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POINT ZERO FORUM 2025

NAVIGATING THE FUTURE OF FINANCE

A CRITICAL CALL FOR POLICY ACTION IN EUROPE AND BEYOND

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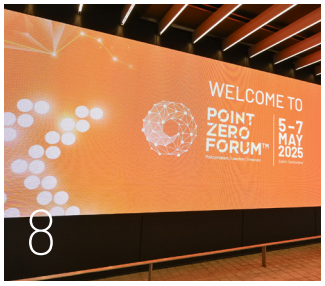

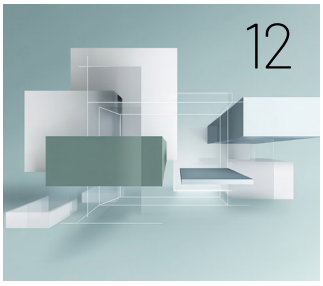

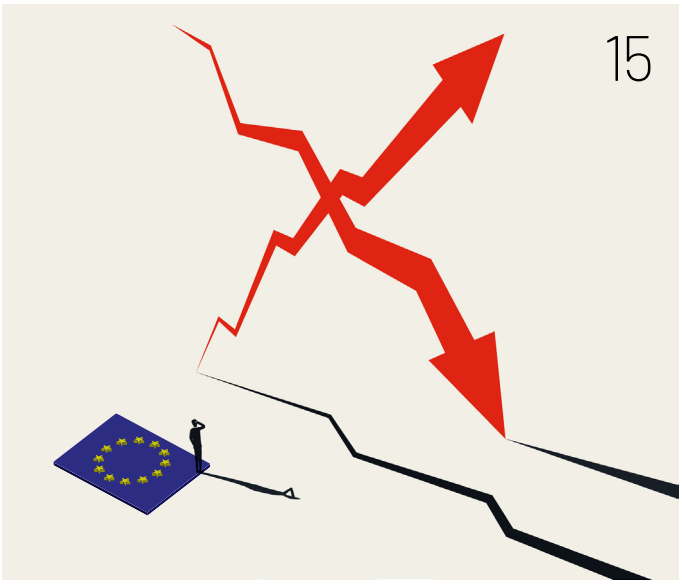

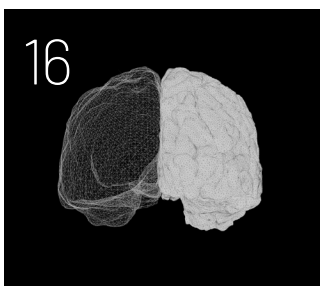

ABOUT GFTN

The Global Finance & Technology Network (GFTN) is a not-for-profit organisation that engages with leaders from government, businesses, academia, and civil society to foster international collaborations with our members on technology innovation, application and adoption in financial services.

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ABOUT OMFIF

With a presence in London, Washington and New York, OMFIF is an independent forum for central banking, economic policy and public investment — a neutral platform for best practice in worldwide public-private sector exchanges.

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CO-CREATING THE FUTURE OF FINANCE

Trust, alignment and global collaboration will be crucial. By Sopnendu Mohanty, Group Chief Executive Officer, Global Finance & Technology Network (GFTN)

"This year's forum was convened under a powerful and urgent dual theme: the impact of geopolitics, macroeconomics and trade on global policies and use cases for technology in financial services and commerce, and re-building Europe's competitive edge."

AS we draw the curtains on the fourth edition of the Point Zero Forum, I am reminded of the value this platform offers in a world that is increasingly fast-moving, technologically complex and globally realigning. Over three powerful days in Zurich, Point Zero Forum 2025 brought together a curated community of 1,350 central bankers, policymakers, regulators, entrepreneurs, technologists, investors and academics from over 66 countries. What emerged was a shared commitment to shape the future of finance with trust, transparency and responsibility.

This year's forum was convened under a powerful and urgent dual theme: the impact of geopolitics, macroeconomics and trade on global policies and use cases for technology in financial services and commerce, and re-building Europe's competitive edge. These themes were a reflection of the strategic crossroads we now stand at. As economic realignments and technological acceleration collide, the financial system must evolve not reactively, but architecturally. The forum's mission has never been more relevant: to provide a neutral ground where frontier innovation and regulation not only coexist but collaborate.

From programmable money to payment system resilience, and from artificial intelligence governance to tokenized assets, this year's agenda tackled some of the most consequential questions in global finance. What I found especially encouraging was the candour with which these issues were discussed. There was no room for abstraction or hype. The dialogue was grounded, focused on real-world use cases, risks and pathways. There was clear recognition that we are transitioning from experimentation to implementation, and with that comes the responsibility to get it right.

It was heartening to witness Europe step into a more assertive and forward-looking role. Discussions around digital sovereignty, cross-border data flows and harmonised regulatory frameworks highlighted Europe's desire not just to catch up, but to lead with values, with clarity and with conviction. At GFTN, we are deeply committed to supporting this ambition by bridging global insights with local implementation, and by creating new corridors of collaboration between the public and private sectors.

I want to acknowledge the powerful leadership displayed by our hosts, the Swiss State Secretariat for International Finance (SIF). Switzerland continues to set the global benchmark for stability, clarity and neutrality – values that are foundational to building trust in innovation. Our partnership with SIF reflects the best of what this forum represents: cross-border co-operation that is anchored in mutual respect and a shared vision for systemic progress.

We also saw central banks take centre stage, not just as observers of change but as architects of the future financial infrastructure. Whether through central bank digital currency (CBDC) pilots, regulatory sandboxes or tokenized security frameworks, their proactive engagement signals a decisive shift: innovation in finance can no longer be divorced from its institutional and policy frameworks. Indeed, it must be co-designed.

The conversations sparked at Point Zero Forum will ripple outward to boardrooms, parliaments, tech labs and multilateral tables. But what matters most is not what was said, but what will be done. As the custodian of this platform, GFTN's role is to carry the momentum forward through our convening forums, our advisory partnerships, our investment platform and our support for digital infrastructure. We believe the next decade of finance will be shaped not by breakthroughs alone, but by the bridges we build between sectors, between jurisdictions and between principle and possibility.

As we look ahead, the world does not need more ideas. It needs alignment. Point Zero Forum has made one thing clear: the future of finance will not be led by any one region, sector or ideology, it will be co-created by those willing to collaborate across difference for the common good.

To everyone who joined us in Zurich, thank you for your commitment and collaboration. We hope this magazine captures the richness of our collective thinking and serves as a touchstone for continued engagement.

Let us continue to build the foundations of a financial future that is resilient, inclusive and boldly collaborative. As transformation accelerates, let us ensure that trust, not disruption, defines the future we build together.

Driving public blockchain integration in banking

Be part of the working group

OMFIF is forming a working group to explore the integration of public blockchain systems into the traditional financial system – particularly banks.

This working group will have the opportunity to be a key input for policy-makers during a time of dynamic policy formation. Members will be able to assert the robustness of public permissionless infrastructure and highlight their role as safe, responsible participants in the transformation of capital markets.

The findings of the working group will be published in a report, highlighting the policy recommendations and insights formed during the meetings series.

