



IMF Explores Tokenisation's Impact on Financial Market Inefficiencies

The International Monetary Fund (IMF) has released its latest Fintech Note, '*Tokenization and Financial Market Inefficiencies (Note 2025/001)*', authored by Itai Agur, Germán Villegas-Bauer, Tommaso Mancini-Griffoli, Maria Soledad Martinez Peria, and Brandon Tan. This report presents an in-depth analysis of how tokenization: a financial innovation driven by digital ledger technology may influence inefficiencies in financial markets. The study provides a conceptual framework grounded in economic principles, evaluating potential changes in transaction frictions, externalities, and market structures resulting from tokenization.

The note by IMF examines tokenisation's role in mitigating financial market inefficiencies, which include asymmetric information, search frictions, transaction costs, and counterparty risks. While recognising its benefits, the report elaborates on potential risks, such as increased financial interconnectedness and market volatility, relevant for policymakers assessing the implications of integrating digital ledger technology into regulatory and financial frameworks.

The report defines tokenisation as the creation of assets or asset representations on a shared, trusted, and programmable digital ledger. It explores how tokenization interacts with existing financial market structures, with particular emphasis on how digital ledgers affect asset issuance, trading, servicing, and redemption.

The study identifies two categories of financial inefficiencies that tokenisation may address, Market frictions which includes asymmetric information, transaction costs, search frictions, and counterparty risks. Tokenization, by enabling real-time data-sharing, automation through smart contracts, and reducing reliance on intermediaries, could significantly lower these frictions. And secondly, on externalities, internalities, and market power, report discusses both positive and negative consequences. While tokenization may enhance liquidity, increase innovation, and reduce market entry barriers, it may also exacerbate systemic risks due to higher interconnectedness, market concentration, and potential vulnerabilities to cyberattacks.

The report by IMF draws attention to existing pilot projects, such as Project Agorá, an initiative by the Bank for International Settlements (BIS) and seven central banks, which explores the integration of tokenized commercial bank deposits with central bank money. The study also references Project Global Layer 1 (Monetary Authority of Singapore) and Drex (Central Bank of Brazil), which examine digital ledger-based financial asset issuance and settlement.

Tokenization is an ongoing development, with various central banks, financial institutions, and regulators actively exploring its feasibility. The IMF report emphasises that by 2030, tokenized assets could account for 10% of global GDP, according to projections by Boston Consulting Group. The US, UK, EU, and Asian financial hubs are engaging in pilot programmes to test tokenized securities and central bank digital currencies (**CBDCs**). The Bank of England, Swiss National Bank, and the Federal Reserve Bank of New York are among institutions assessing how tokenized bank deposits can integrate with central banking systems. The adoption of tokenized assets in mainstream finance will likely depend on regulatory clarity, technological reliability, and market acceptance. While tokenization holds promise for reducing inefficiencies and enhancing market accessibility, the IMF stated that its impact on financial stability remains uncertain. Policymakers will need to balance innovation with risk mitigation, ensuring that the benefits of tokenization do not come at the cost of heightened systemic vulnerabilities.

(Source: <https://www.imf.org/-/media/Files/Publications/FTN063/2025/English/FTNEA2025001.ashx>, <https://www.imf.org/en/Publications/fintech-notes/Issues/2025/01/29/Tokenization-and-Financial-Market-Inefficiencies-561256>)

Czech National Bank Prepares for Oversight Role Under EU MiCA Regulation

On 06 December 2024, the Czech National Bank (**CNB**) was designated as the competent authority under the European Union's Markets in Crypto-Assets Regulation (**MiCA**), in accordance with the draft Act on the Digitalisation of the Financial Market. The law was approved by the Chamber of Deputies on 6 December 2024 and subsequently forwarded to the Senate on 30 December 2024. The legislation is expected to take effect the day after its promulgation. Until then, the CNB does not hold the authority to process applications or notifications under MiCA Regulation (EU) 2023/1114.

The Act on the Digitalisation of the Financial Market is currently under discussion in the Parliament of the Czech Republic and, once in effect, will enable the CNB to receive and process applications and notifications relating to crypto-assets. The CNB's regulatory scope will extend to various aspects of the crypto-asset market, ensuring compliance with MiCA's provisions. The transition follows the EU-wide regulatory framework, which became fully applicable on 30 December 2024, establishing a harmonised regime for crypto-assets across the European Union.

