Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Innovation Hub
2025 Update

Information about Central Bank of Ireland's Innovation Hub is available at:

www.centralbank.ie/regulation/innovation-hub

Contents

Foreword

I am delighted to introduce our 2025 Innovation Hub report providing insight into the Innovation Hub's work and trends shaping financial innovation in Ireland.

Technology is, at its best, a force for good in financial services. It expands access, reduces costs, and empowers consumers with better tools and greater choice.

We see examples daily: digital payments making transactions seamless, open banking giving consumers control over their data, and RegTech solutions reducing compliance burdens while enhancing safeguards.

For Ireland, the opportunity is significant. We host a vibrant ecosystem of fintech start-ups, international players, technology providers, strong academic expertise, and financial services skillsets.

Securing positive outcomes from this opportunity is not inevitable. It relies upon firms operating within strong regulatory frameworks that underpin trust and confidence while adapting to technology-led transition and disruption. In the Central Bank we view such market and technology evolutions in the context of delivering on our four safeguarding outcomes: the protection of consumer and investor interests, the safety and soundness of regulated entities, the integrity of the financial system and financial stability.

In 2021, we set out the Central Bank’s strategy in the context of financial services transformation with a forward-looking perspective - not only in what we do, but in how we think, how we engage, and how we make decisions.

Our focus is on being more future-focused, more open and engaged, and transformational in the way we deliver our key safeguarding outcomes.

The outcomes we have achieved through the evolution of our Innovation Hub, and in the delivery of our first Sandbox Programme, represent a new model for innovation engagement, where collaboration accelerates safe and responsible innovation, and where benefits flow to the financial system and consumers while risk are mitigated. The results we have seen validate our conviction that effective regulation requires open engagement with the innovation ecosystem, and when that ecosystem works together with a clear purpose, meaningful progress follows.

Since the establishment of the Innovation Hub in 2018, the Hub has engaged with over **600+ firms. This year, the Innovation Hub engaged with 78 firms innovating in financial services—a 10% increase from 2024.** This growth reflects continued demand for early regulatory engagement, and the value firms place on embedding compliance from the outset.

Our work through the Innovation Hub and the importance of our continued collaboration with the innovation ecosystem supports a well-functioning Irish financial services system.

Mícheál O'Keeffe

Director of Policy and International

Central Bank of Ireland

Introduction

We are seeing rapid advancements in digitalisation and technology with both public and private innovation bringing opportunities and risks.

Digitalisation, tokenisation, cloud computing and more sophisticated AI tools are changing the financial services market for the better, while also increasing risks and vulnerabilities.

We are seeing a growth in stablecoin issuance; widespread exploration of tokenised deposits and assets – with a pervasive "fear of missing out"; and developments from generative to agentic AI. These technological developments have implications for the financial system and how regulation responds domestically and across borders.

The required practices in financial services firms to be operationally resilient (including cyber resilience) are inevitably dependent on this evolving technological and threat landscape. As firms increasingly digitalise how they deliver important services to consumers and investors, the resilience of those technologies and of the third-party providers behind them, becomes a core supervisory concern. In the face of a constantly evolving technological and cyber-threat landscape, including related to frontier AI models, firms need a future-proofed strategic response with senior sponsorship and appropriate levels of investment. Firms' obligations under DORA apply directly here: including maintaining a clear view of ICT risks, ensuring ICT controls evolve with emerging threats, and being prepared to respond to and recover from operational disruptions.

These developments have been evident since the establishment of the Innovation Hub in 2018. In that time, the Hub has engaged with a large number of firms using a range of technologies and at varying stages of growth. This steady increase in activity year-on-year reflects continued demand for early regulatory engagement, and the value firms place on embedding compliance from the outset.

Other developments, such as regulatory developments in the US, and changing consumer expectations are reshaping the nature, form and delivery of financial products, creating both opportunities and challenges.

For consumers, digitalisation can enhance access, convenience and choice in financial services. Digital payments, programmable money and new distribution models have the potential to improve user experience and lower costs. At the same time, some digital asset products can expose consumers to heightened risks, including volatility, fraud, operational failures and reduced transparency.

For firms, innovation offers opportunities to improve efficiency and develop new services, but also requires strong governance, operational resilience and compliance capabilities. Firms operating at the boundary between traditional finance and digital asset markets may face particular challenges in navigating regulatory expectations across jurisdictions and business models. In addition, the speed and borderless nature of digital finance can amplify shocks.

Across both consumers and firms, trust remains central. Innovation can only deliver sustainable benefits where products are well designed, risks are understood and mitigated, and market participants securing the interests of their customers.

The ability to capitalise on these opportunities whilst mitigating the risks require regulatory frameworks that adapt to market and technology evolutions whilst delivering public policy outcomes.

The evolution of the Central Bank's approach to regulation, supervision and engagement on innovation is grounded on being more future-focused and open and engaged in the way we deliver our key safeguarding outcomes.