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95+

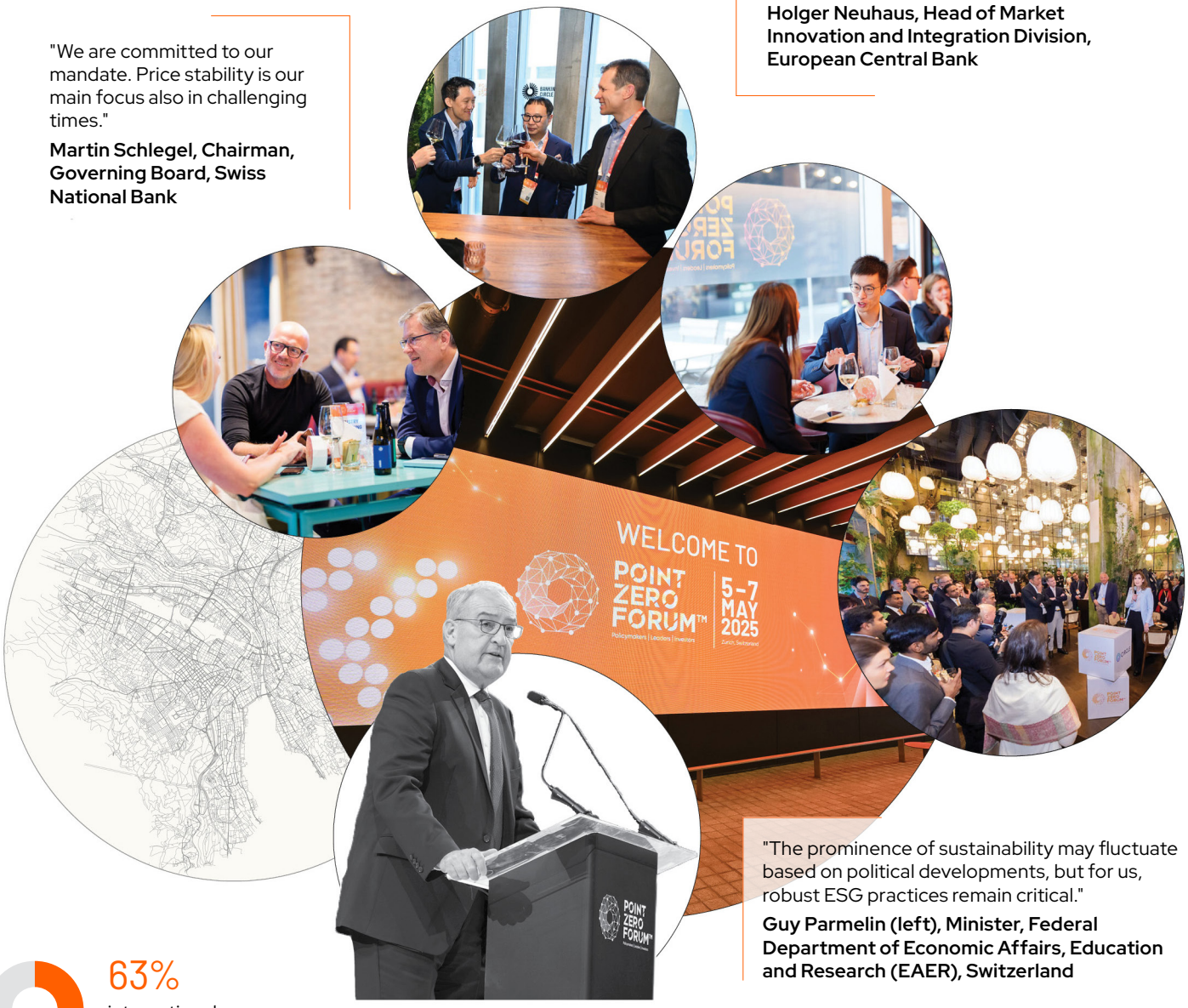
hours and 121 content sessions across stages, deep-dive roundtables, workshops and more

"We are committed to our mandate. Price stability is our main focus also in challenging times."

Martin Schlegel, Chairman, Governing Board, Swiss National Bank

"We're continuously updating the way we offer central bank money settlement. With the private sector ready to adopt blockchain, we need to adapt to keep central bank money available and useful."

Holger Neuhaus, Head of Market Innovation and Integration Division, European Central Bank



"The prominence of sustainability may fluctuate based on political developments, but for us, robust ESG practices remain critical."

Guy Parmelin (left), Minister, Federal Department of Economic Affairs, Education and Research (EAER), Switzerland

63%

international attendees

33%

were C-level and above

21%

of attendees from 92 public sector organisations

329

inspiring speakers

"We need the new infrastructure of the financial system to be open and permissionless to ensure maximal inclusion. The killer feature is liquidity and there is no greater superset of liquidity than the 5.5bn people on the internet."

Lily Liu, President, Solana Foundation

"People should stop asking about MiCA and look to the future and focus on the tokenization of financial instruments. That's where the future lies. When that takes off, MiCA will be a sideshow."

Peter Kerstens, Advisor, DG FISMA, European Commission

1,350

attendees from 66 countries

The central banking dialogue

Speaker: Martin Schlegel, Chairman, Governing Board, Swiss National Bank (SNB)

The risk of an escalating trade war and low global demand particularly in Europe is a concern. Schlegel underlined the SNB's commitment to price stability and said that the bank will set its policy in order to protect it. Regarding the topic of crypto, Schlegel highlighted the SNB's work on tokenized wholesale central bank money in Project Helvetia.

Global state of digital asset regulations: regulatory harmonisation on digital assets

Speakers: Chris Brummer, Chief Executive Officer, Bluprynt; Peter Kerstens, Advisor, DG FISMA, European Commission; Sarah Breeden, Deputy Governor, Bank of England

Breeden said the Bank of England will be reconsidering its stance on stablecoins, highlighting that the Bank's view on preserving singleness of money does not reflect the exchange-based way stablecoins are typically used. Breeden also said that the Bank is exploring the possibility of issuers being able to earn on stablecoin reserves.

Kerstens urged market participants to stop thinking about expanding the Markets in Crypto-Assets Regulation (MiCA) and consider exploring the tokenization of traditional financial instruments, where volumes are much larger than in crypto.

Future of cross-border payments and settlements

Speakers: Alan Marquard, Executive Vice President, Commercial and New Payment Flows, Mastercard; Douglas Feagin, President, Ant International; Karmela Holtgreve, Deputy Head and Head of Operations, Bank for International Settlements Innovation Hub; Nick Kerigan, Managing Director, Head of Innovation, Swift; Tommaso Mancini-Griffoli, Chief of Payments, Currencies and Infrastructure, International Monetary Fund

Feagin said that the use of blockchain can change how money is transferred globally, but that we need to focus on interoperability to allow tokenized assets and traditional ones to operate seamlessly.

Marquard added that global systems, though attractive, are hard to build because of network challenges, and even harder to develop to a level where standards and rules can be imposed. Decentralised systems might help because they alleviate the challenge of deciding where these networks should be governed from.

The global state of fintech

Speaker: Dr Axel Weber, President, Center for Financial Studies

Weber highlighted that large banks are facing a major challenge: the cost of changing legacy infrastructure to adapt to an evolution of financial markets.

The tensions around trade between the US and China are leading market participants to question the reliability of the dollar. This, combined with regulatory burdens like the General Data Protection Regulation, is leading to a regionalisation of investment.

Weber also highlighted that digital currencies will challenge the dominance of the dollar and so multi-currency infrastructure will be a key part of the next phase of financial services.

The future of digital assets infrastructure: private, public... borderless?

Speakers: David Rutter, Chief Executive Officer, R3; Holger Neuhaus, Head, Market Innovation and Integration Division, European Central Bank; Lily Liu, President, Solana Foundation; Pradyumna Agrawal, Managing Director, Investment, Temasek; René Michau, Global Head, Digital Assets, Standard Chartered; Alan Lim, Director and Head, Financial Infrastructure and AI, Monetary Authority of Singapore

The panel discussed private, permissioned blockchains, which protect privacy well and provide secure, always-on infrastructure, but pointed out that they do not have the network mass available in decentralised finance. Liu said: "There's no greater superset of liquidity than the 5.5bn people on the internet, and that is only accessible with permissionless, open infrastructure."

Michau highlighted that blockchains are expensive to run and therefore they need serious commercial activity to justify. He said that this is best served by creating the broadest possible access set via permissionless infrastructure.

