RSM

FINANCIAL SERVICES PERSPECTIVES

November 2026



Four areas leaders need to act on this quarter

In this edition

- Payments fraud and governance
- AI governance
- Beyond MiCA
- Asset management

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FS QUARTERLY UPDATE

November 2026

What's inside

Payments fraud and governance

Fraud losses are rising faster than transaction volumes, sharpening the focus on control effectiveness and operational capacity.

AI governance

AI adoption is moving from experimentation to accountability, with visibility, ownership, data quality and human oversight in focus.

Beyond MiCA

Licensing opens the market, but trust, resilience and execution will determine who can scale.

Asset management

Policy ambition is advancing alongside closer scrutiny of delegation, governance, substance and retail-investment reform.

Across financial services, the common thread is clear: innovation and growth must be matched by stronger governance, greater operational resilience and clear evidence that controls are working in practice.

The firms best positioned for the next phase will be those that can turn regulatory expectations into practical, sustainable operating models while continuing to innovate and serve customers effectively.



Michael Mulholland
Partner, Financial Services Leader, RSM Ireland

01

Payments firms: growth is accelerating, but so is fraud

€179.04m lost in 2025. The question is whether firms' controls are keeping pace.

In this section

1. The numbers
2. Growth and governance
3. Recurring risks
4. Board priorities

Key takeaways

- Payment fraud value rose 27.2% while fraudulent transaction volume increased only 0.3%.
- Manipulation of payer fraud represented 45% of total fraud value.
- Cross-border transactions accounted for €124.89 million, or 69.8% of fraudulent payment value.

The real message behind the numbers

The latest Central Bank statistics should be a wake-up call. Fraudsters appear to be targeting higher-value transactions: the average fraudulent e-money transaction more than doubled year on year, while credit transfer fraud continues to account for some of the largest losses.

Growth is now a governance issue

The Central Bank has highlighted cases where growth ambitions outpaced control frameworks, governance arrangements and local operational capacity. New products, markets, partners and volumes can also increase exposure to financial crime, safeguarding risks and operational disruption.

Recurring risks in practice

Transaction growth may outpace monitoring. New channels may launch before governance adapts. Third-party exposures may not be fully understood. Fraud teams may remain reactive, while boards receive limited insight into trends, customer impact and control effectiveness.

What leaders need to act on

- Reassess fraud through a growth lens
- Define material business-model change
- Focus on customer outcomes after fraud
- Test monitoring, investigation and remediation capacity

Questions for the board

- Are monitoring capabilities scaling with volumes?
- Does reporting show trends, impacts and control effectiveness?
- Are third-party risks fully understood?
- Can operations absorb planned growth?

"The next competitive advantage in payments may not be growth itself, but the ability to demonstrate that growth remains controlled."

To read the full website insight, click here



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02

AI governance: the accountability phase has begun

The question is no longer whether firms should adopt AI, but whether its use can be demonstrated as responsible, safe and controlled.

In this section

1. Regulatory direction
2. Who may be in scope
3. The visibility gap
4. Immediate priorities

Key takeaways

- Ireland's oversight framework for certain high-risk AI systems in financial services has become clearer.
- The framework may affect banking, insurance, payments, e-money, investment and asset-management businesses.
- AI may already be embedded in vendor platforms, outsourced services and established operational tools.

From opportunity to accountability

The Central Bank was designated in 2025 as market surveillance authority for certain high-risk AI systems connected with financial services. Ireland's 2026 legislation established the wider institutional and enforcement framework supporting the EU AI Act.

What regulators are focused on

The message is not anti-AI. The focus is whether firms know where AI is used, what decisions it influences, how outcomes are monitored, whether human oversight is effective, and how customer harm, bias, accuracy and data-quality risks are managed.

The biggest risk may be visibility

Many organisations cannot yet identify every AI-enabled solution in use. Teams may be experimenting with generative AI while vendors add new functionality. Without a central inventory and governance process, accountability and risk management become harder.

Five immediate priorities

- Build a central AI inventory
- Identify potential high-risk use cases
- Clarify accountable ownership
- Introduce governance before scale
- Focus on data and human oversight

Controls firms should evidence

- Approval and testing processes
- Monitoring of outputs and outcomes
- Change-management controls
- Data-quality assurance
- Appropriate human review and intervention

"The firms building AI governance today will avoid spending the next three years playing catch-up."

To read the full website insight, click here



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03

Beyond MiCA: trust, infrastructure and the future of digital finance

Licensing opens the market. Governance, resilience and execution will determine who earns institutional confidence and scale.

In this section

1. Transition from licensing to trust
2. Europe's ecosystem
3. Global competition
4. Leadership imperative

Key takeaways

- A licence is a point-in-time assessment; supervision is continuous.
- MiCA sits alongside DORA, AMLR, AMLA and DAC8 in a broader European framework.
- Compliance, when embedded well, can become a commercial capability rather than only a cost of access.