The EU MiCA Regulation, formally known as Regulation (EU) 2023/1114, was introduced to provide a structured regulatory framework for crypto-assets across EU member states. It amends Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937. As part of its implementation within the Czech Republic, the Act on the Digitalisation of the Financial Market designates the CNB as the primary authority responsible for MiCA's enforcement.

Under the proposed draft law, the CNB will process the following applications and notifications:

1. Notifications of white papers for crypto-assets that are not classified as asset-referenced tokens (**ARTs**) or electronic money tokens (**EMTs**).
2. Applications for authorisation from non-bank ART issuers, as well as applications for white paper approvals from ART issuers that are banks.
3. Notifications from EMT issuers regarding their intent to offer EMTs publicly or seek admission to trading, along with the required white paper submissions.
4. Applications for authorisation as a crypto-asset service provider (**CASP**) and notifications from entities already regulated by the CNB, including credit institutions, central securities depositories, investment firms, electronic money institutions, management companies, and regulated market operators.

Entities authorised to provide crypto-asset services under a trade licence before 30 December 2024 will be permitted to continue operations under transitional provisions. Those submitting CASP applications by 31 July 2025 will be allowed to operate until a final decision is made, but no later than 01 July 2026.

The EU MiCA Regulation became fully applicable across the European Union on 30 December 2024, following its adoption by the European Parliament and Council on 31 May 2023. In the Czech Republic, the Chamber of Deputies approved the Act on the Digitalisation of the Financial Market on 06 December 2024, and the bill was subsequently forwarded to the Senate on 30 December 2024. Once the legislative process is finalised, the law will enter into force the day after its promulgation, officially enabling the CNB to begin processing MiCA-related applications and notifications.

The CNB's designation as the competent authority under MiCA will bring the Czech Republic's financial market in line with EU regulations. The CNB will oversee the implementation of EU MiCA's provisions, focusing on compliance, consumer protection, and risk management in the digital asset market.

For market participants, the transition introduces new authorization and compliance requirements, particularly for CASPs, ART issuers, and EMT issuers. Entities seeking to operate within the Czech crypto-asset market must comply with EU MiCA's reporting, disclosure, and regulatory standards. The implementation timeline will depend on the completion of the legislative process, with the CNB ready to begin receiving applications as soon as the Act on the Digitalisation of the Financial Market takes effect.

(Source: <https://www.cnb.cz/en/supervision-financial-market/the-cnbs-area-of-competence-under-the-regulation-on-markets-in-crypto-assets-mica/>)

Czech National Bank to Explore Expansion of Investment Portfolio

On 30 January 2025, the Czech National Bank (**CNB**) held a Bank Board meeting where it reviewed on international reserve management in 2024 and approved a proposal to analyse the potential for investing in additional asset classes. The assessment will consider whether broadening the CNB's investment portfolio would be beneficial in terms of diversification and return. The initiative was proposed by Governor Aleš Michl, and any future decisions on implementation will depend on the results of the analysis. Until then, no changes will be made to the CNB's reserve portfolios.

The CNB has been diversifying its investments over the past two years, aligning with its reserve management strategy. Expanding investments to additional asset classes is now under consideration to further enhance diversification and improve returns. The Bank Board's decision to conduct an analysis stems from ongoing efforts to optimise reserve management practices.

The Bank Board reviewed international reserve management for 2024 during its 30 January 2025 meeting. The proposal to assess broader investment options, introduced by Governor Aleš Michl, was approved for further analysis. The CNB will conduct an evaluation to determine whether alternative asset classes align with the central bank's diversification and return objectives. No immediate changes will take effect, as the findings of the analysis will guide the Bank Board's future decisions. The CNB confirmed that any modifications to reserve portfolios would be transparently communicated through its quarterly reserve reports and annual report.

Proposed Actions and Expected Developments

The CNB's forthcoming analysis will assess the feasibility of investing in a broader range of asset classes. Until the evaluation is completed, the CNB's current reserve management approach remains unchanged.

The assessment will be conducted in the coming months, with no set timeline for its completion. The Bank Board's future decisions will be based on the findings, ensuring that any investment expansion aligns with the CNB's broader financial strategy. Stakeholders and market participants will be informed of any updates through the CNB's official publications. The initiative reflects the central bank's strategic approach to reserve management, balancing stability, diversification, and return considerations in the evolving financial landscape.

