



Global regulatory landscape

Vigilance for the near term, but strategic transformation is key to unlocking future value

Looking ahead

Last year saw 3.7 billion voters going to the polls across 72 countries.¹

Political priorities from many of these elections are still emerging. However, what is already clear is that countries will prioritize economic growth, competitiveness, and—given high and potentially rising geopolitical tensions—economic security.

Against this background, we expect changes to regulation and the overall regulatory and supervisory environment around the world, with the pace and extent varying by country. However, recognition that safeguarding financial stability, combating financial crime, and responsibly integrating new technologies are increasingly intertwined with national security and economic self-interests will likely shape the dialogue surrounding potential financial services (FS) deregulation.

In 2025, FS firms will need to be vigilant in the face of a demanding set of interrelated economic and geopolitical risks, and a financial system that is becoming increasingly complex through growing interconnections between FS intermediaries and nonbank financial institutions (NBFIs).

In our view, a successful strategy for FS firms in the year ahead will combine navigating the many immediate challenges they face and simultaneously looking beyond them to identify and pursue new opportunities that emerge from new market opportunities or areas of government focus.

Achieving this calls for a bold approach to prioritizing strategic choices (even amid uncertainties in regulation), government policy choices, and profitability. For many FS firms, especially within Europe, subpar price-to-book ratios may increase pressure to defer investment and instead focus on reducing costs and returning earnings to shareholders.² The key question is whether any firm—regardless of sector—can afford the opportunity cost of withholding internal investment.

The economic outlook

In mid-2024, the International Monetary Fund (IMF) observed that the world's economy "appears to be on final approach to a soft landing."³ However, while forecasters continue to see a soft landing as the baseline, the risks to global growth are on the downside, particularly because of macro financial and economic uncertainties. Near-term global gross domestic product (GDP) growth is projected to hover around a "stable but underwhelming" 3%.⁴ Advanced economies are projected to grow between 1.7% and 1.8%, and Asia's developing economies at 4.5% until 2029.⁵ However, the IMF cautions that alternative scenarios involving a permanent increase in trade tariffs could decrease global GDP by 0.8% in 2025 and 1.3% in 2026, relative to baseline projections.⁶ Analysis by the European Central Bank (ECB) shows sharply rising trade policy uncertainty and elevated levels of economic policy uncertainty and geopolitical risk.⁷

Central banks have been cutting interest rates, but the future direction and pace of changes to benchmark rates will depend on a range of factors, including what happens to inflation, especially in light of developments in trade, geopolitical tensions, and changes in government policy priorities. At present, more than 2,500 industrial policy measures are in play (of which 71% are trade distorting).⁸

However, even if rates remain on a downward path, will this overcome negative perceptions of the economy?⁹ Perhaps not, as the transmission lag observed while rates increased is equally relevant to easing. Higher mortgage rates will remain locked in for some time, and many households will continue to feel financially squeezed.¹⁰

Fierce competition has so far sustained deposit costs across all regions (figure 1), and typically the change in deposit costs compared to the change in benchmark rates lags behind the percentage change in loan yields. In short, keeping interest expenses under control will likely be challenging, and banks will be looking to boost fee income. However, pricing strategies will be particularly sensitive in jurisdictions that have implemented regulations to protect vulnerable customers and deliver fair value, especially where firms are required to evidence outcomes using customer-level data.

Unless consumer and business demand for credit can compensate for margin compression, broader funding strategies may need to be reconsidered. Offering more holistic products and services to transaction-focused customers may help to retain deposits in a competitive environment. But firms could also consider medium-term strategic acquisitions to preserve margin and loan growth, particularly those targets with a sticky retail deposit base but lacking a strong lending platform.