The European Central Bank is keen to continuously update central bank settlement to keep it available and useful. At the moment, it is building an interoperability mechanism, but this does not leverage the full power of distributed ledger technology, so it may not be the final version.

Balancing innovation and resilience in a world of geopolitical tensions: payments, cyber and more

Speaker: Christian Kettel Thomsen, Chairman, Board of Governors, Danmarks Nationalbank

Thomsen discussed a new focus in delivering offline payments, highlighting that the threat posed by Russia was a major component of the renewed focus on operational resilience. He also said that increasing use of instant payments systems will reduce dependence on other countries' payment networks.

However, Thomsen cautioned that, "without power, many offline payments methods aren't viable," and that this would necessitate a broader scope for operational resilience legislation.

When asked about stablecoins, he said: "If we focus on increased instant payments and improving cross-border payments, there will be no vacuum for stablecoins to fill."

State of innovation in central banking: AI, blockchain and more

Speaker: Cecilia Skingsley, Head, BIS Innovation Hub

Skingsley said there is an interesting debate on whether stablecoins are able to take over from central bank money as a settlement asset. However, she still believes central bank money is preferable. She acknowledges that stablecoins will play a role but expects central bank money to remain dominant.

She added that legacy systems were developed in a time where people were happy with access to payments only during office hours, but that expectations have changed rapidly.

She closed by saying that central banks are, in essence, monopolies in providing money and payments systems. Technology is challenging this status and central banks need to adapt to offer their services in ways that help the economy thrive.

A new era of payment technology: a central bank dialogue on the next steps in the evolution of domestic and cross-border payments





Speakers: Leong Sing Chiong, Deputy Managing Director, Markets and Development, Deputy Chairman, GFTN; Naoto Shimoda, Deputy Director-General, Payment and Settlement Systems, Bank of Japan; Morten Bech, Head of BIS Innovation Hub, Switzerland; Petra Tschudin, Member, Governing Board, Swiss National Bank; Tom Mutton, Director, Fintech and CBDC, Bank of England

The panellists were split on the need for retail central bank digital currencies. Japan is trialling one, while the UK says it believes it may be needed in the future, but that this need may disappear if the private sector becomes more innovative with its provision of payments services. Switzerland launched an instant payments system in August 2024 and initiated a wholesale CBDC pilot for the settlement of tokenized assets on SIX Digital Exchange.

The Bank of England, having just upgraded its real-time gross settlement system, believes that synchronisation may allow it to meet the evolving needs in wholesale settlement.

Road to agentic AI in financial services – Part I: Infrastructure, use cases and experiments

Speakers: Nic Dreckmann, Chief Operating Officer and Deputy Chief Executive Officer, Julius Baer; Sasha Rubel, Head of Generative AI and AI Policy, EMEA, AWS; Vincent Gusdorf, Associate Managing Director, Digital Assets and AI Analytics, Moody's

The panel discussed differentiating between agentic artificial intelligence (AI) and generative, defining the former as an autonomous piece of software. Some highlighted that the inconsistency of output has made these models difficult to deploy but remarked that this is changing as the technology advances.

The panel also said that at present a human is needed to intervene and filter AI conclusions rather than have AI interact directly with a client. Although it will enable scaling and drive revenue growth in the future, these opportunities are still six to 12 months away.

The EU AI Act is also making it challenging for businesses to adopt because they are not clear on their regulatory obligations and therefore invest less.

Road to agentic AI in financial services – Part II: Policy, regulation and governance

Speakers: Kenneth Gay, Chief Fintech Officer, MAS; Nicola Jentzsch, Head of Innovation, Deutsche Bundesbank; Ryosuke Ushida, Chief Fintech Officer, Financial Services Agency of Japan; Miguel Díaz, Head of Strategy and Deputy Head, BIS Innovation Hub

The panel said that agentic AI can take a more active part in collaborative task solving. Its ability to make use of a suite of tools with only natural language commands makes it able to function as a research assistant.

While AI's capacity is expanding rapidly, the panel highlighted that increasingly autonomous agents that set their own goals and sub-goals may be more challenging to control.

Digital identities are a key component for limiting the negative possibilities of AI and ensuring accountability.

The panel also discussed the possibility that agentic AI with access to high-quality information could create a perfectly discriminating monopoly, which rules and regulations are not equipped to handle.

MAKING BLOCKCHAIN WORK FOR FINANCIAL MARKETS

There needs to be nuance in the blockchain for finance debate

Markets will be more efficient if a greater range of assets shares the same network and is therefore freely exchangeable within that network. That requires a broad range of issuers and investors to come together to use a platform.

FINANCIAL market participants have been working for many years on overhauling financial market infrastructure with distributed ledger technology. With a growing volume of assets, both financial and real-world, represented for trading on the blockchain, this possibility is fast becoming a reality.

But not all blockchains are created equal. Broadly speaking, blockchains fall into three categories. First, there are public, permissionless blockchains. These are blockchains of the type on which bitcoin operates. On networks of this type, anyone can set up a node and participate in validating transactions and earning rewards.

Second, there are public, permissioned blockchains. The permissioning element means that only participants approved by the network are allowed to set up nodes and validate transactions. However, they are public in the sense that anyone can issue tokens and build services on them.

Finally, there are private blockchains. These are, in effect, databases shared between a set of participants. Each participant can see and update a shared ledger or "golden record", reflecting who owns what, but only these participants can take part in validating or in building services and issuing tokens.

Permissioned versus permissionless

At Point Zero Forum, proponents of all different types of blockchain were represented. Aficionados of the crypto market tend to favour permissionless architecture because it provides the greatest possible liquidity. Lily Liu, President of the Solana Foundation, said: "There is no greater subset of liquidity than the 5.5bn people who have internet access." So for assets that require a broad reach and distribution network, permissionless networks tend to be preferred.

Of course, while liquidity is desirable for many financial assets, only certain investors are qualified to hold them, such as those on whom know-your-customer checks have been conducted. Accordingly, some level of permissioning will be required, but this does not necessarily have to take place at the level of the base protocol. Side-chains with permissioning can be created, which can also alleviate issues with transaction throughput.

However, these bring their own challenges. If anyone can set up a validating node, then the validator community is likely to include sanctioned individuals or institutions – North Korean ransomware hackers, for example. Some regulators may be uncomfortable with the possibility of institutions conducting regulated financial activities paying transaction fees to a network that includes sanctioned entities. The Basel Committee on Banking Supervision's guidance for banks on prudential exposure to cryptoassets requires assets on permissioned blockchains to have the same capital treatment as traditional assets, but imposes a 1,250% capital weighting on assets on public blockchains.

Permissioned blockchains remove this concern, since validators have to be approved by the network. However, some believe that these tend to entrench market dynamics, protecting the interests of incumbents.

Decentralisation in TradFi

Whether decentralisation is a problem or a benefit depends on perspective. From the perspective of operational resilience, decentralised systems do not rely on the persistence of a given node and therefore tend to have excellent uptime, ensuring continuity of services.

Decentralisation ensures that no party gets excessive control of the ecosystem. Depending on the blockchain consensus mechanism, too much concentration of validation power can compromise the integrity of the system. Thus, the responsibility for validation must be distributed throughout a sufficiently large community to ensure that no one party or group gains excessive control.

But this decentralised distribution of control can make regulators uncomfortable. Several at Point Zero Forum remarked that they were concerned about accountability of public blockchains. Because

Whatever the breakdown in roles between different blockchain architectures, we are unlikely to be moving towards a future where a single blockchain is used for every use case – at least in the near term.

blockchain transactions are immutable, in the case of fraud or even transactions made in error, reversing a transaction can be difficult. Regulators like to have a single entity that they can hold to account in the case of problems in operations. As public blockchains operate with decentralised governance models, identifying a single entity to hold to account can be difficult.

Perhaps of even greater concern is that, because transactions can take place without an intermediary, it can be difficult to prevent a given party from transacting, meaning asset freezes are difficult to execute.