(Source: <https://www.cnb.cz/en/cnb-news/press-releases/CNB-to-assess-options-for-broadening-investment-to-include-other-asset-classes/>)

India's Union Budget 2025-26 updates Cryptocurrency Tax Regulations and Compliance Measures

On 1 February 2025, the Indian government released the **Union Budget** for the financial year 2025-26, addressing various economic sectors, including cryptocurrency regulation. The budget reaffirmed the government's cautious stance on digital assets by maintaining the 30% tax on cryptocurrency income while introducing new compliance requirements and penalties for unreported gains.

The government continues to classify cryptocurrency as a high-risk speculative asset, disallowing investors from offsetting losses against other income sources. Cryptocurrency entities are now mandated to report transaction details under Section 285BAA of the **Indian Income Tax Act**, a requirement that brings them under scrutiny, akin to traditional financial institutions. The Indian budget 2025-26 introduced a 70% penalty on undisclosed gains from cryptocurrency transactions, retroactively applying to profits made over the past 48 months. This provision specifically targets unreported earnings from the 2021–2023 cryptocurrency boom, during which an estimated \$3.8 billion in digital asset profits allegedly went undeclared.

The increased regulatory burden has raised concerns among cryptocurrency exchanges, leading to exits from the Indian market. Bybit, a global cryptocurrency exchange, announced its departure from India in January 2025 due to regulatory pressures. While foreign exchanges struggle to navigate India's tax framework, local platforms like CoinDCX continue to operate, though WazirX faces liquidity challenge due to the cyberattack on its platform.

India's Economic Affairs Secretary Ajay Seth confirmed that the government is conducting a "comprehensive review" of cryptocurrency policies to ensure regulatory clarity while maintaining necessary oversight. However, policy divisions persist between the Indian Apex bank, Reserve Bank of India (**RBI**) and the Indian Finance Ministry. The introduction of India's Central Bank Digital Currency (**CBDC**), the digital rupee (₹), adds another dimension to the debate, raising questions about the government's long-term vision for private digital assets in the country.

(Source: https://www.indiabudget.gov.in/doc/budget_speech.pdf)

UK FCA Intensifies Crackdown on Misleading Financial Adverts with Crypto Asset, Debt Solutions, and Claims Management Company

On 07 February 2025, the United Kingdom Financial Conduct Authority (**UK FCA**) published its report detailing its regulatory actions in 2024. The report states that nearly 20,000 financial promotions were withdrawn or amended, marking a 97.5% increase from 2023. The UK FCA stated its concerns surrounding cryptoasset promotions.

The UK FCA identified 9,197 CMC-related promotions in 2024 that were subsequently withdrawn. Many of these promotions pertained to housing disrepair and motor finance claims, which were flagged as misleading. The regulator also issued 2,240 warnings about unauthorised or potentially fraudulent firms. Social media influencers, commonly referred to as 'finfluencers', came under increased scrutiny, leading to 20 individuals being interviewed under caution for their involvement in illegal financial promotions.

As part of its enhanced regulatory framework, the UK FCA introduced the Section 21 Gateway, which requires firms to obtain permission before approving financial promotions for unauthorised persons. This measure aims to ensure that financial promotions comply with UK FCA standards before reaching consumers. The regulator also urged social media platforms to take a proactive approach in identifying and preventing the spread of illegal financial promotions.

The number of amended or withdrawn financial promotions nearly doubled compared to 2023. The introduction of new approval requirements under the Section 21 Gateway (The Section 21 Gateway requires firms to obtain UK FCA permission before approving promotions for unregulated persons) and increased action against finfluencers indicate a shift toward tighter control over misleading financial advertisements. The UK FCA has also commenced collaboration with social media platforms and other regulatory bodies for consumer protection and market integrity.

Lucy Castledine, Director of Consumer Investments at the UK FCA, commented, *“Over the past year, we have seen a growing number of misleading and illegal financial promotions. We have stepped up our efforts in response to make sure that financial promotions are clear, fair, and accurate. We expect firms to take the necessary steps to meet standards and will continue to work with other bodies, including social media platforms, to prevent illegal promotions being pushed at consumers.”*

(Source: <https://www.fca.org.uk/news/press-releases/fca-steps-action-against-misleading-financial-adverts>)

US CFTC to Hold CEO Forum to Discuss Launch of Digital Asset Markets Pilot

On 07 February 2025, the United States Commodity Futures Trading Commission (**US CFTC**) announced to hold a CEO Forum of industry-leading firms to discuss the launch of US CFTC'S *Digital Asset Markets Pilot*, which will focus on integrating tokenized non-cash collateral, such as stablecoins, into the regulated financial ecosystem. The initiative will bring together industry leaders, including Circle, Coinbase, Crypto.com, MoonPay, and Ripple, to discuss the framework and implementation of the US CFTC's digital asset markets pilot program. Further details regarding the CEO Forum will be provided as they are finalised.