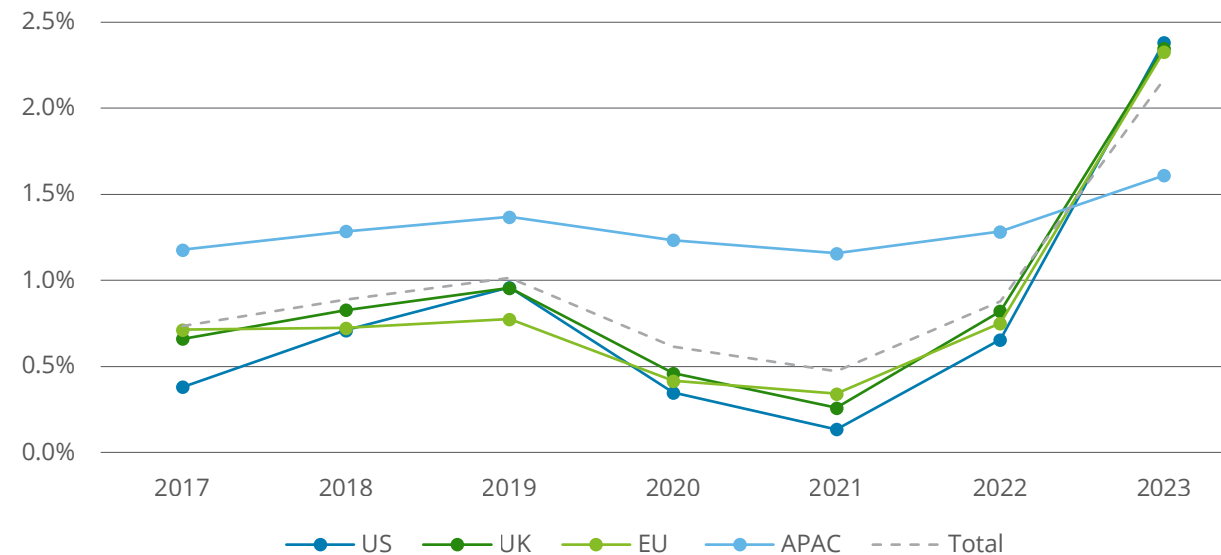


Fluctuations in benchmark interest rates will likely also require course corrections by (re)insurers. Interest rate uncertainties will keep life insurance firms on their toes for asset liability and reinsurance management, especially as their direct and indirect exposure to illiquid assets has increased in past years.¹² General insurers may face a challenging balancing act between offering competitive premiums (a potential stickiness in claims settlement costs) and rising “social inflation” pressures (particularly in the United States and Australia).¹³ Supervisory expectations on delivering fair value and servicing policyholders’ needs will also increase in a number of regions.¹⁴

Recently, barely a month has passed without a senior central banker or regulator making a cautionary statement about rising geopolitical risks.¹⁵ This is hardly surprising given that more than 50 global conflicts are taking place—the highest number since World War II.¹⁶

Rising geopolitical tensions also spill over to the cyber environment, raising risks for the public and private sectors.¹⁷ However, maintaining resilient cybersecurity and financial crime prevention are two areas that we expect to be insulated from the politics of growth and competitiveness. This coincides with FS firms in many countries having to improve their operational resilience and the effectiveness of their third-party risk management approaches.

Figure 1: Cost of interest-bearing deposits for global systemically important banks (G-SIBs)



Source: Deloitte analysis¹¹

Evolution in the financial services regulatory agenda?

The growth and competitiveness agenda

The subdued economic outlook raises questions about steps governments can take to support the growth and international competitiveness of their economies, particularly in the context of tight fiscal positions and limited maneuverability on taxation. This has inevitably put the spotlight on regulators, specifically their role in promoting growth and competitiveness, including removing regulatory barriers to product innovation and unlocking household savings.¹⁸

Regulators' starting position is invariably that safe and stable financial systems are better positioned to support the real economy.¹⁹

At the global level, we see little appetite to review or change standards in the year ahead. The Basel Committee on Banking Supervision (BCBS), for example, has prioritized implementation of the final package of Basel III measures before considering new initiatives or revisions (such as on liquidity).²¹ The current political appetite within BCBS member jurisdictions for coordinated changes is also close to zero, and unilateral policy changes within jurisdictions—especially divergence from international standards—may increase fragmentation in the global FS policy landscape.

Meanwhile, a growing reluctance has emerged among some Basel member jurisdictions to implement in full the final Basel III standards that were agreed upon in 2017. For example, the European Union's implementation includes generous transitional allowances, some of which are likely to be extended by several years or incorporated into the end-state framework. Trading book reforms have also been delayed in several jurisdictions.

Appetite for risk is evidently growing in some jurisdictions, particularly the United Kingdom, where the government has directed prudential and conduct regulators to consider how they can enable "informed and responsible risk-taking" by regulated firms and their customers.²²

While growth-enhancing regulatory changes and longer-term initiatives (e.g., the UK National Wealth Fund and the European Union's Savings and Investments Union) aim to "crowd in" investment, the true test is market appetite.

"As the great financial crisis fades into the rearview mirror, it seems that competitiveness considerations have taken the wheel. However, just as guardrails on a motorway do not impede drivers but ensure they stay on the road, a robust regulatory framework sets safe boundaries for banks, enabling them to fulfill their role of lending to the real economy."

Elizabeth McCaul, member of the European Central Bank Supervisory Board, November 2024²⁰

The success of a “growth alliance” between governments and the FS industry is likely to depend on shared risk participation. The availability of state guarantees, for example, may be key to determining the viability of financing the infrastructure and transition projects required for economic growth.

Economic security versus sustainability: A balancing act?

The focus on growth has reduced the momentum around sustainability regulation, and we expect this to continue.²³ Moreover, in recent months, differences between individual country strategies for tackling (or not) the sustainability transition have arguably become starker. This has made it harder for firms offering or managing sustainable investments to navigate an increasingly complex landscape. Firms should consider how to satisfy ongoing demand across countries that have either a supportive or unsupportive policy environment and adapt their communications, marketing, and engagement strategies accordingly. That said, national and regional policy development persists. The Hong Kong Monetary Authority, for example, has recently published “good practices” for climate risk management.²⁴

Regardless of what happens in terms of global coordination, escalating financial costs—including claims, litigation, and the extraterritorial reach of some jurisdictions’ (including the European Union’s) regulations—demand action.

