

# The Art of the Possible for RegTech and SupTech: Protecting People Through Technology

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# Introduction

A closed-door discussion at the Singapore FinTech Festival explored the evolving landscape of RegTech and SupTech, focusing on key trends, technological advancements, and regulatory considerations. The session examined the projected growth of the global RegTech market, expected to reach \$82.99 billion by 2034, with Asia-Pacific leading the expansion. Key themes included the increasing adoption of artificial intelligence (AI) and machine learning (ML), real-time data insights for compliance, the role of identity services in fraud prevention, and the need for stronger cross-border collaboration. Discussions were conducted under the Chatham House Rule, allowing participants to share insights openly while ensuring confidentiality.

## Emerging Trends in RegTech and SupTech

The discussion underscored the growing reliance on AI and generative AI in regulatory technology, with a significant percentage of firms already integrating these tools for compliance, fraud detection, and anti-money laundering (AML) efforts. The increasing complexity of financial crime and regulatory requirements has made automation and predictive analytics essential in managing risk. Participants noted that while AI-driven solutions improve efficiency, they also necessitate robust governance frameworks to mitigate potential risks.

A key point raised was the shift towards real-time data utilization rather than raw data collection. One example shared highlighted the ability of advanced algorithms to predict fraudulent activities with high accuracy. The conversation also addressed the importance of open data-sharing frameworks that enable financial institutions and regulators to respond swiftly to emerging threats.

## Regulatory Challenges and Digital Transformation

Regulators are increasingly recognizing the need for a more technology-driven approach to oversight. Several participants emphasized that while regulatory frameworks must evolve to accommodate innovation, they should also maintain a balance between risk management and market growth. The concept of "RegTech 2.0" was introduced, with discussions highlighting the need for a stronger infrastructure to support automated compliance and real-time regulatory reporting.

The discussion also touched on the role of identity verification services in reducing fraud and enhancing consumer trust. Some jurisdictions have already begun leveraging financial institutions to provide identity validation, demonstrating early success in mitigating scams. However, challenges remain in harmonizing identity verification processes across borders, particularly in regions with differing regulatory approaches.

## Financial Inclusion and Consumer Protection

Financial inclusion was a key concern, with discussions emphasizing that RegTech and SupTech solutions should not only address regulatory efficiency but also improve financial accessibility. Digital tools must be designed with a human-centered approach, ensuring that underserved populations benefit from technological advancements.

A case study was presented on consumer financial literacy

initiatives, demonstrating how digital platforms can empower individuals to make informed financial decisions. It was noted that while such tools are widely used, there remains a gap in consumer awareness and trust in digital financial services. Participants called for a more proactive approach to consumer education, particularly in areas related to fraud prevention and digital identity protection.

As a next step, it was suggested that a Global Leaders Summit be convened to further discuss the digital infrastructure required to advance RegTech and SupTech solutions. Continued dialogue between regulators, financial institutions, and technology providers will be essential in building a more secure, efficient, and inclusive financial ecosystem.

# Cross-Border Collaboration and Procurement Barriers

International cooperation was highlighted as essential in addressing financial crime, particularly in tackling cross-border fraud and scams. Several participants pointed to successful initiatives that have enabled real-time information sharing between jurisdictions, allowing for swift action against fraudulent entities. The importance of harmonized regulatory standards was emphasized, with a call for greater alignment between traditional finance (TradFi) and digital finance (Web3).

A recurring challenge identified was the difficulty small RegTech firms face in engaging with large financial institutions due to procurement complexities. Participants stressed the need for improved procurement processes to foster innovation, making it easier for smaller companies to collaborate with regulators and financial service providers. There was also a call for regulatory sandboxes that allow for controlled experimentation with new compliance technologies before full-scale deployment.

## Conclusion

The session concluded with a consensus on the need for greater industry collaboration, regulatory modernization, and consumer-centric approaches in RegTech and SupTech development. Key takeaways included the necessity of real-time data integration, cross-border cooperation, and enhanced fraud prevention mechanisms. Participants emphasized the importance of ensuring that regulatory frameworks evolve alongside technological advancements while maintaining a focus on security and consumer protection.

## Global Finance & Technology Network (GFTN)

6 Battery Road, #28-01, Singapore 049909  
gftn.co | hello@gftn.com

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