Technical solutions via layer two architecture or side-chains are possible, but for regulators to be comfortable with regulated financial activity proliferating on a blockchain, they will have to understand these systems thoroughly and ensure that any new risks the architecture introduces are effectively mitigated.

Private blockchains offer a great deal more control than public blockchains. Restricting the participants to a small community gives regulators and market participants more confidence in the privacy of their systems. Indeed, at an early stage, private networks were the only ones capable of offering the transactions per second required of mainstream financial markets, and of executing trades with transaction finality. Many of the major early implementations of blockchain technology for traditional markets reflect the relative simplicity of using private networks. Swiss Digital Exchange, for example, a blockchain-based digital exchange for tokenized securities, is built on R3's private network Corda.

Markets will be more efficient if a greater range of assets shares the same network and is therefore freely exchangeable within that network. That requires a broad range of issuers and investors to come together to use a platform. Although some private blockchains have built up good networks of participants, it will always be difficult for them to achieve the sort of critical mass that public networks are already achieving.

Private blockchains can connect with modern public networks offering scalability and transaction finality. They can make use of their underlying settlement infrastructure, while still hosting the complex tokenization logic and legal frameworks required for regulated finance, but enabling seamless atomic settlement with stablecoins and other assets that exist only on public networks.

With private networks offering a regulated platform for the creation and issuance of tokens representing real-world or traditional financial assets, and public networks offering a robust ecosystem with strong liquidity and distribution, this may prove to be the shape of the next generation of financial infrastructure. David Rutter, Chief Executive Officer and Founder of R3 and the Corda blockchain, suggested at Point Zero Forum that this might be the future direction of the Corda network.

Whatever the breakdown in roles between different blockchain architectures, we are unlikely to be moving towards a future where a single blockchain is used for every use case – at least in the near term. Indeed, from the perspective of operational resilience, having several blockchains provides multiple redundancy.

Swiss Banking

Shaping the future together

August Benz, Deputy Chief Executive Officer and Head of International and Transformation, Swiss Bankers Association (SBA), offers a Swiss perspective on Point Zero Forum 2025

"The message that should resonate beyond Zurich is clear: progress can be shaped – and Switzerland is ready to help shape it."

FOR three days in May, Zurich once again became the beating heart of global financial innovation. The Point Zero Forum 2025 brought together policymakers, central bankers, regulators, industry experts, start-ups and financial leaders from around the world to discuss one of the most pressing issues of our time: how to harness the transformative power of technology without compromising the stability and trust that underpin our financial systems – especially in the light of changing geopolitical and macroeconomic conditions.

I had the privilege of contributing to this year's edition – not just as a participant, but as a representative of a financial centre deeply committed to shaping the digital financial architecture of tomorrow.

What made this year's forum so remarkable was not only the breadth of topics covered – from digital assets and artificial intelligence (AI) integration to financial crime prevention and technological sovereignty – but also the spirit in which these issues were discussed. The forum is not just a conference, it's a collaboration. There is a shared understanding that the pace of innovation requires agile thinking, cross-sector dialogue and international alignment. And perhaps no place embodies this spirit better than Switzerland.

At our roundtable, I focused on one of the most pressing challenges facing the financial sector: the use of AI and blockchain to combat financial crime. AI has enormous potential not only to detect and prevent fraudulent activity more effectively, but also to increase transparency, traceability and, ultimately, trust. To unlock this potential, we need coordinated action, common standards and close co-operation between financial institutions, technology providers and supervisors. The message was clear: innovation must not come at the expense of integrity.

This idea of "responsible innovation" also runs through the Swiss Bankers Association's broader positioning. Digital transformation is no longer optional – it is the defining trajectory of the financial industry. But with transformation comes tension: between innovation and security, between openness and control, between speed and stability. Finding the right balance is not a technical question, it's a strategic imperative.

Switzerland has a dual role to play. On the one hand, we are a financial centre that embraces innovation – one that encourages experimentation, rewards entrepreneurship and integrates new technologies into the financial system. On the other hand, we are a guardian of trust and stability. Our principles-based and technology-neutral regulatory framework, combined with our political stability and international credibility, positions us as a trusted centre for dialogue. Point Zero Forum is an example of such a dialogue.

Another theme that resonated strongly this year was digital sovereignty – the ability of financial systems and economies to act independently in an increasingly multipolar digital world. Here, I argued that Switzerland must not only embrace digital technologies but contribute to their development. Whether it's cloud infrastructure, digital identities, tokenization or AI models, we must help shape the standards, not just adapt to them. Sovereignty is not about isolation; it's about resilience, about ensuring that we remain able to chart our own course.

Of course, innovation always carries risks. But good regulation doesn't just mitigate risks – it creates confidence, enables investments and builds the guardrails within which innovation can flourish. At SBA, our role is to bridge the gap between practice and policy, contribute expertise, consolidate interests and help shape pragmatic solutions at both the national and international level.

Looking back on Point Zero Forum 2025, I am encouraged. The conversations were not abstract, they were grounded. The participants were not just thinkers, they were doers. And the atmosphere was one of optimism – tempered by realism and driven by the belief that progress is not only possible, instead it's our collective responsibility.

The message that should resonate beyond Zurich is clear: progress can be shaped – and Switzerland is ready to help shape it. Not because we believe we have all the answers, but because we know that global challenges require joint solutions. And these solutions begin with open dialogue, mutual respect and a commitment to action.

EUROPEAN RESILIENCE IN A VOLATILE WORLD

Europe is pairing regulation and investment to improve sovereignty

ASKED to sum up the reason for a renewed focus on offline payments, Christian Kettel Thomsen, Chairman of the Board of Governors, Danmarks Nationalbank, offered a single word: "Putin".

Frequently, the value of innovation is determined by the efficiency gains it delivers, but in a world of fracturing geopolitical relationships, perhaps the next wave of infrastructure investment will be determined by less glamourous considerations like resilience and sovereignty.

Russia's re-emergence as an active threat has sharpened policymakers' focus on defence spending and concepts like energy independence. The possibility of a nationally sponsored cyber-attack on a payments system is one that has central bankers worried. The world is increasingly reliant on digital payments, which are potentially vulnerable to disruption. Offline payments are a potential source of improved resilience and so, as central banks continue to explore the possibility of issuing digital currencies, one of their priorities will be ensuring that they can operate, at least to a limited extent, without access to the internet.

However, participants at the Point Zero Forum pointed to the recent power outage on the Iberian Peninsula. They noted that, even with digital payments that work without internet access, the vast majority of point-of-sale terminals require electricity and so digital payments would still be restricted. Energy production and distribution have therefore also joined the list of sovereignty-securing infrastructure projects, since reliance on Russian hydrocarbons weakened Europe's diplomatic position when Russia invaded Ukraine.

Though resilience in the face of disastrous attacks from hostile powers is undoubtedly high on the list of policymakers' priorities, there is another, subtler consideration driving technological investment and research. With geopolitical relationships, even those with allies like the US, becoming more volatile, a preference for infrastructure to be provided domestically is increasingly prevalent. European policymakers resent reliance on US and Chinese technology services and wish to see homegrown services replace them.

The fact that Europe is stepping up defence spending, rather than relying on the US's colossal military infrastructure, is a clear demonstration of this, but the same trend can be seen in areas of technology infrastructure.