Fixing the roof before it rains

While important, strong capital and funding metrics across the banking sector are not enough. Many supervisory issues remain unresolved. About two-thirds of large US banks are assessed as “less than satisfactory” by supervisors—a significant deterioration compared to five years ago. Most of these outstanding issues relate to governance and controls.²⁵ Similarly, the most recent round of the ECB supervisory review and evaluation process found that while 71% of FS firms received the same overall score as the prior year, 14% had worsened, with scores for the lowest-rated cohort driven by weaknesses in management, risk culture, and internal controls.²⁶

Data is the foundation for effective risk management. Yet, a decade after the BCBS issued its BCBS 239 principles for risk data aggregation and reporting, very few global banks have achieved full compliance.²⁷ Supervisors are increasingly impatient with this slow progress. The ECB has led the charge for years and recently issued stricter guidance on risk data aggregation and reporting, signaling severe consequences if shortcomings persist.²⁸ Although audit requirements help to provide some level of quality assurance in the European insurance sector, supervisors have issued similar warnings about persistent data management shortcomings.²⁹

Boards and executives should anticipate increased scrutiny and pressure to address long-standing weaknesses in these fundamental areas.³⁰ Supervisors will expect decisive action and a clearly articulated roadmap to address these critical areas, going beyond tactical fixes to deliver stable solutions.³¹ A proactive approach on data, while necessary for regulatory compliance, also presents an opportunity to support the rollout of innovative technologies, including artificial intelligence (AI), for unlocking competitive advantages.

While insurance supervisors continue to focus on solvency and liquidity management, risk exposure is receiving increased attention in the context of underestimated perils and policy wording that extends liability beyond the scope of what underwriters intend.³² This is particularly prevalent in the cyber insurance market, where a number of regulators, such as Australian Prudential Regulation Authority (APRA), Bermuda Monetary Authority, the Bank of France’s Prudential Control and Resolution Authority, and the Bank of England’s Prudential Regulation Authority (PRA), have called for action to strengthen underwriting and risk management practices.³³

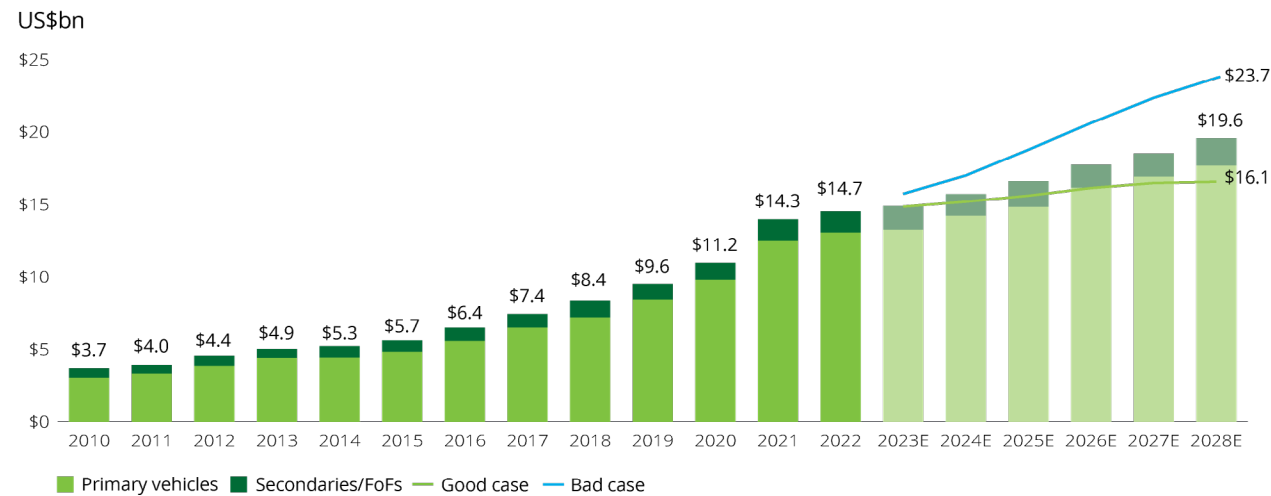
Across the FS sector, anti-money laundering (AML) and the fight against financial crime more broadly will likely remain high on the agenda. The Government of Japan’s Financial Services Agency’s 2024–2025 strategic priorities make a direct link between financial crime and maintaining a resilient financial system.³⁴ The United Kingdom’s Financial Conduct Authority has called for urgent action in response to its recent assessment of a broad range of FS firms’ financial crime policies, controls, and procedures.

The review identified some widespread weaknesses in fundamentals, including discrepancies between registered and actual business activities; controls not keeping pace with business growth; failure to risk assess customers and activities; and inadequate resourcing and oversight of regulatory requirements.³⁵

Private markets at the regulatory frontier

Global private assets are projected to reach \$21 trillion by 2030—a staggering 62% surge from their current size.³⁶ While this expansion helps unlock significant private investment to fuel economic growth, it also raises red flags for some supervisors and financial stability authorities.

Figure 2: Historical assets under management and forecasts of private capital



Source: PitchBook³⁷

The increasing scale, interconnectedness, and opacity of private markets—coupled with concerns about some participants’ resilience in stressed market conditions—are a stark reminder of the vulnerabilities of the pre-crisis global financial system.

