WATKINS LLP



# FCA Crypto Roadmap





# GDF Submissions for 2025

## Titles Submitted:



- GDF Response to FCA Consultation Paper CP25/28 on Progressing Fund Tokenisation (Part 1: Accelerating Tokenisation of Authorised Funds)
- GDF & CCI Response to FCA CP25/25 on the Application of the FCA Handbook for Regulated Cryptoasset Activities Chapters 1-5
- GDF & CCI Response to FCA CP25/25 on the Application of the FCA Handbook for Regulated Cryptoasset Activities Chapters 6 and 7
- GDF Response to HM Treasury's Proposed Amendments to the Money Laundering Regulations – Draft SI and Policy Note
- GDF Response to HMT Financial Services Growth and Competitiveness Strategy Regulatory Environment – Cross-Cutting Reforms Consultation Paper
- GDF Response to the Law Commission's Consultation Paper on Digital Assets and (Electronic) Trade Documents in Private International Law
- GDF & CCI Response to FCA CP25/14 on Stablecoin Issuance and Cryptoasset Custody
- GDF & CCI Response to FCA CP25/15 on Prudential Regime for Cryptoasset Firms
- GDF Response to FCA QCP 25/16 No 48 on Lifting the Ban on Retail Access to Certain Cryptoasset Exchange Traded Notes (cETNs)
- GDF & CCI Response to FCA DP 25/1 on Regulating Cryptoassets

# Key Cross-Cutting Issues

- **International / cross border issues**
  - Cross border market access
  - Global liquidity
  - Alignment with other regulatory frameworks
  - Equivalence/defence
- **Proportionality**
  - Stablecoin regulation
  - Outcomes based vs prescriptive regulation
  - Prudential requirements
  - Retail vs non-retail firms
- **Differential treatment for crypto vs TradFi**
  - Market abuse / insider dealing
  - Market structure / vertical integration
  - DeFi



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# Digital Finance Forum

*2025 Regional Policy & Regulatory Roundup: US Update*

***Co-Chairs: Chen Arad & Connor O'Shea***

**Q4 2025**

# US Roundup



- Market structure legislation remains pending; timing uncertain (Q1 2026 vs indefinite delay) due to political calendar and other hurdles.
- Major legislative advancement: Genius Act (stablecoins)
  - Key features: defines permitted payment stablecoins and permitted payment stablecoin issuers (PPSIs); 1:1 reserve requirements (cash/cash equivalents), state/federal framework, and restrictions on exchanges and intermediaries offering non-compliant stablecoins to US persons.
  - Rulemaking: extensive rulemaking required across multiple federal agencies; statutory one-year timeline for rulemaking may be optimistic; industry engagement and comment periods expected to extend timing.
  - DeFi carve-outs: Genius includes carve-outs for DeFi but raises significant practical and technical questions about how PPSIs interact with DeFi (primary issuance, liquidity pools, DEXs), and how to implement law enforcement freeze/burn capabilities in permissionless contexts.
  - Foreign reciprocity/equivalency: Genius has a foreign recognition process (section 18) that will require Treasury/OCC to evaluate equivalent foreign regimes; this will be central to cross-border interoperability.
  - Extraterritoriality and scope: definitions of U.S. Person and “offer/sale in the U.S.” will need clarification to avoid unintended reach; rulemaking needs to set clear bright-lines (redemptions, reserves, interest/yield prohibitions vs de minimis rewards, disclosures).
- Practical enforcement expectations: transitional practicalities mean immediate enforcement on incidental foreign stablecoins flowing into the U.S. is unlikely; compliance and reciprocal recognition will be key over time.





# Digital Finance Forum

*The Case for Collateral Mobility in Europe & The UK  
using Money Market Funds*

***Bryony Widdup***

Q4 2025

# The Case for Collateral Mobility in Europe & The UK using Money Market Funds

- Presented findings from the GDF Report, [The Case for Collateral Mobility in Europe & The UK using Money Market Funds](#).
- The Project's Sandbox involved 70+ participants and a parallel legal/research workstream covering Luxembourg, the UK and Ireland.
- Legal analysis examined issuance structures, transferability, default and insolvency scenarios, and cross-border implications for using tokenized MMFs as collateral.
- Technology performed strongly – sandbox simulations showed transfers and default processes executing in seconds.
- Legal processes remain slow and fragmented, with cross-border insolvency and claims frameworks not aligned to tokenized workflows.
- Identified jurisdictional differences that create uncertainty for enforceability and hinder cross-border collateral use.
- Report includes diagrams, decision trees and structural maps to guide industry understanding of key legal considerations.
- Recommendations:
  - Develop targeted cross-border legal guidance to close gaps.
  - Expand industry education around TMMF structures and legal frameworks.
  - Advance operational and cross-chain solutions to support real-world scalability.
- Next steps include expanding the sandbox to the U.S. and continuing work on interoperability and legal certainty for tokenized collateral.

[Register interest in joining the US WG](#)



# Digital Finance Forum

*Fireside Chat - FSB Regulatory Update on the Market  
Fragmentation Report*

***Peter Goodrich & Nicole Sandler***

Q4 2025



# Fireside Chat



## Digital Finance Forum Fireside



**Peter Goodrich**  
Member of Secretariat  
Financial Stability Board

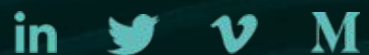


**Nicole Sandler**  
EIR  
Global Digital Finance

Thursday 11 December 2025

### **Peter Goodrich – Financial Stability Board, Member of Secretariat**

Listen here to the fireside chat where Peter Goodrich and Nicole Sandler discuss the FSB's latest review of global crypto and stablecoin regulation, highlighting key supervisory gaps, uneven implementation across jurisdictions, and the challenges this creates for multi-jurisdiction stablecoins. They explore the need for stronger cross-border cooperation, better data and reporting frameworks, and further work on multi-issuance models as the FSB sets its 2026 priorities.



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