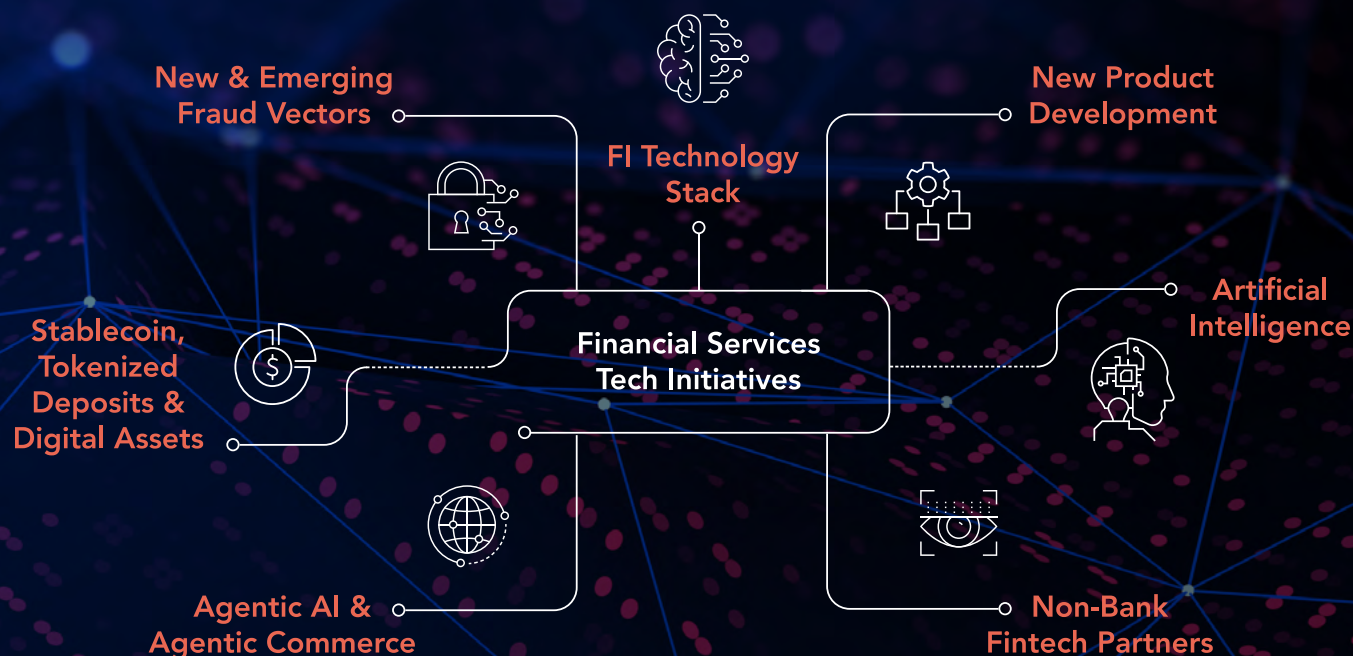


HUNTON

Financial Services Emerging Technologies



The impact of emerging technologies on financial services and institutions is changing at a scorching pace.

Financial institutions have always been cutting-edge technology developers and adopters. But now, keeping up with emerging technologies is like drinking from a digital firehose. And with the introduction of certain new technologies like stablecoins, tokenized deposits, and digital assets, financial services and commerce infrastructure is rapidly shifting. This is all happening while financial institutions have to meet a bevy of regulatory requirements.

Hunton's financial institutions corporate and regulatory team advises large to small community banks and credit unions, as well as non-bank fintechs, on flexible and compliant strategies for adopting new technologies, and in negotiating critical partnerships with both established and emerging financial technology platforms and partners.

Learn more about
our practice

Services and Support



Financial Institution Technology Stack

Financial institutions have to keep up with emerging technologies to win and retain customers—all while meeting regulatory requirements and providing a “digital first” customer experience. From core processors on down, selection of and negotiation with reliable third party service providers is a must. Financial institutions need trusted legal partners to vet and negotiate the growing sea of potential providers as those vendors incorporate AI into their products and services.



Product Development

Many financial institutions are developing new customer-facing products, both internally and with third party partners. Emerging technologies in AI, payments, and lending products are changing at an escalating rate. Ensuring that a new product meets a “compliance-by-design” framework is essential for successful launch and operations.



Artificial Intelligence

As financial institutions look to deploy AI technologies internally, they must develop an organization-wide strategy. Institutions will need to develop and implement AI policies and procedures (covering allowed and prohibited uses), conduct employee training, and understand where human decision-making must happen to meet legal and regulatory requirements. We partner with our financial institution clients to ease this process and to “flow down” AI-specific issues to third-party vendor oversight and agreements.



Agentic AI & Agentic Commerce

“Agentic AI” in payments and transactions refers to AI systems that can take autonomous actions and make independent decisions to achieve specific user goals within a digital commerce environment. Financial institutions are focused on using multiagent systems to create internal value by automating complex decisions and workflows using AI. On the reactive side, financial institutions need to understand how to address customer payments and transactions in an agentic AI world.



Non-Bank Fintech Partners

Many financial institutions are choosing to partner with non-bank fintechs for embedded payments, finance products, and services. But there is also a battle for control of financial services processes and infrastructure: settlement (stablecoins vs. traditional rails); control of distribution (agents vs. platforms); control of balance sheet (licensed fintechs vs. sponsor banks); and control of liability or accountability (agents). Fintech “co-opetition” is quickly moving from things like user interface design (UX), pricing, and distribution, to major infrastructure moves and ownership of parts of the financial services technology stack.



Stablecoin, Tokenized Deposits & Digital Assets

With the passage of the GENIUS Act and support in Washington to formalize digital asset and crypto-related regulations, interest in and adoption and use cases of the “pegged to value” stablecoin and the emerging “tokenized deposits” concept are increasing. Financial institutions are looking at stablecoins as transaction settlement infrastructure, and tokenized deposits as a potential way to retain deposit dollars.



New & Emerging Fraud Vectors

Fraud will increasingly target AI agent-driven workflows rather than individual accounts or cards. Attackers will influence outcomes through input manipulation, synthetic interactions, and falsified context. As payment card issuing organizations, financial institutions—already dealing with sophisticated phishing and voice and image spoofing—will have to address fraud emerging out of agentic commerce transactions.

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