Regulators are keeping a close eye on how this may precipitate risks for the FS sector. The Bank of England completed its first systemwide exploratory scenario (SWES) exercise last year, examining the behaviors of banks and NBFIs under stressed conditions.³⁸ While the results indicate resilience in certain markets, more work is to be done. In particular, the exercise highlighted misaligned expectations among participants, including NBFIs assuming greater access to repo financing than providers were willing to extend, and discrepancies between banks’ projections and initial margin requirements set by CCPs.³⁹ The exercise also revealed that the collective actions of participants exacerbated the initial shock of the stress scenario.

Similarly, the APRA is gearing up to launch its inaugural financial system stress in 2025 (expected to draw inspiration from the PRA’s SWES), further demonstrating a global regulatory focus on this issue.⁴⁰

The BCBS and the International Association of Insurance Supervisors (IAIS) are also paying attention to structural changes involving migration of risks from insurers’ balance sheets to reinsurance firms connected with private equity investors. The BCBS has cautioned the untested resilience of private markets, where concentrations of investments in less liquid assets suggest greater vulnerability to stress than elsewhere.⁴¹

Slow progress on the agreement and implementation of global standards for NBFIs has meant that banks with major NBFIs as their counterparties have borne the brunt of supervisory activity. Last year’s PRA review into banks’ private equity financing activities found sizable gaps in their risk management, highlighting an inability in some firms to aggregate data or grasp its significance for counterparty risk management.⁴² ECB supervisors are also likely to hold firms to task against their 2023 guidance on counterparty credit risk governance and management.

Appetite for global policy changes may be diminished, but new BCBS guidelines for counterparty credit risk management reinforce this as an exceptional issue.⁴³ Supervisors will leave no stones unturned to maintain financial stability, and we can expect a continued focus on stress testing undertaken by banks and insurers as a means to monitoring and mitigating contagion risks stemming from their exposures to private markets.



Operational resilience and technology

Critical third-party management remains a priority

Recent incidents related to information and communications technology third-party failures are a stark reminder that disruptions of relatively small third-party providers can rapidly and simultaneously undermine the operational capabilities of global firms. FS firms should expect regulators' resolve to remain strong in addressing critical third-party management⁴⁴ and keeping an eye on regulated institutions' ecosystems.

European regulators are leading the way, with the United Kingdom introducing a specific critical third party (CTP) framework and the European Union's Digital Operational Resilience Act (DORA) setting high-level areas of focus for CTP management. Other jurisdictions are yet to implement formal regulations, but US regulators have issued collective guidance on third-party risk management⁴⁵ (which is expected to remain a priority in 2025), and others are likely to follow. The BCBS and the IAIS have also pushed for robust operational resilience frameworks beyond major jurisdictions, although cooperation on global standards is unlikely in the near term.⁴⁶

Unlocking the power of AI

A recent global survey conducted by Deloitte revealed a strong appetite among executives for leveraging AI. Over half of those surveyed indicated a desire to harness Generative AI to bolster productivity and growth, with 38% anticipating cost reductions as a direct result of efficiency gains.⁴⁷

Even as firms explore AI's vast potential, they will need to navigate a fluid regulatory landscape characterized by evolving frameworks, divergent supervisory expectations, and international fragmentation. However, data quality, model risk management, and AI systems governance are likely to emerge as focal points for supervisors globally. The Hong Kong Securities and Futures Commission, for example, has emphasized these areas in its core principles for the use of Generative AI language models.⁴⁸

In the absence of other fully developed frameworks, the European Union's new AI Act,⁴⁹ with its technology-specific approach, is emerging as the de facto benchmark. While many operational details will be developed over 2025–2026, the broader contours have already been signposted.

Other jurisdictions have adopted technology-neutral stances for now, relying on existing, wider frameworks. In the United Kingdom, for example, the practical applications of AI will be captured by a combination of existing operational resilience⁵⁰ and CTP and consumer duty frameworks,⁵¹ to name a couple. In the United States, while federal regulation may shift, national security has been a key consideration in executive action taken by the previous two administrations.⁵² Bipartisan action by the House Financial Services Committee is underway to identify the advantages and risks of AI and to assess the effects of existing laws and regulations on its adoption.⁵³ The US Department of the Treasury also has recently issued a request for information to examine the uses, opportunities, and risks of AI in the financial services sector. Additionally, the Securities and Exchange Commission has announced that emerging technologies (including AI) will be a priority in this year's examinations.⁵⁴

Clarity on crypto?

Crypto asset regulation remains fragmented. Regulators in Japan,⁵⁵ Singapore, and Hong Kong Special Administrative Region took early steps toward crypto-specific frameworks, and the European Union's Markets in Crypto-Assets Regulation regime is being phased in; however, other jurisdictions—including the United States and United Kingdom—have not yet adopted specific, comprehensive regimes. But that looks set to change. The incoming US administration is expected to take a more favorable stance on crypto assets.⁵⁶ Meanwhile, 2025 will see the United Kingdom flesh out the draft details of its own regime.