The pilot program is designed to act as a US regulatory sandbox, allowing digital asset markets to operate within a structured framework while ensuring compliance with existing financial regulations. Acting Chairman Pham had previously proposed such a US CFTC pilot program to provide regulatory clarity and establish guardrails for digital asset markets. The US CFTC has historically implemented similar pilot programs successfully, dating back to the 1990s.

The initiative builds on prior recommendations made by the US CFTC's Global Markets Advisory Committee (**GMAC**), which is sponsored by Acting Chairman Pham. In 2024, the Digital Asset Markets Subcommittee of the GMAC put forward a recommendation advocating for the expansion of non-cash collateral usage through distributed ledger technology.

The CEO Forum and pilot program implementation will be detailed in subsequent announcements from the US CFTC. Market participants, including major cryptocurrency firms, will play their role in shaping the regulatory framework.

The US CFTC's digital asset markets pilot program will provide a sandbox environment for exploring stablecoins and other tokenized assets in regulated markets. Further developments will be closely monitored as the CEO Forum progresses.

Acting Chairman Caroline D. Pham stated, *“I'm excited to announce this groundbreaking initiative for U.S. digital asset markets. The CFTC is committed to responsible innovation. I look forward to engaging with market participants to deliver on the Trump Administration's promise of ensuring that America leads the way on economic opportunity.”*

(Source: <https://www.cftc.gov/PressRoom/PressReleases/9049-25>)

US SEC Grants Temporary Exemption from Rule 13f-2 Compliance and Form SHO Reporting of US Securities Exchange Act

On 07 February 2025, the United States Securities and Exchange Commission (**US SEC**) issued an order titled *Order Granting Temporary Exemption Pursuant to Section 13(f)(3) of the United States Securities Exchange Act of 1934 from Compliance with Rule 13f-2 and Form SHO*. This exemption delays the requirement for institutional investment managers to comply with US SEC [Rule 13f-2](#) and report on US SEC Form SHO until 02 January 2026, extending the original deadline of 02 January 2025. The first required US SEC Form SHO filings, initially due by 14 February 2025, will now be due by 17 February 2026, covering the January 2026 reporting period.

The order provides relief to institutional investment managers that meet or exceed certain reporting thresholds, giving them additional time to implement necessary technical updates and address compliance challenges. US SEC Rule 13f-2, adopted on 13 October 2023, mandates institutional investment managers meeting specified

thresholds to file US SEC Form SHO within 14 calendar days after each month-end, reporting on certain equity securities through the US SEC's EDGAR system. The US SEC intends to aggregate and publish relevant short sale-related data, improving market transparency.

The decision follows concerns from industry participants, including the United States' Financial Information Forum, the Securities Industry and Financial Markets Association, the Managed Funds Association, and the Alternative Investment Management Association. These organisations raised operational issues related to implementing US SEC Form SHO reporting, particularly regarding system changes, data capture, and compliance testing. The US SEC published the US SEC Form SHO XML technical specifications and updated the EDGAR Filer Manual on 16 December 2024, but industry representatives stated that the short turnaround time before the 02 January 2025 compliance deadline posed technical challenges.

Market participants highlighted that firms needed additional time for software development, compliance integration, and risk management. Some companies were also subject to internal IT code freezes at year-end, further delaying their ability to implement necessary updates. In response, the US SEC determined that a 12-month exemption was an appropriate balance between ensuring compliance and providing sufficient time for market participants to prepare for the reporting obligations.

The temporary exemption, granted under Section 13(f)(3) of the United States Securities Exchange Act, will allow institutional investment managers to finalise systems, complete testing, and address any outstanding compliance concerns. The US SEC clarified that this delay does not alter the legal framework for short selling, stating that "abusive naked short selling as part of a manipulative scheme remains unlawful."