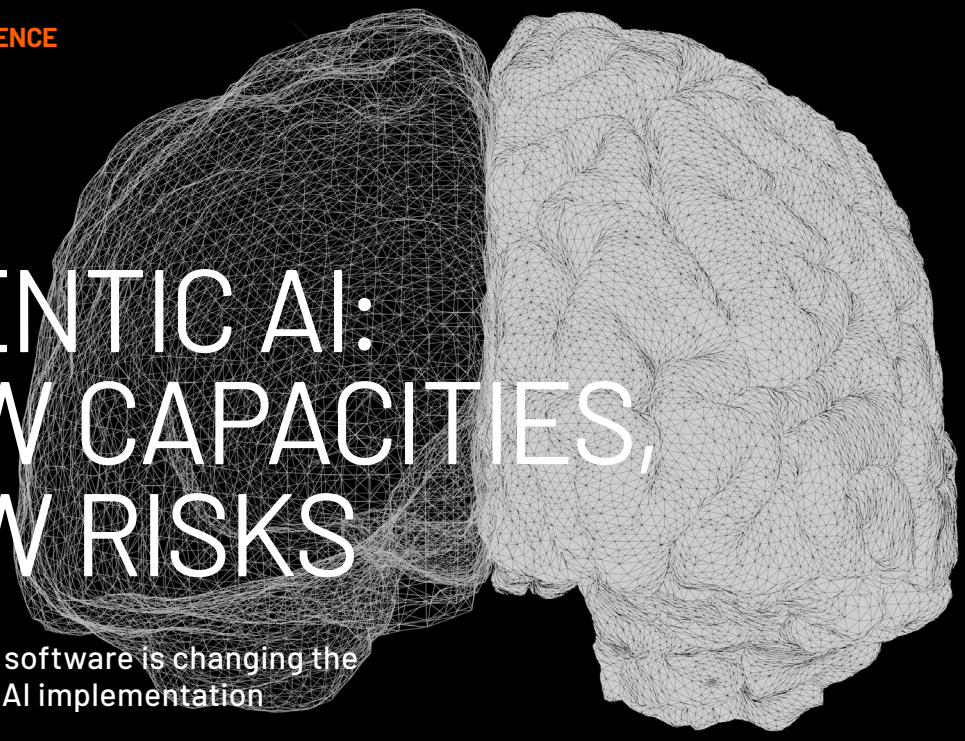
The EU is taking a two-pronged approach, making sizeable investments in technology research and development, and implementing laws designed to ensure resilience that can complicate requirements for non-domestic companies.

US cloud services providers have a level of scale and technical sophistication that few European equivalents are equipped to match. Some in the cloud community feel that European data protection regulations that make data transfer outside of Europe an onerous task are, at least in part, aimed at giving European cloud providers a relative advantage. A similar dynamic is visible in artificial intelligence (AI), where as well as funnelling public money into research and infrastructure projects, the EU AI Act and local data protection regulations have hindered the use of foreign AI services.

In payments, the picture is similar. It is no secret that one of the digital euro's aims is to reduce the bloc's reliance on US payments giants, Mastercard and Visa, but the proliferation of stablecoins, particularly dollar-denominated stablecoins, has added a new urgency to this concern. The EU's Markets in Crypto-Assets Regulation (MiCA) has been criticised by some for introducing requirements that stablecoin issuers will struggle to follow.

The controversial requirements centre on the question of where reserves should be held. Stablecoin issuers would prefer to operate globally, while keeping their reserves in one pool, honoring redemptions from this as needed. European regulators would prefer that stablecoins operating in Europe are collateralised by reserves held in Europe. This complicates matters for stablecoin issuers since it is not always clear how much they should hold in a given jurisdiction. If a stablecoin issuer issues stablecoins in the US that are subsequently sent to Europe, the issuer would be obliged to ensure there are adequate reserves in Europe to cover this, but will not necessarily know that the tokens have been sent there.

Indeed, Tether, the world's largest stablecoin, announced earlier this year that it will no longer operate in Europe because of requirements like these.



AGENTIC AI: NEW CAPACITIES, NEW RISKS

Autonomous software is changing the trajectory of AI implementation

THE capabilities of artificial intelligence (AI) are expanding rapidly, but the trajectory of improvements is not always simple to predict. With large language models (LLMs) providing incrementally improving functionality, many might have expected this to continue until a form of artificial general intelligence had been created.

However, the emergence of agentic AI is creating another path. Agentic AI is the creation of autonomous software that can make its own decisions. Often, these are simpler than the most sophisticated LLMs, but multiple agents are able to work collaboratively and can therefore achieve more powerful results.

These agents can be pre-built, either by a technology provider or in house, to perform a variety of roles. Via an orchestration platform, these agents collaborate, sharing information and strategies, allowing them to tackle a more complex array of tasks than one AI working alone.

At Point Zero Forum, a demonstration of a team of AI agents discussing insurance claims offered a glimpse of how this software can expand capacity and improve efficiency. Humans remain in control of key decisions, but are able to use the data gathered by the AI agents and their conclusions to inform decisions. The discussions between the AI agents take place extremely quickly but can be reviewed by humans afterwards. This feature is to ensure observability and is an important component of the responsible implementation of autonomous systems.

There are still several barriers hindering the integration of agentic AI into workflows. The first is integration with legacy systems. Building application programming interfaces for AI agents can enable them to connect to existing systems, but many of these systems do not have suitable APIs in place.

The second obstacle is a lack of regulatory clarity. Sasha Rubel, Head of Generative AI and AI Policy, EMEA at AWS said: "68% of EU businesses struggle to understand their obligations under the EU AI act, and this leads them to invest less".

Finally, there is the issue of trust. This might be partly addressed by regulation, which limits AI use to safe arenas, but until individuals and businesses are happy that certain principles of responsibility are effectively translated into AI engineering, there will be hesitancy around adoption.

Because of these challenges, some firms are reluctant to implement AI, but see themselves doing so in the future. Nic Dreckmann, Chief Operating Officer and Deputy Chief Executive Officer, Julius Baer, said that, at present, AI is used for internal research, but not customer-facing advice. He believes that opportunities for AI to face customers and generate revenue are six to 12 months away.

At the forum, panels discussed the possible risks that policymakers should consider as increasingly powerful AI systems proliferate in the economies they supervise. With greater agentic autonomy, the flexibility to set their own goals and sub-goals and adopt novel strategies grows, but so does the possibility for the loss of control or unforeseen negative outcomes.

Miguel Díaz, Deputy Head and Head of Strategy of the Bank for International Settlements Innovation Hub, raised the possibility of AI constructing logical chains of thought that become too complex for humans to follow. While other AIs might be able to help our understanding of complex processes, we would at that stage be placing a great deal of trust in AI systems without fully understanding them. It is important to understand that AI systems might have biases that suit the interests of their creators.

This raised the possibility that it might be important for the public sector to create AI systems so that they might be more closely aligned with societal aims, rather than with the interests of commercial providers.

Innovation in humanitarian aid

UNHCR is harnessing technology to serve refugees in a fast, cost-effective and transparent way. By Carmen Hett, Treasurer, UNHCR

WITH nearly 123m people forced to flee conflict and persecution globally and with aid dwindling under brutal funding cuts across the whole humanitarian sector, UNHCR, the United Nations Refugee Agency, is leaning on innovative technologies to deliver aid effectively and efficiently to as many people as possible.

By embracing innovation, transformative technologies, partnerships and refugee-led initiatives, the agency is working to make humanitarian support faster, more secure and better tailored to the urgent needs of displaced populations worldwide.

A humanitarian response fit for the future

UNHCR's innovation strategy centres on local understanding, supporting over 40 refugee-led organisations in 33 countries through its Refugee-led Innovation Fund, which positions displaced people as co-creators of solutions.

UNHCR is also harnessing data analytics and artificial intelligence (AI) to inform smarter aid delivery. With over 60 AI use cases and 30 chatbots deployed, the organisation is using predictive analytics to help anticipate needs, optimising emergency supplies, improving service outreach and creating in-house efficiencies.

System-wide, UNHCR is streamlining and modernising financial operations with its Digital Hub of Treasury Solutions. Its main component, the UN Financial Gateway, provides a dedicated digital channel and simplifies aid-related financial transactions, cutting costs, enhancing accountability and enabling programmable and faster support to people in crisis. UNHCR processes more than 2m transactions annually, disbursing over $6bn to partners, vendors and displaced people. By fully optimising these flows through integrated and standardised digital solutions, UNHCR is already realising significant efficiency gains in the millions of dollars.