Crypto markets are experiencing a resurgence, reminiscent of the 2021 boom, with exchange-traded fund launches and rising bitcoin and ethereum prices. However, a clearer regulatory landscape in some jurisdictions makes this cycle different. Renewed market enthusiasm, coupled with a maturing regulatory landscape, may prompt financial services firms to reevaluate crypto offerings in 2025. Increasing interest and trading activity may put pressure on jurisdictions without comprehensive frameworks, including the United States and United Kingdom, to catch up.



Taking the longer view

The outlook for 2025 hangs in the balance of whether, and to what magnitude, conspicuous economic and geopolitical downside risks materialize. The permutations are numerous and difficult to predict. This demands vigilance, but the prospect of a growth alliance between the financial services sector and governments has enormous potential, and unlocking the maximum value requires a joint commitment by FS firms and governments to medium-term strategic transformation.

Regardless of externalities—positive or negative—the need to address supervisory backlogs, particularly in risk management and data governance, is a certainty FS firms can pursue without remorse.⁵⁷ Similarly, the integration of AI, while brimming with opportunity, requires a strategic and discerning approach. This means building robust risk management foundations today, while anticipating and adapting to the evolving regulatory landscape shaping AI's future.

Financial services firms that successfully synthesize strategic transformation with a commitment to enhance fundamental risk management and data governance capabilities look set to thrive in the years ahead. Our view is that 2025 is the year to make it happen.



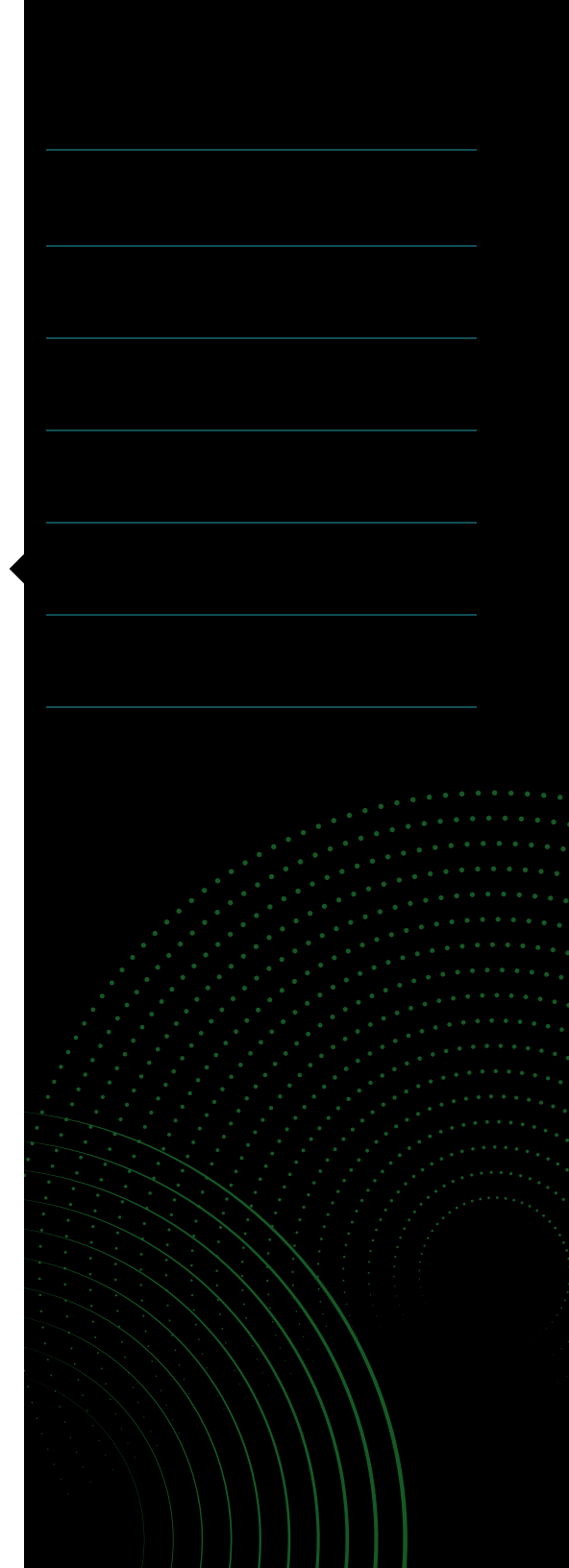
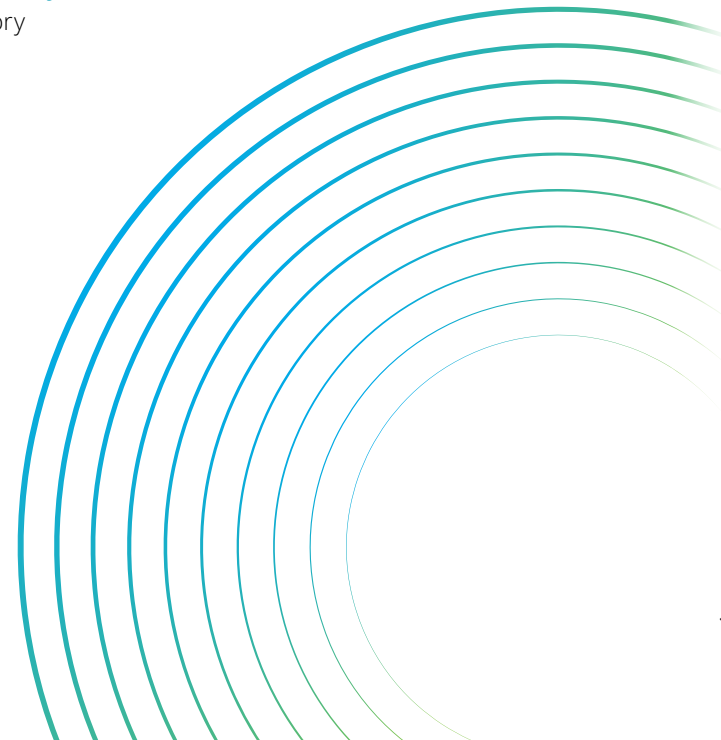
Seiji Kamiya
Centre for Regulatory
Strategy APAC