The new compliance timeline extends the deadline for initial Form SHO filings until February 2026. Until then, institutional investment managers are expected to work with the US SEC to resolve operational concerns and ensure a smooth transition to full compliance. The US SEC may continue publishing failures to deliver data for equity securities twice per month and may maintain transparency measures already in place through self-regulatory organisations. The industry now has until early 2026 to implement necessary compliance measures before Rule 13f-2 and Form SHO reporting officially take effect.

US SEC Acting Chairman Mark Uyeda stated: *"It is important that data collected by the Commission is accurate, complete, and helpful to the market, this exemption gives filers more time to implement the technical updates required for compliance according to standards that were released only on Dec. 16, 2024, immediately prior to the holidays. Regardless of this exemption, abusive naked short selling as part of a manipulative scheme remains unlawful, and the Commission will use its regulatory tools to combat such illegal activity."*

(Source: <https://www.sec.gov/files/rules/exorders/2025/34-102380.pdf>, <https://www.sec.gov/newsroom/press-releases/2025-37>)

US Federal Court Orders New York Resident to Pay Over \$1.5 Million in Digital Assets Fraud Case

On 10 February 2025, the United States Commodity Futures Trading Commission (**US CFTC**) announced that the United States District Court for the Eastern District of New York had entered an **order** dated 16 January 2025, against Rashawn Russell, a New York resident, in a US CFTC enforcement action. The order finds Russell liable for fraudulent solicitation and misappropriation of investor funds intended for digital assets trading and requires him to pay over \$1.5 million in restitution to victims.

The order permanently enjoins Russell from engaging in activities that violate the Commodity Exchange Act and CFTC regulations. Additionally, it imposes an eight-year trading ban on him and prohibits him from registering with the CFTC, soliciting investments, or trading in any CFTC-regulated markets on behalf of third parties. The order resolves the CFTC's enforcement action against Russell, originally filed on 11 April 2023.

According to the order, the US SEC alleges that between November 2020 and August 2022, Rashawn Russell engaged in a fraudulent digital asset trading scheme, soliciting investments from retail customers under false pretenses. The SEC claims that Russell misrepresented the structure, size, and performance of his purported trading fund, falsely assuring investors that their funds would be actively traded in digital assets. However, instead of executing trades as promised, the US SEC alleges that Russell misappropriated over \$1.5 million, using customer funds for personal expenses, gambling-related activities, and Ponzi-like payments to prior investors. On 11 April

2023, the US CFTC filed a complaint against Russell, bringing charges of fraudulent solicitation and misappropriation of investor assets. Subsequently, on 19 September 2023, Russell pled guilty to one count of wire fraud in relation to the digital asset trading scheme and one count of access device fraud in an unrelated matter.

The U.S. District Court for the Eastern District of New York entered an order against him on 16 January 2025, requiring him to pay over \$1.5 million in restitution to defrauded victims. The order further imposed a permanent trading ban in US CFTC-regulated markets and an eight-year prohibition on trading for his personal accounts. In a parallel criminal case, Russell was sentenced to more than three years in prison, along with three years of supervised release, and was ordered to pay restitution to the victims of his fraudulent activities.

The US CFTC's case was pursued in parallel with a criminal action. On 19 September 2023, Russell pleaded guilty to one count of wire fraud in connection with the same trading scheme and an additional count of access device fraud linked to unrelated conduct. In *United States v. Rashawn Russell*, Case No. 23-CR-152 (E.D.N.Y. 2023), he was sentenced to over three years in prison, followed by three years of supervised release, and ordered to pay over \$1.5 million in restitution.

The US CFTC acknowledged the assistance of the US Department of Justice, Fraud Section, in investigating and prosecuting the matter. The case was handled by the US CFTC's Division of Enforcement staff, including Rebecca Jelinek, Steve Turley, Tom Simek, Chris Reed, and Charles Marvine.

(Source: <https://www.cftc.gov/PressRoom/PressReleases/9050-25>, <https://www.cftc.gov/media/11776/%20en-frashawnrussellconsentorder011625/download>)

US Federal Court Orders Florida Resident to Pay \$7.6 Million for Digital Asset Fraud

On 10 February 2025, the United States Commodity Futures Trading Commission (**US CFTC**) announced that the United States District Court for the District of Massachusetts had entered a **consent order** dated 6 February 2025 against Randall Crater, a resident of Heathrow, Florida, in connection with a fraudulent digital asset scheme. The consent order for permanent injunction and other equitable relief against Randall Crater, requires Crater to pay over \$7.6 million in restitution to defrauded victims, with a dollar-for-dollar credit for payments made under a parallel criminal action. The court also permanently enjoined him from trading in US CFTC-regulated markets, engaging in transactions involving commodity interests or digital asset commodities, and registering with the US CFTC. The order resolves the US CFTC's enforcement action against Crater in relation to his role in My Big Coin, a fraudulent virtual currency scheme that misled investors about the legitimacy, backing, and tradeability of the digital asset.