Blockchain-powered aid

As part of its commitment to innovative solutions, UNHCR has been leveraging blockchain technology to deliver faster, more efficient and transparent direct financial aid to people forced to flee. UNHCR has so far supported over 14,000 people, improving the lives of more than 4,500 families, through blockchain-powered aid modality.

Since launching its first blockchain-based project in Ukraine in December 2022, the agency has provided $4.6m in aid to 2,500 displaced and war-affected families, supporting basic needs, protection and shelter. Using Circle's USDC stablecoin on the Stellar blockchain, with technical support from the Stellar Development Foundation, recipients can either safeguard the funds received in their digital wallet or convert them to local currency, reducing transaction fees by 4% compared to traditional banking methods.

Photo: Hassan, an Afghan refugee returnee, has just received his prepaid debit card with UNHCR's financial support to help him and his family cover their basic needs upon return to their country. © UNHCR/Caroline Gluck

Building on Ukraine's good practice, the programme expanded to Argentina, where 80% of blockchain-transferred aid supported business start-ups by Venezuelan refugees. The use of stablecoins helped shield recipients from local currency devaluation, offering financial stability and choice.

In 2025, UNHCR introduced the blockchain-powered approach to Afghanistan, distributing prepaid debit cards to over 7,500 returning refugees, to help them cover their basic needs upon return and support their reintegration. In partnership with Afghan fintech firm HesabPay and using Algorand blockchain, the cards enable local Afghan e-money to be withdrawn as cash or used at authorised merchants, reducing security risks and delays.

UNHCR remains dedicated to further exploring blockchain-based solutions as part of its programmes, to help ensure traceable, real-time transactions and reporting, and enable timely, dignified assistance to reach vulnerable populations in challenging environments.

Innovation at UNHCR relies on strong partnerships with governments, humanitarian actors, the private sector and refugee-led organisations. As part of these efforts, UNHCR has been partnering with GFTN since November 2023 to support refugee skills development, financial access and livelihoods – including empowering refugee artisans through MADE51.

In a time of global crises and limited resources, innovation, technology and partnerships offer a path forward – one where people forced to flee are supported and can rebuild their lives with dignity and hope.

For more information about UNHCR, visit www.unhcr.org/about-us.html and support here https://donate.unhcr.org/crypto/en/point-zero-forum-may-

Giesecke+Devrient
Creating Confidence

Tokenized money is more than just a trend

Wolfram Seidemann, Chief Executive Officer of G+D Currency Technology, examines the interplay of central bank digital currencies, stablecoins and tokenized deposits

"In a tokenized financial system, the presence of public money is not optional – it is foundational."

THE financial system is approaching a structural transformation – one defined not merely by digital innovation, but by the shift towards a tokenized monetary architecture. At the heart of this evolution is the convergence of three key forms of digital money: central bank digital currencies (CBDCs), stablecoins and tokenized commercial bank deposits. Each represents a distinct issuance model, regulatory framework and value proposition – but their interconnection is the basis for the future financial system.

This is more than a technological trend. For central banks, commercial banks and payment service providers, it marks a strategic crossroads. How should public and private digital monies coexist and interact in a future tokenized ecosystem? What roles should each form of money play in domestic and cross-border payments, monetary policy transmission and financial stability?

The need for tokenized public money

In a tokenized financial system, the presence of public money is not optional – it is foundational. Without a universally accepted, risk-free reference asset, the system becomes vulnerable. Private digital monies may not trade at par, particularly across different platforms or jurisdictions. This introduces exchange rate risk and undermines the basic principle of monetary fungibility.

Moreover, dominant private issuers could create closed ecosystems that limit user choice and restrict interoperability, weakening competition. In such a scenario, trust in money becomes contingent on the solvency and governance of private actors – rather than guaranteed by the state.

A well-designed CBDC, issued as tokenized public money, directly addresses these risks. It provides a neutral settlement asset that clears at par across all platforms, enabling interoperability between competing forms of private money. It reinforces monetary sovereignty by anchoring the value of money to the central bank, even in a decentralised or programmable environment. It provides a public payment option ensuring access, competition and systemic stability.

CBDCs are not a replacement for private innovation, but a prerequisite for its safe and scalable evolution in a tokenized economy.

Wholesale CBDCs (wCBDCs), as a tokenized form of central bank reserves, represent a foundational upgrade to financial market infrastructure and enable a new generation of settlement processes that are faster, safer and more programmable across both traditional and tokenized asset classes.

Cross-jurisdictional pilots and industry dialogues – such as those led by Giesecke+Devrient – have demonstrated the potential of wCBDCs to unlock atomic, real-time settlement with minimal counterparty risk and simplified operational workflows. They can also serve as the monetary backbone of a broader digital ecosystem – connecting public and private forms of money in a coherent and secure framework.

Retail CBDCs benefit from the infrastructure and standards established by wCBDCs, maintaining monetary unity while enabling new forms of inclusion and offline payments. Regulated stablecoins, when backed by wCBDCs or reserves held at the central bank, can scale securely – especially in cross-border or decentralised finance use cases. Commercial bank liabilities issued on distributed ledger technology can retain their legal clarity while becoming more interoperable, automating processes like liquidity management and interbank settlement.

In this layered architecture, wCBDCs act as the trust anchor – linking diverse instruments while preserving systemic cohesion.

For central banks, wCBDCs reinforce their core mandate: securing settlement infrastructure, safeguarding monetary sovereignty and ensuring the singleness of money in a tokenized world. They also create new tools for policy transmission, including programmability and traceability where needed.

For commercial banks and tech providers, wCBDCs unlock opportunities in digital asset servicing, cross-border payments and embedded finance. The ability to build on trusted public infrastructure – without disintermediation – enables innovation with clear regulatory boundaries.

The transition to tokenized finance is accelerating. Its success will depend on the integration of trusted public money with innovative private instruments – anchored by a wholesale CBDC that ensures interoperability, finality and monetary integrity.

CBDCs are not simply a new payment instrument. They are the strategic enabler of a resilient, efficient and inclusive digital financial system. Now is the time for central banks and financial institutions to shape this future – not react to it.

CRYPTOASSET REGULATION REQUIRES COORDINATION

Robust regulation and strong enforcement will be crucial to counter abuse of cryptoasset markets by bad players

AS cryptoasset markets grow in prominence, the need for robust regulation is increasing. Regulators all over the world are beginning to address this need, but coordination will be vital to ensure that a market that is so global in nature does not simply make use of jurisdictions with loose regulations and weak enforcement to become a vector of abusive practices.

The types of abuse that take place in cryptoasset markets differ in some key respects from the abusive practices in traditional finance. Attendees at the Point Zero Forum discussed several of the techniques that have become increasingly prominent in cryptoasset markets, powered by new tools. Assets in traditional markets are typically expected to move based on data. New corporate earnings, announcements of acquisitions and personnel changes are all examples of information that might reasonably be expected to materially influence the price of an asset. Market abuse in traditional finance often involves trading on this information illegally – before it has been made public.

In cryptoasset markets, these metrics do not mean as much. Instead, price dynamics are often driven by sentiment around a given token. Price movements, daily liquidity and likelihood of being listed on new exchanges are among the main movers of cryptoasset prices, so market abuse tactics tend to be centred around creating false narratives in these data.

Wash trading is the practice of placing multiple trades between co-operating accounts, giving an impression of higher liquidity or false prices. Other techniques include making use of flash loans – extremely short-term uncollateralised loans. These loans can be used to place large orders, artificially inflating or deflating the price of an asset. Sometimes, these loans are used to take advantage of price discrepancies between exchanges. This arbitrage, while not illegal, can result in volatility in prices that can hurt market participants.