Irena Gecas-McCarthy
Center for Regulatory
Strategy US



Suchitra Nair
Centre for Regulatory
Strategy EMEA



Endnotes

1. United Nations Development Programme, "[A 'super year' for elections](#)," accessed December 6, 2024.
2. European Central Bank (ECB), [Financial Stability Review](#), November 2024.
3. World Bank, "[Foreword](#)," in Global Economic Prospects (Washington, DC: World Bank, June 2024), pp. xv–xvi.
4. International Monetary Fund (IMF), "[Policy pivot, rising threats](#)," World Economic Outlook, October 2024.
5. Ibid, p. 5.
6. Ibid, p. 5.
7. ECB, [Financial Stability Review](#), May 2024.
8. Simone Evenett et al., "The return of industrial policy in data," VoxEU of the Centre for Economic Policy Research (CEPR), January 11, 2024.
9. Last July, the Sahm Rule indicator was triggered when the three-month moving average of the unemployment rate was 0.53 percentage points higher than its low since July 2023. The Sahm Rule is an indicator that signals the early stages of a recession. See also Federal Reserve Bank of St. Louis (FRED), "[Sahm Rule Recession Indicator](#)."
10. Akrur Barua, "[Housing struggles to stave off headwinds](#)," Deloitte, November 26, 2024.
11. Deloitte analysis based on information available in 2023 annual reports of all G-SIBs, obtained from Financial Stability Board (FSB), "[2023 list of global systemically important banks \(G-SIBs\)](#)," November 27, 2023. All G-SIB financial disclosures are available in the investor relations section of their websites. Data was accessed October 18, 2024.
12. Fabian Garavito et al., "[Shifting landscapes: Life insurance and financial stability](#)," BIS Quarterly Review, September 2024.
13. Social inflation refers to the increase in insurance claims driven by a combination of legal and societal factors, distinct from traditional economic inflation (e.g., increase in frequency and costs of litigation). See also Amit Kumar et al., "Social inflation in 2024: At the H1 mark, trends have only worsened," Insurance Insider US, August 27, 2024.
14. For example, in September 2024, the Insurance Regulatory Authority of India issued a Master Circular on policyholder protection to increase product suitability to customers and policyholder information. The United Kingdom's FCA launched market reviews in the general insurance market and is actively targeting low-value insurance products. In Ireland, the new Consumer Protection Code will also heavily focus on financial services customer outcomes. International Association of Insurance Supervisors (IAIS), [Strategic Plan-2025–2029](#), November 2024.
15. Bank for International Settlements (BIS), "[Klaas Knot: Geopolitics and economics – a high-traffic intersection](#)," speech presented at the 27th Annual Netherlands Bank Research Conference (Amsterdam), November 21, 2024; BIS, "[Claudia Buch: Global rifts and financial shifts – supervising banks in an era of geopolitical instability](#)," keynote speech presented at the 8th European Systemic Risk Board (ESRB) annual conference (Frankfurt, Germany), September 26, 2024.
16. Vision of Humanity, "Global Peace Index: Highest number of countries engaged in conflict since World War II," press release, June 11, 2024.

