Evolving asset management regulation 2025 report

Igniting growth

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Executive summary

Amid a challenging geopolitical environment, sluggish economic growth and industry demands for simplification, this year's edition of KPMG's Evolving Asset Management Regulation report explores a renewed focus on facilitating growth.

Significant opportunities should be created through greater regulatory support for new and innovative products, better facilitation of technological developments in a regulated environment, reinvigorated public markets and more simplified, targeted policymaking. Yet the focus on investor protection and the orderly function of markets remains strong.

Based on our analysis of more than 200 recent and upcoming regulatory developments from nearly 30 jurisdictions and global regulatory standard setters, here are six key areas where asset management executives and firms should be focusing on.

With **growth and competitiveness** rocketing up the regulatory agenda, many jurisdictions are now seeking to better support asset managers and bolster private investment. Requirements are being streamlined and new opportunities to boost retail investment are being considered. And many asset managers are revisiting their offerings with the aim of ensuring they are keeping pace with changing client demand.

The growth of **private markets** has propelled them up the supervisory agenda with several authorities now working on new rules and guidance to increase transparency, improve conduct and better manage loan-originating products. At the same time, some regulators and firms are considering how to best provide retail investors with exposure to private assets for the first time.

Digital innovation and artificial intelligence are also a priority with authorities seeking to find the right balance between managing risk and encouraging innovation. Regulatory approaches to tokenization are being refined and the regulation of digital assets is evolving rapidly.

Perhaps not surprisingly, regulators continue to sharpen their focus on **investor protection** with new conduct frameworks alongside updated accountability-related requirements and disclosure rules. While some regulators are exploring changes to how customers may receive advice, protecting vulnerable customers remains a key priority.

Against a backdrop of unprecedented financial and geopolitical uncertainty, **firm and system resilience** has remained at the top of the regulatory agenda. And while prudential frameworks remained largely stable, several new operational resilience requirements have been introduced while others have been embedded.

Meanwhile, the focus on **ESG and sustainable** finance is shifting. Few new frameworks or regulations have been introduced recently. Much of the action here has been around clarifying regulatory expectations on fund names, and preparations for new economy-wide corporate reporting requirements.

Key takeaways for asset management executives

Delivering growth and competitiveness

Review your product suite and explore new international market access possibilities.

Public and private markets

Check core competencies around valuation and ensure that conflicts of interest frameworks align with regulators' expectations. Look for opportunities to offer retail investors private asset exposure within robust governance arrangements.

Digital innovation and artificial intelligence

Continue to develop compliant AI use cases and work with pilot regimes to explore the benefits of AI, tokenization and digital assets.

Protecting investors

Use new conduct frameworks to encourage a positive shift in culture and to re-evaluate whether current products and services continue to meet customer needs.

Firm and system resilience

Look at operational resilience as a source of competitive advantage and focus on moving it out of project implementation and embedding it across the first line of defense.

ESG and sustainable finance

Capitalize on efforts to simplify disclosure requirements and assess newly available data points to better inform investment decision-making.

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