The United States District Court for the District of Massachusetts found that Randall Crater violated multiple provisions of the United States Commodity Exchange Act (**US CEA**) and United States CFTC regulations by engaging in fraudulent solicitation, misrepresentation, and misappropriation of investor funds. The US CFTC alleged that Crater's actions contravened Section 6(c)(1) of the US CEA (7 U.S.C. § 9(1)) and US CFTC Regulation 180.1(a) (17 C.F.R. § 180.1(a)), which prohibit deceptive and manipulative conduct in connection with the sale of commodities, including digital assets. These provisions are designed to ensure market integrity and investor protection by requiring individuals engaged in commodity transactions to act transparently and honestly in their representations to investors. Instead, Crater fraudulently solicited investments by claiming that his digital asset, My Big Coin (**MBC**), was backed by gold, actively traded on currency exchanges, and held real economic value—all of which were false. He misappropriated customer funds for personal luxuries rather than using them to develop or maintain a functional digital asset market. The violations related to digital assets specifically stem from the misrepresentation of MBC's value and use, falsely asserting that it was a legitimate commodity-backed digital currency when in reality it was a non-existent asset designed to deceive investors. The US CFTC's enforcement action sought to hold Crater accountable for his fraudulent conduct and prevent further violations of commodity laws in the digital asset space.

The court's consent order permanently enjoins Crater from engaging in any trading, solicitation, or commodity-related transactions regulated by the US CFTC. It also bans him from registering with the US CFTC and prohibits him from engaging in any investment activity related to commodity interests or digital assets. The court-appointed the United States National Futures Association as the Monitor to oversee compliance with restitution obligations. While Crater is required to pay full restitution, the US CFTC cautioned that victims may not fully recover their losses, as the ability to repay is contingent on available assets.

In a parallel criminal proceeding under United States v. Randall Crater, No. 1:19-cr-10063-DJC (D. Mass. 2022), Crater was convicted by a jury on 21 July 2022 of wire fraud, unlawful monetary transactions, and operating an unlicensed money-transmitting business. On 31 January 2023, he was sentenced to over eight years in prison and ordered to pay \$7.6 million in restitution to defrauded victims. The court also imposed a forfeiture order of \$7.6 million, representing the proceeds derived from the violations.

The US CFTC acknowledged the assistance of the United States Attorney's Office for the District of Massachusetts, the United States Department of Justice Criminal Division's Fraud Section, and the United States Federal Bureau of Investigation in bringing the case to resolution.

(Source: <https://www.cftc.gov/PressRoom/PressReleases/9051-25>, <https://www.cftc.gov/media/11781/enfrancraterconsentorder020625/download>)

BaFin Warns Consumers About Unauthorised Crypto Trading Bots Operating in Germany

On 11 February 2025, the Federal Financial Supervisory Authority (**BaFin**) of Germany issued a public warning alerting consumers to a series of online platforms offering AI-controlled algorithmic trading for financial instruments and cryptoassets without the required authorisation.

The websites under investigation include ZivaProfit7 Ai, Velmo Coin Ai, Zolintex Ai, LuxiGain Ai, GrabCapital4u Ai, TivanaFund Ai, Brixo Gain Ai, BrixoFund Ai, Pamborich Ai, Zono Cash Ai, Econarix Ai, ZorboFund Ai, GAIN TOMO Ai, TrovaFund Ai, GlipoRich Ai, ViznoFund Ai, and GrivoGain Ai.

Germany's BaFin in its announcement clarified that the financial and cryptoasset services provided by these platforms appear to be unauthorised. The regulator notes that these websites display a nearly identical text design and layout, providing no clear details regarding the location of any registered office. Under German law, any entity offering financial, investment, or cryptoasset services in Germany must obtain the necessary authorisation from BaFin. The regulator urges consumers to verify a company's authorisation status through BaFin's database of companies before engaging with any service provider.