Transition from licensing to trust

As authorisation becomes a market-entry requirement, institutional trust becomes the real differentiator. Firms must demonstrate that governance, resilience and sound decision-making are embedded in daily operations, not simply documented for approval.

Europe's advantage lies in its ecosystem

Harmonised rules may make access across Europe Union more comparable, but ecosystems still differ. Capital, specialist talent, supervisory credibility, banking connectivity and professional infrastructure will influence where firms can build confidence and scale.

Competition is entering a new phase

Europe offers harmonised access to a substantial market, while the US, UK and Asian and Middle Eastern centres bring different strengths. The decisive task is converting regulatory clarity and policy ambition into liquidity, infrastructure and institutional participation. The regulatory race may determine where firms go first, but the market depth will influence where they stay.

What stronger trust enables

- Banking relationships
- Institutional capital
- Counterparty confidence
- Cross-border scale
- Long-term commercial credibility

What leaders should assess

- Operating-model maturity after licensing
- Resilience and financial-crime obligations
- Depth of local ecosystem and talent
- Cross-functional ownership
- Ability to evidence continuous compliance

"A MiCA licence may open the door to the market, but it does not automatically create trust."

Digital-asset strategy can no longer sit at the edge of the organisation. It is becoming part of financial strategy itself.

3.1

Beyond MiCA The future of digital finance (ct'd)

"Innovation and trust must compound, not compete."

Click the links below to access the three-part series **'Beyond MiCA',** which provide deeper insights into recent MiCA developments.

1 **Beyond MiCA (Part 1)**
The end of the licensing race

2 **Beyond MiCA (Part 2)**
Will digital finance redraw the global financial map?

3 **Beyond MiCA (Part 3)**
What happens when digital finance and traditional finance converge?

The future of digital finance

Tokenisation, programmable settlement and regulated distributed-ledger infrastructure are beginning to test how execution, custody, collateral, reporting and compliance could be redesigned within mainstream finance. The opportunity is not simply to place an existing asset on a new technological rail, but to reshape the sequence of activities around a transaction.

Efficiency should not be confused with simplicity

Faster or atomic settlement may reduce counterparty exposure while increasing intraday liquidity demands. More responsive collateral movement may improve capital efficiency while transmitting stress more quickly. Smart contracts can embed controls, but also create dependencies on code, data quality, governance and third-party infrastructure.

Leadership priorities

- Understand where programmability could alter product economics
- Assess changes to operating model and settlement arrangements
- Build confidence in code-based processes, data flows and third-party dependencies
- Bring technology, operations, finance, treasury, legal, compliance, risk and assurance together

The assurance question

As more financial logic becomes embedded in technology, organisations will need confidence not only in conventional financial controls but also in the design and operation of digital processes, data flows, access arrangements, governance protocols and third-party dependencies. The key question will no longer be whether technology is innovative but whether the overall system is reliable, explainable and capable of operating under stress.



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04

Ireland asset management: Q3 2026 key developments

Competitiveness, innovation and delivery are advancing alongside sharper expectations for delegation, governance and substance.

In this section

1. Vision 2030
2. Delegation and substance
3. Deemed disposal
4. Operational priorities

Key takeaways

- Growth priorities include ETFs, private assets and tokenisation.
- The Central Bank review covered all 121 Irish Fund Management Companies, with 41 desk-based assessments and 21 onsite inspections.
- Responsibility remains with the FMC notwithstanding delegation.

Ireland for Finance: Vision 2030

The renewed strategy identifies funds and asset management as a high-impact sector. Planned legislative work includes facilitating tokenised funds and modernising the 1907 Limited Partnership framework, supporting new products, structures and distribution models.

Delegation, governance and substance

The Central Bank identified areas for enhancement in some firms, including board independence, reliance on group-level committees, resourcing, contingency planning and access to data. Oversight must be demonstrable and substantive, not merely procedural.

Deemed disposal reform

The investment-fund tax rate fell from 41% to 38% from January 2026. Although abolition of deemed disposal is not confirmed, the policy direction signals appetite for further reform, including consideration from Budget 2028 onwards.

Operational priorities

- Assess readiness for digital and private-market products
- Evidence effective delegate oversight
- Strengthen board challenge and independence
- Confirm direct access to data and contingency arrangements

Retail investment implications

- Monitor policy development carefully
- Assess product and distribution impacts
- Plan for possible increased retail participation
- Do not treat abolition of deemed disposal as confirmed

"The next phase of growth will depend on converting policy ambition into operational readiness, substantive oversight and investor confidence."

To read the full website insight, click here



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Contact us

Get in touch with one of our relevant Financial Services leaders if you need support or guidance in relation to any of the five key areas in this briefing.



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