



# Greener, Smarter, Safer: BFSI's Regulatory Agenda

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Home to over **60% of the global population**, the Asia Pacific region is at the forefront of digital transformation – and at a turning point. The Asian Development Bank forecasts a **USD 1.7T GDP** boost by 2030, **but only if regulation keeps pace with innovation**. In 2025, that alignment is taking shape: regulators across the region are actively crafting policies and platforms to scale innovation safely and steer it toward public good. Their focus spans global AI rules, oversight of critical tech in BFSI, sustainable finance, green fintech, and frameworks for digital assets.

**Here's a look at some of the regulatory influences on the region's BFSI organisations.**



# The Ripple Effect of Global AI Regulation on APAC Finance

The EU's AI Act – alongside efforts by other countries such as Brazil and the UK – signals a global shift toward responsible AI. With mandates for transparency, accountability, and human oversight, the Act sets a new bar that resonates across APAC, especially in high-stakes areas like credit scoring and fraud detection.

For financial institutions in the region, ensuring auditable AI systems and maintaining high data quality will be key to compliance. But the burden of strict rules, heavy fines, and complex risk assessments may slow innovation – particularly for smaller fintechs. Global firms with a footprint in the EU also face the challenge of navigating divergent regulatory regimes, adding complexity and cost.

**APAC financial institutions must strike a careful balance: safeguarding consumers while keeping innovation alive within a tightening regulatory landscape.**



# Stepping Up Oversight: Regulating Tech's Role

Effective January 1, 2025, the UK has granted the Financial Conduct Authority (FCA) and Bank of England oversight of critical tech firms serving the banking sector. This underscores growing global recognition of the systemic importance of these providers.

This regulatory expansion has likely implications for major players such as AWS, Google, and Microsoft. The goal: strengthen financial stability by mitigating cyber risks and service disruptions.

**As APAC regulators watch closely, a key question emerges: will similar oversight frameworks be introduced to protect the region's increasingly interconnected financial ecosystem?**

With heavy reliance on a few core tech providers, APAC must carefully assess systemic risks and the need for regulatory safeguards in shaping its digital finance future.





# Catalysing Sustainable Finance Through Regional Collaboration

APAC policymakers are translating climate ambitions into tangible action, exemplified by the collaborative **FAST-P initiative** between Australia and Singapore, spearheaded by the Monetary Authority of Singapore (MAS).

Australia's USD 50 million commitment to fintech-enabled clean energy and infrastructure projects across Southeast Asia demonstrates a powerful public-private partnership driving decarbonisation through blended finance models.

**This regional collaboration highlights a proactive approach to leveraging financial innovation for sustainability, setting a potential benchmark for other APAC nations.**





# Fostering Green Fintech Innovation Across APAC Markets

The proactive stance on sustainable finance extends to initiatives promoting green fintech startups.

Hong Kong's upcoming [Green Fintech Map](#) and Thailand's expanded [ESG Product Platform](#) are prime examples. By spotlighting sustainability-focused digital tools and enhancing data infrastructure and disclosure standards, these regulators aim to build investor confidence in ESG-driven fintech offerings.

**This trend underscores a clear regional strategy: APAC regulators are not merely encouraging green innovation but actively cultivating ecosystems that facilitate its growth and scalability across diverse markets.**



# Charting the Regulatory Course for Digital Asset Growth in APAC

APAC regulators are gaining momentum in building forward-looking frameworks for the digital asset landscape. Japan's proposal to classify crypto assets as financial products, Hong Kong's expanded permissions for virtual asset activities, and South Korea's gradual reintroduction of corporate crypto trading all point to a proactive regulatory shift.

Australia's new crypto rules, including measures against debanking, and India's clarified registration requirements for key players further reflect a region moving from cautious observation to decisive action.

**Regulators are actively shaping a secure, scalable digital asset ecosystem – striking a balance between innovation, strong compliance, and consumer protection.**





# Ecosystem Opinion

## Frameworks for the Future: A Region Defining its Digital Destiny

APAC regulators are sending a clear message: innovation and oversight go hand in hand. As the region embraces a digital-first future, governments are moving beyond rule-setting to design frameworks that actively shape the balance between innovation, markets, institutions, and society.

This isn't just about following global norms; it's a bold step toward defining new standards that reflect APAC's unique ambitions and the realities of digital finance.



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