The warning is issued under section 37 (4) of the **German Banking Act** (Kreditwesengesetz – KWG) and section 10 (7) of the **German Cryptomarkets Supervision Act** (Kryptomärkteaufsichtsgesetz). These legislative provisions empower BaFin to publicly warn against unauthorised financial service providers and protect consumers from potential fraudulent schemes. BaFin reiterates its commitment to ensuring financial market integrity and consumer protection by identifying and taking action against firms operating without regulatory approval.

BaFin's investigation into these platforms is ongoing, with further regulatory actions potentially following. The warning aims to prevent consumers from engaging with unregulated trading schemes that may pose financial risks. Consumers are encouraged to exercise caution, conduct due diligence, and report suspicious activities to BaFin.

(Source: https://www.bafin.de/SharedDocs/Veroeffentlichungen/EN/Verbrauchermitteilung/unerlaubte/2025/meldung_2025_02_04_Plattformreihe_Diverse_Webseiten_Trading_Bot_Handel_Kryptowerten_en.html?cms_expanded=true)

Singapore to Establish New Payments Entity to Strengthen National Payment Schemes

On 12 February 2025, the Monetary Authority of Singapore (**MAS**) and the Association of Banks in Singapore (**ABS**) announced the establishment of a new payments entity to consolidate the administration and governance of Singapore's national payment schemes. The initiative, titled "MAS and ABS to Establish New Payments Entity to Position National Payment Schemes for Next Stage of Growth," aims to enhance coordination across the country's payment infrastructure, ensuring continued innovation and resilience. The new entity will also collaborate with MAS on the development of Singapore's national payments strategy.

Singapore's national payment schemes, including Fast And Secure Transfers (**FAST**), Inter-bank GIRO System, PayNow, and the Singapore Quick Response Code (**SGQR**), play a central role in the daily financial activities of consumers and businesses. These schemes are currently administered by multiple entities, including Singapore Clearing House Association (**SCHA**), MAS, ABS, and the Infocomm Media Development Authority (**IMDA**). The consolidation under a single entity is intended to improve decision-making and coordination, allowing financial institutions and payment service providers to optimise global opportunities and spur further innovation.

The entity will be governed by senior representatives from MAS and the financial sector, who will set its strategic direction. Industry committees will be formed to engage banks, payment service providers, industry bodies, and businesses in the development of the national payments strategy. MAS has confirmed that no changes will be made to the operations or scheme rules during the transition. Further details, including the entity's name, governance framework, and board composition, will be disclosed later in the year.

National payment schemes are integral to Singapore's digital economy, providing businesses and financial institutions with faster, cost-effective, and secure payment solutions. These schemes also facilitate cross-border transactions, reinforcing Singapore's position as a global financial hub. MAS stated that the consolidation will allow payment schemes to adapt to evolving consumer and business needs, fostering inclusive payment solutions that cater to both banks and non-bank payment providers.

MAS Managing Director Mr. Chia Der Jiun stated, *"Consolidating the administrative and governance responsibilities of all national payment schemes under a single entity will strengthen the governance of these schemes and contribute towards greater payments resilience and innovation."*

ABS Chairman Mr. Piyush Gupta added, *"ABS and member banks look forward to working closely with the industry to achieve Singapore's goal as a Smart Financial Centre. The new payments entity will enable us to rationalise our various payment rails, as well as provide a springboard to leverage technology in imagining the future of payments."*

SCHA Chairman and MAS Deputy Managing Director Ms. Jacqueline Loh stated, *"By channelling the payments industry's resources and expertise into a single entity, this initiative will strengthen existing capabilities in the oversight of resilience and safety of the payment schemes and ensure consistent implementation of national e-payment strategies across the various payment schemes. SCHA is committed to see through the smooth transition to the new entity."*

Meanwhile, IMDA Assistant Chief Executive Mr. Leong Der Yao noted that the move will *"IMDA and MAS have jointly developed and advanced the SGQR scheme since 2017, making it one of Singapore's most widely adopted payment systems. The transfer of SGQR scheme administration and governance, along with other payment schemes, to the new single entity will streamline the local payments landscape, delivering a more seamless experience for businesses and consumers. This transition will also open doors for greater collaborations with international digital wallets and financial institutions."*

The transition will not impact the ongoing operations of payment schemes, and the new entity will function as an administrative body rather than a regulated financial institution. The final implementation and operational details will be announced later in 2025 as MAS, ABS, and relevant stakeholders finalise the transition process.

(Source: <https://www.mas.gov.sg/news/media-releases/2025/mas-and-abs-to-establish-new-payments-entity>)

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