

# Financial Services: Embracing change in a new world

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Welcome to the Financial Services focus edition of Law Update.

After almost two years since the start of the COVID-19 pandemic, financial services organisations find themselves in a world changing faster than ever before. The challenges associated with the global pandemic, including the uncertainty in the global economy, have required them to rapidly adapt to the market and the needs of consumers.

With these changes come great opportunities. Over the last 12 months, the developments within the Financial Services sector have been profound. A shift away from bricks and mortar and their corresponding traditional business models is more apparent than ever. The need for digital transformation and the new 'digital economy' call into question conventional notions about how businesses operate, and consumers obtain services, information and goods. Who is providing financial services is also undergoing a paradigm shift, with a raft of new market participants entering (or ready to enter) the financial services industry in the region.

Technological change is the main driver behind these new approaches. Recently the class of cryptoassets has become much more accessible to consumers, for example, allowing transactions to be carried out in a manner less familiar to institutional businesses. The concept of crowdfunding too, takes the historic concept of communal funding online: offering new businesses much-needed start-up capital but exposing funders to unknown risk. Like any new phenomena, new technologies can have great potential but can also be fraught with danger – it is the task of the regulators and institutions to ensure that consumers and market participants have a sound environment in which to operate.

Specifically within the MENA region, the legal and regulatory landscape has changed dramatically. New laws and regulations have recently been introduced, aimed at encouraging new market entrants and ensuring novel, rapidly developing trading environments and products are sound for their participants. From new crypto regimes to payment services and alternative financing models – the evolution is continuous. At the same time, regulators are focused on consumer protection and ensuring competition with concepts such as open banking. Such legal and regulatory developments are likely to continue in the MENA region throughout 2022.

In this issue of Law Update, we discuss these developments and cover a range of trending issues in the Financial Services sector, which I hope you will find useful and enjoyable.