17. Fabio Natalucci, Mahvash S. Qureshi, and Felix Suntheim, "[Rising cyber threats pose serious concerns for financial stability](#)," IMF Blog, April 9, 2024.
18. Nikhil Rathi, "[Growth: Mission Possible](#)," speech delivered at the City Dinner, Mansion House (London), Financial Conduct Authority (FCA), October 17, 2024.
19. Board of Governors of the Federal Reserve System (FRB), "[Financial Stability Report](#)," November 2024.
20. Elizabeth McCaul, "[Fading crises, shifting priorities: A supervisory perspective on the regulatory cycle](#)," keynote speech delivered at the "EU banking regulation at a turning point" conference (Rome), European Central Bank, October 25, 2024.
21. Basel Committee on Banking Supervision, "[Basel Committee work programme and strategic priorities for 2025/26](#)," press release, February 04, 2025.
22. HM Treasury, "[Recommendations for the Financial Conduct Authority](#)," November 14, 2024; HM Treasury, "[Recommendations for the Prudential Regulation Committee](#)," November 14, 2024.
23. FRB, "[Federal Reserve Board announces it has withdrawn from the Network of Central Banks and Supervisors for Greening the Financial System \(NGFS\)](#)," press release, January 17, 2025; Office of the Comptroller of the Currency (OCC), "[Acting Comptroller Issues Statement on OCC's Withdrawal from International Climate Organization](#)," press release, February 11, 2025; Federal Deposit Insurance Corporation (FDIC), "[FDIC Withdraws from the Network of Central Banks and Supervisors for Greening the Financial System](#)," press release, January 21, 2025.
24. Hong Kong Monetary Authority (HKMA), "[Good practices on climate-related risk governance](#)," August 22, 2024; HKMA, "[Annex: Good practices on climate-related risk governance](#)," August 22, 2024.
25. FRB, "[Supervision and Regulation Report](#)," November 2024.
26. ECB, "[Aggregated results of SREP 2023](#)," 2023.
27. BIS, "[Progress in adopting the Principles for effective risk data aggregation and risk reporting, November 2023](#)"; ECB, "[Guide on effective risk data aggregation and risk reporting](#)," May 2024.
28. ECB, "[Guide on effective risk data aggregation and risk reporting](#)," May 2024.
29. Central Bank of Ireland, "[Data ethics within insurance](#)," August 2023; Bank of France Prudential Supervision and Resolution Authority (ACPR), "[No. 144: Summary of the 2022 declarative survey on the management of data feeding into the prudential calculations of insurance organizations](#)," February 2023.
30. Deloitte, "[Regulatory management as strategy: Perspectives on regulatory remediation](#)," October 2024.
31. Deloitte, "[BCBS 239 progress report: Significant work still needs to be done for full compliance](#)," February 2024.
32. Prudential Regulatory Authority, "[Insurance Supervision: 2025 priorities](#)," January 9, 2025.

33. Bermuda Monetary Authority, [Bermuda Cyber Underwriting Report 2023](#), September 12, 2024; Australian Prudential Regulation Authority (APRA), [APRA's Supervision Priorities](#), February 2023; National Association of Insurance Commissioners (NAIC), [Memorandum on the Cyber insurance market report](#), October 15, 2024.
34. Government of Japan Financial Services Agency (FSA), ["FSA Strategic Priorities: July 2024 – June 2025"](#), July 2024.
35. FCA, ["FCA warns firms over anti-money laundering failings"](#), March 5, 2024.
36. Carne, "Private capital markets – the growth story is set to expand," July 3, 2024.
37. PitchBook, PitchBook Analyst Note: Private Capital's path to \$20 trillion, May 1, 2024.
38. Bank of England, [The Bank of England's system-wide exploratory scenario exercise final report](#), November 29, 2024.
39. Ibid.
40. APRA, [APRA Corporate Plan 2024–25](#), 2024.
41. IAIS, [Global Insurance Market Report \(GIMAR\)](#), December 2023; Garavito et al., ["Shifting landscapes: Life insurance and financial stability"](#).
42. PRA, ["Thematic review of private equity related financing activities"](#), April 23, 2024; Rebecca Jackson, ["Private equity financing"](#), speech delivered at UK Finance, April 23, 2024.
43. BCBS, [Guidelines for counterparty credit risk management](#), BIS, April 30, 2024.
44. FRB, FDIC, and OCC, ["Joint statement on banks' arrangements with third parties to deliver bank deposit products and services"](#), July 25, 2024; OCC, FRB, and FDIC, ["Request for Information on Bank-Fintech Arrangements Involving Banking Products and Services Distributed to Consumers and Businesses"](#), *Federal Register*, July 31, 2024.
45. Under the Bank Service Company Act, third-party contractors who undertake authorized bank services may be subject to regulation and examination by federal banking agencies as if such services were performed by the depository institution itself. *See also* 12 USC § 1867.
46. IAIS, ["Public consultation on the draft Application Paper on Operational Resilience Objectives \[and Toolkit\]"](#), August 8, 2024; BCBS, [Principles for the sound management of third-party risk](#), BIS, July 2024.
47. Jim Rowan et al., ["Now decides next: Moving from potential to performance"](#), State of Generative AI in the Enterprise Q3 report, Deloitte, August 2024.
48. OCC et al., ["Quality Control Standards for Automated Valuation Models"](#), August 7, 2024; Hong Kong Futures and Securities Commission, ["Circular to licensed corporations – Use of generative AI language models"](#), November 12, 2024.
49. European Commission, [Regulation \(EU\) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence](#), June 13, 2024.
50. Bank of England, ["PRA: Operational Resilience"](#), last updated January 31, 2023.

51. Bank of England, "[PS16/24 – Operational resilience: Critical third parties to the UK financial sector](#)," November 12, 2024.
52. Trump White House, "[Artificial intelligence for the American people](#)," accessed December 15, 2024; White House, "[Fact sheet: Key AI accomplishments in the year since the Biden-Harris administration's landmark executive order](#)," October 30, 2024.
53. US Department of the Treasury, "[U.S. Department of Treasury releases request for information on uses, opportunities, and risks of artificial intelligence in the financial services sector](#)," press release, June 6, 2024; US Financial Services Committee, "[McHenry, Waters lead bipartisan efforts highlighting the impact of AI on the financial services and housing industries](#)," press release, December 2, 2024.
54. US Securities and Exchange Commission, "[Examination Priorities: Fiscal Year 2025](#)," June 2024.
55. Government of Japan FSA, "[Regulating the crypto assets landscape in Japan](#)," 2017.
56. Andrew O'Neill and Lapo Guadagnuolo, "Digital assets brief: Crypto's trump card," November 20, 2024.
57. FRB, "[Supervision and Regulation Report](#)," November 2024.