Sometimes, however, they can be used to exploit vulnerabilities in smart contracts, enabling them to steal funds from the protocol or exchange. These flash loans can also be used to buy governance tokens, enabling market participants to acquire excessive voting power, potentially compromising the integrity of decentralised autonomous organisations. Since these loans are accessed without collateral, it can be difficult for lending platforms to combat them.

Participants at Point Zero Forum highlighted that, within the cryptoasset market, market manipulation has become commodified as a service. Some seemingly legitimate crypto consultancy services will offer to pump a particular token for their clients, promising to secure listing on major exchanges and to use networks of accounts set up across multiple exchanges to deliver high valuations.

While some abusive practices take place within a single exchange, many techniques span multiple trading venues and assets on many different blockchains. Effective supervision, therefore, must be multi-venue and multi-jurisdictional. Sophisticated supervisory tools are required to identify trading patterns across different venues that have no economic explanation.

A further challenge is that, while some of this activity takes place within jurisdictions with digital asset regulation, when it comes to taking profits, abusive participants will move their assets to other jurisdictions with weaker rules and enforcement practices in order to off-ramp (transfer into cash or traditional assets). The global nature of digital assets markets makes this difficult to prevent.

Only a limited volume of blockchain-based payments and trading takes place in a truly peer-to-peer fashion, with much taking place on platforms or between wallets that require users to submit some details about themselves to participate. However, some unhosted wallets are accessible without giving any data and these can be vectors of financial crime or money laundering. Stablecoins sent between unhosted wallets can be a means for criminals to move funds outside of traditional supervision.

Some participants highlighted the need for stablecoins and associated services to be built with wallet-screening capabilities to ensure that they are not linked to accounts of sanctioned entities.

KEEPING THE FOCUS ON SUSTAINABILITY

Carbon markets seek to engage investors amid evolving global dynamics

Carbon credits represent a potentially useful investment asset, providing diversification. As such, they can become an important tool for attracting much-needed private investment into climate finance.

RECENT developments in international engagement have introduced uncertainties into the carbon credit market, potentially affecting pricing and demand dynamics. In response, stakeholders are emphasising the importance of financial integration to mitigate potential disruptions.

While shifts in policy stances may influence the momentum of global climate initiatives, the commitment to net-zero objectives remains a focal point for many. At the Point Zero Forum, participants explored avenues to enhance the carbon credit market's structure, emphasising the need for clear technical standards and robust governance to uphold the instrument's integrity.

There is a growing interest in integrating carbon credits into traditional financial markets, recognising their potential as instruments for portfolio diversification. Such integration could play a role in mobilising private investment towards climate finance, supporting broader environmental goals.

At present, however, several factors are limiting the appeal of carbon credits for mainstream investors. The integrity of the instruments is not uniform because there is no universally accepted legal definition. Carbon credit certification is provided by a range of government or independent standards bodies, and variation in the standards applied means that assessing the value of the instrument itself can be difficult and complex.

Some have suggested that carbon credits should be more effectively integrated into project finance. The Hong Kong Monetary Authority's Project Genesis experimented with this approach, creating "mitigation outcome interests", which effectively entitles the bearer to carbon credits produced by a given project. In effect, this transforms carbon credits from an ex-post reward for mitigating carbon emissions into an ex-ante incentive, which can be borrowed against to finance the project. However, if a company goes bust during the project, or the project is affected by a natural disaster or civic unrest, delivery will be put at risk.

The complexity of valuing such instruments limits their attractiveness for many investors. Valuing carbon credits often requires specialist expertise to perform adequate due diligence. Participants at Point Zero Forum cited cases in which credits were issued for projects based on their mitigation over a 30-year lifespan, without reference to the fact that the project's land rights only extend for 10 years. Land use changes can result in removed carbon later being released, compromising the credit after issuance.

Credits can become invalidated if the project that created them does not comply with the methodology, or if the methodology evolves. Political changes can result in projects being cancelled or carbon rights being revoked. Even with sophisticated due diligence, an array of risks can arise that could compromise a carbon credit or prevent its delivery.

Investors are becoming more directly involved in the due diligence required to assess carbon credits, however, and credits with high-integrity certification are commanding higher prices, showing improving discrimination in the buyer community.

Ratings providers are valuable in evaluating the various counterparty and delivery risks. It will be impossible to identify and mitigate all risks, but some insurers are beginning to offer coverage against non-delivery, invalidation or reversal of carbon credits. This insurance facility might provide mainstream investors with downside protection and improve their ability to model the risks involved in taking exposure to carbon credits.

"MAY YOU LIVE IN INTERESTING TIMES"

Pat Patel, Chief Executive Officer, USA, LATAM, MEA & Co-CEO, Forums at Global Finance & Technology Network (GFTN), reflects on the journey from Elevandi to GFTN and sets the course for the year ahead

"As the world evolves, GFTN will remain the trusted platform where innovation meets policy to shape a resilient and inclusive financial future."

THE phrase "may you live in interesting times" is a curious one. Its origins can be traced to both East and West. In the West, it is often attributed to British statesman Joseph Chamberlain in 1898, later popularised by American senator Robert Kennedy in 1966, where it carried a tone of optimism and excitement. In the East, however, it has long been interpreted with irony, sometimes even viewed as a subtle curse, evoking volatility rather than opportunity.

Whichever meaning one subscribes to, there's little doubt the phrase captures the world we find ourselves in today. It has been a year marked by extraordinary highs and profound uncertainty. Global geopolitics and geoeconomics are in a state of flux, exerting seismic shifts across industries. The financial and technology sectors are no exception. Meanwhile, the rise of agentic artificial intelligence, stablecoins and tokenization has opened new frontiers of opportunity, even as it raises urgent policy questions. These breakthroughs have expanded the promise of finance, but also exposed the grey areas that urgently need regulatory clarity and cross-border harmonisation.

This is precisely the space where GFTN seeks to make an impact by convening three critical communities: innovators, institutions and policymakers. GFTN was founded to close the gap between ambition and execution, by enabling open dialogue and building the foundations for a more inclusive and forward-thinking financial ecosystem.

Our journey began with Elevandi, which since 2022 focused on building a network spanning Asia, Africa and Europe. In November 2024, Elevandi formally transitioned to GFTN, reflecting an expanded mandate and a strengthened leadership team. While GFTN remains a not-for-profit entity, our ambition has grown: to harness technology and foster innovation through deep, collaborative partnerships for a more efficient, resilient and inclusive global financial future.

To achieve this, we've designed four distinct business arms.

GFTN Forums is building a globally distributed, partnership-driven network of fintech forums. Expanding upon Elevandi's platforms, including the flagship Singapore FinTech Festival (SFF), it seeks to connect forums across new geographies and create a cohesive ecosystem of cross-sector and cross-border knowledge exchange. Get a glimpse of the insights garnered across our forums here.

GFTN Advisory delivers practitioner-led consultancy and capacity building for public authorities in developing markets. We help governments develop digital infrastructure, craft policy frameworks and nurture innovation ecosystems. On the private side, we offer insights that guide impactful market entry and development strategies.

GFTN Platforms provides digital services to support small and medium-sized enterprises and fintech startups. These include tools to enhance market access, analytics capabilities and sustainability reporting helping smaller players thrive within the financial innovation ecosystem.

GFTN Capital, currently being developed, aims to catalyse investments into early- and growth-stage ventures across fintech and climatetech. Backed by a global mandate, it will offer patient capital alongside access to a trusted network of partners, buyers and suppliers amplifying both economic and social returns.

In today's climate, we are more committed than ever to building corridors between jurisdictions, connecting innovation, capital and policy in service of meaningful technological advancement. Since the start of 2025, our programmes have moved with purpose: from East Africa (Rwanda) to Northeast Asia (Japan) and Oceania (Australia). With Point Zero Forum now concluded in Zurich, we look ahead to engagements across South Africa (as part of the G20), China, the Middle East, Georgia and our culminating events in Singapore, the Insight Forum and the Singapore FinTech Festival.

