

Insights

NAVIGATING THE FUTURE OF FINANCIAL MARKETS – FSMB SPOTLIGHT REVIEW

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As financial markets undergo rapid transformation, the Financial Markets Standards Board (**FMSB**) marks a decade since the Fair and Effective Markets Review (**FEMR**) with the publication of this forward-looking paper that explores how market structures, participants, and risks are evolving. Drawing on insights from over 60 market participants, regulators, consultants, and advisors, the report highlights the growing complexity of the sector. **Powerful forces are reshaping the financial sector, regulatory boundaries are shifting, and approaches are diverging – proactive engagement is no longer optional.**

The paper identifies four key themes shaping the next decade – all of which present evolving challenges for legal and compliance professionals:

1. **Market participation:** Non-bank intermediaries and private credit are reshaping liquidity provision and risk distribution.
2. **Trade execution:** Electronification and AI are accelerating trading, raising new conduct and oversight challenges.
3. **New asset class frontiers:** Stablecoins, tokenisation, and digital assets are gaining traction, with regulatory clarity still emerging.
4. **Shifting geography:** Regional hubs in mainland Europe, the Middle East and Asia are rising, challenging traditional centres and regulatory convergence.

A central message for in-house teams is the need to anticipate and adapt to change. The imperative is clear:

“... we cannot afford a repeat of past misconduct and must be alert to the emergence of new threats that undermine confidence.”

Legal and compliance professionals must ensure that lessons from traditional markets are applied in new contexts, particularly as retail access expands and technology-driven models challenge existing governance frameworks.

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