Center *for*
**Regulatory
Strategy**
US

About the Center

The Deloitte Center for Regulatory Strategy provides valuable insight to help organizations in the financial services industry keep abreast of emerging regulatory and compliance requirements, regulatory implementation leading practices, and other regulatory trends. Home to a team of experienced executives, former regulators, and Deloitte professionals with extensive experience solving complex regulatory issues, the Center exists to bring relevant information and specialized perspectives to our clients through a range of media, including thought leadership, research, forums, webcasts, and events.

Deloitte.

About Deloitte

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

As used in this document, "Deloitte" means Deloitte & Touche LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting.

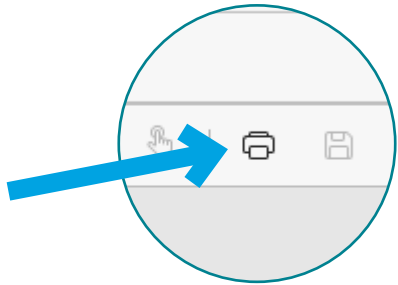
Copyright © 2025 Deloitte Development LLC. All rights reserved.

Printing instructions

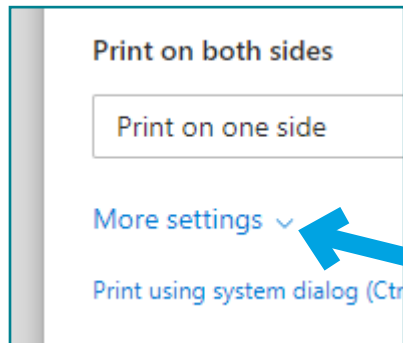
When printing from your web browser using the default settings, white bars may appear on the top and bottom of a letter-size sheet (8.5"x11"). To avoid this, either print on a legal-size sheet (8.5"x14") or follow the instructions below:

If printing from Microsoft Edge:

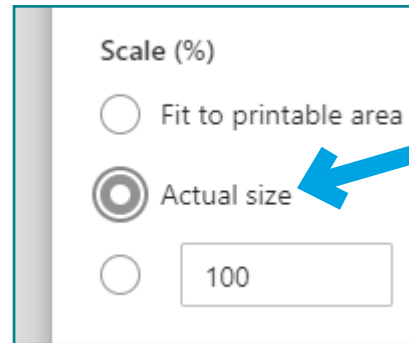
1. Click on the print icon



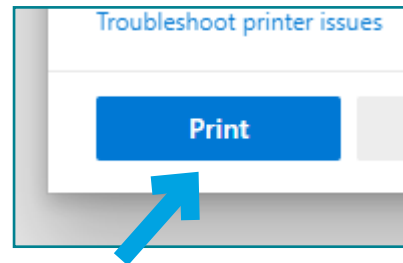
2. Scroll down to "more settings" and click to expand the menu



3. Change "Scale (%)" to "Actual size"



4. Click on the print button to print the document.

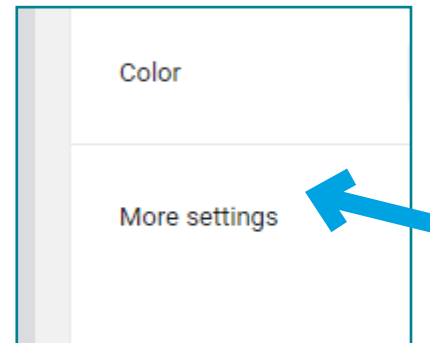


If printing from Google Chrome:

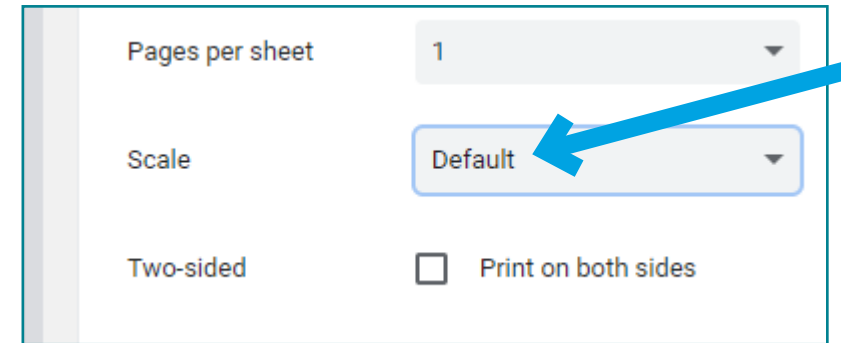
1. Click on the print icon



2. Scroll down to "more settings" and click to expand the menu



3. Change "Scale (%)" to "Default" (if needed)



4. Click on the print button to print the document.