Each programme contributes to a layered understanding of regional contexts, challenges and innovations. Together, they form a global mosaic, one that will be brought into sharper focus in Singapore at SFF 2025, where we gather the sum of our insights and frame the agenda for 2026.

Yes, these are interesting times. But if the past months are any indication, they are also energising, inspiring and full of possibility in every sense of the word.

As the world evolves, GFTN will remain the trusted platform where innovation meets policy to shape a resilient and inclusive financial future.

PRIVATE CAPITAL: GROWTH AND EVOLUTION

At Point Zero Forum, Citi and SIX Digital Exchange announced a new tokenization partnership to improve investor access to private equity

$18bn

S&P projects that the private equity market will grow from $15tn this year to $18tn by 2027.

IT is no secret that initial public offerings (IPO) have been on a decline since the 1990s and that private equity is fulfilling an increasingly important role in providing businesses with capital. S&P projects that the market will grow from $15tn this year to $18tn by 2027.

With a growing section of the economy relying on private markets for capital, this means that the performance of this section is captured primarily by institutional players.

To what extent should this concern policymakers? One consequence of this is that public markets become less representative of the overall economy. Many investors, particularly at the retail level are primarily exposed to index funds passively tracking public markets or some subset of public instruments. Another concern is that much less is known about privately held companies, since they are not obliged to make the same disclosures as public companies. This is one of the reasons that private equity is intentionally difficult to access for retail investors.

While some asset managers are providing evergreen funds with lower barriers to entry, or exchange-traded funds offering exposure to the asset class, it remains an opaque and difficult-to-access asset class.

But progress is coming. At the Point Zero Forum, Citi and SIX Digital Exchange announced a partnership to bring a tokenized version of "late-stage pre-IPO equities" to investors on SDX's platform. SDX is a digital exchange in Switzerland, which operates a digital central securities depository on blockchain-based infrastructure. This collaboration will see Citi tokenizing, settling and safe-keeping the equity of non-publicly traded companies, enabling SDX's community of eligible investors to access these instruments.

While there is already some secondary trading of private equity instruments, it is slow and manual, primarily conducted through the emailing of PDFs and requires the frequent re-entry of data by various involved parties, each of which introduces the potential for error.

By bringing these instruments to SDX's blockchain platform, Citi will be able to offer a much more effective level of asset servicing, facilitating trading within an efficient digital infrastructure. The system is scheduled to be launched in Q3 2025.

This is possible in Switzerland thanks to its extremely progressive attitude to regulation of digital capital markets. It is unlikely that such a system could be implemented in other jurisdictions without changes to regulation.

While this partnership will certainly bring efficiency savings and improved access, Marco Bizzozero, Head of International at iCapital, pointed out on a panel at Point Zero Forum that private equity is fundamentally illiquid and that tokenisation and a new trading infrastructure cannot change this entirely. Private asset valuations are not marked to market, so converting them into cash will most likely always be a longer and more challenging process than with publicly traded assets.

However, the trading infrastructure may bring two additional benefits. First, with improved though still imperfect liquidity, holders of private assets might be able to leverage them more easily and quickly, borrowing against the securities on short notice, for example, to meet short-term withdrawal or other liquidity needs. By expanding the pool of assets that can be used as collateral in this way, we create a more stable financial system.

Second, one of the challenges with the growth of private capital is that it is not always clear what institutions' exposure to a given asset is. Some investors, pension funds for example, may be invested directly in privately held companies, as well as indirectly through exposure to a private equity fund and via lending in private debt. This can create risks because, if a private company goes bust, some investors can be exposed to it through multiple vehicles and aggregated exposure across the whole marketplace can be extremely difficult to calculate.

A token-based infrastructure for private assets may help to clarify who owns what and who owes what to whom in private markets, which should allow for a more effective risk management approach and improve financial stability.

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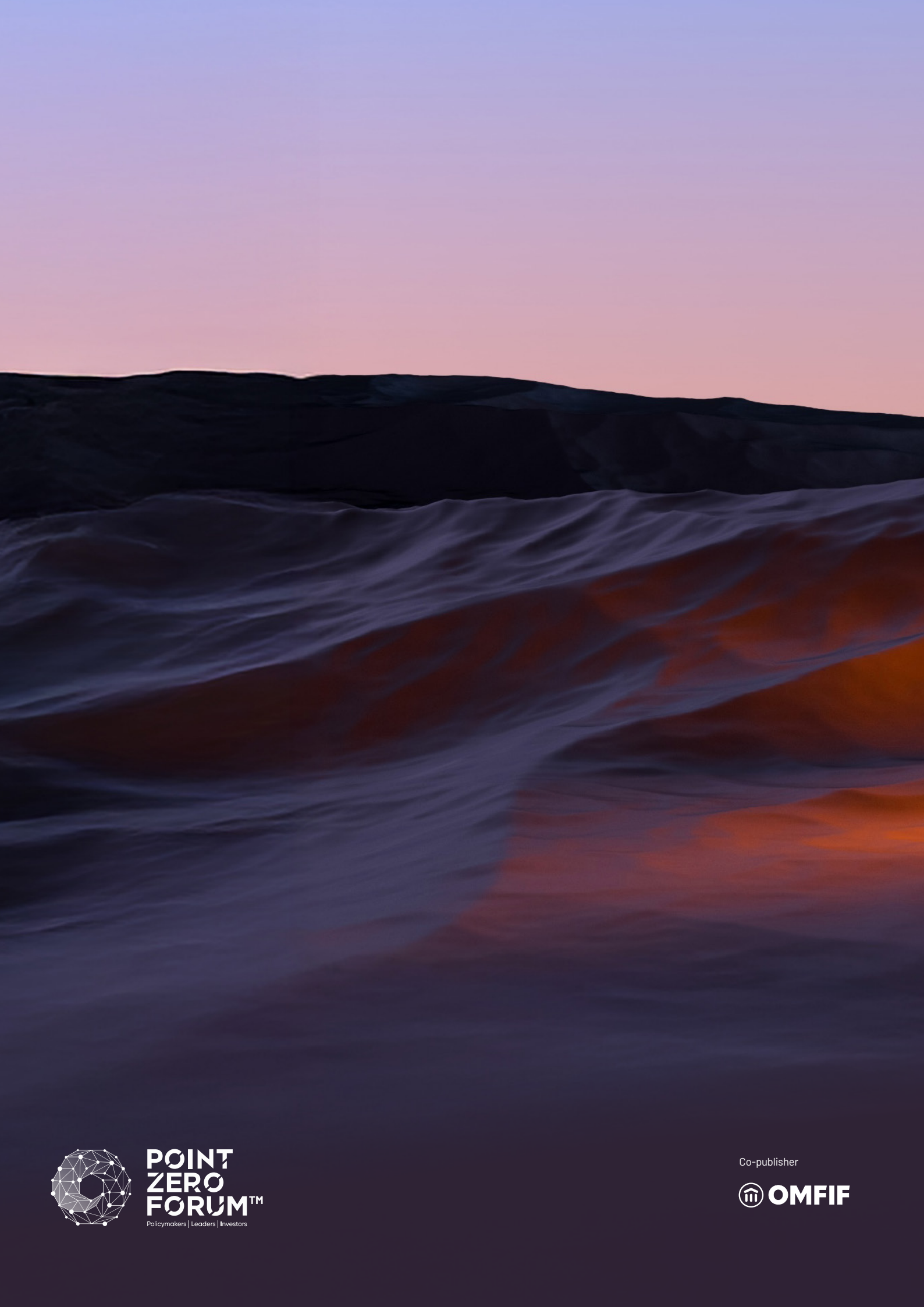

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