Active engagement with innovators is a key tool in understanding how financial markets and technologies are evolving in practice. The Innovation Hub and Innovation Sandbox Programme support this by providing structured, early-stage engagement with firms developing new financial products, services and business models.

The Innovation Hub offers an accessible channel for dialogue with innovators, from start-ups to established firms, helping them understand regulatory expectations and navigate the regulatory landscape at an early stage. In parallel, it provides the Central Bank with timely insight into emerging trends, technologies and potential risk drivers across the financial system.

Building on this engagement, the Innovation Sandbox Programme provides a more structured, thematic framework where selected firms engage closely with supervisors over a defined period.

Together, these initiatives support informed policymaking and supervision, strengthen mutual understanding between regulators and innovators, and help ensure that innovation develops in a safe manner that delivers benefits for consumers and the wider economy while maintaining trust, resilience and financial stability.

Key Highlights

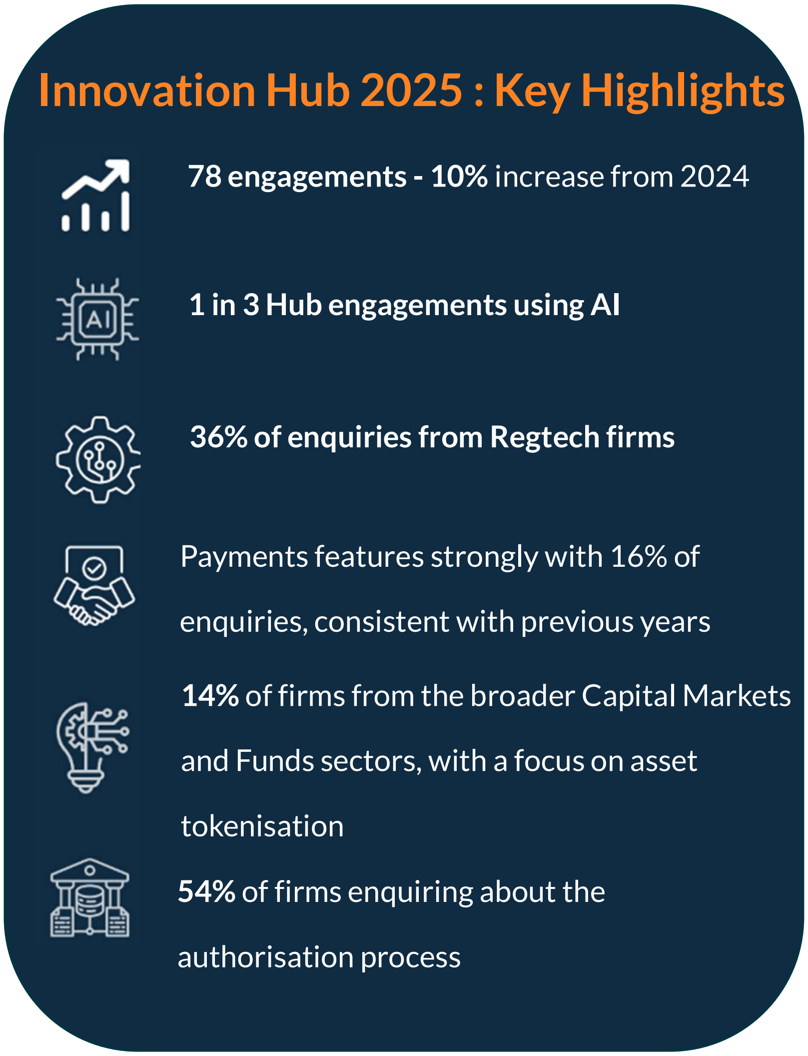

Fig1.1. Innovation Hub 2025: Key Highlights

Review of 2025

In 2025, the Central Bank continued to enhance its structured engagement with innovation across the financial services ecosystem. Our approach combines an Innovation Hub, targeted outreach, delivery of thematic Innovation Sandbox Programmes, and other innovation initiatives. This work supports better outcomes for consumers and the wider economy, while strengthening our understanding of emerging risks.

Measuring Impact

Since the establishment of the Innovation Hub in 2018, the Hub has engaged with over **600+ firms. This year, the Innovation Hub engaged with 78 firms innovating in financial services—a 10% increase from 2024.** This growth reflects continued demand for early regulatory engagement and the value firms place on embedding regulatory and compliance cultures from the outset.

In 2023, the Central Bank engaged with the innovation ecosystem as part of our commitment to the evolution of the Innovation Hub as part of our new Innovation Engagement Strategy.

For the period 2018 to 2022, the Innovation Hub engaged with approximately 65 firms per year. Since 2023, the Innovation Hub has engagement with approximately **72** per year, an average **10% increase** every year.

In addition to the engagement through the Innovation Hub, we have benefitted from considerable engagement through our Sandbox programme with 38 applications for our first programme in 2025.

The information below provides a summary of all Innovation Hub engagements in 2025, including an analysis of the trends identified.

Number of Enquiries 2025

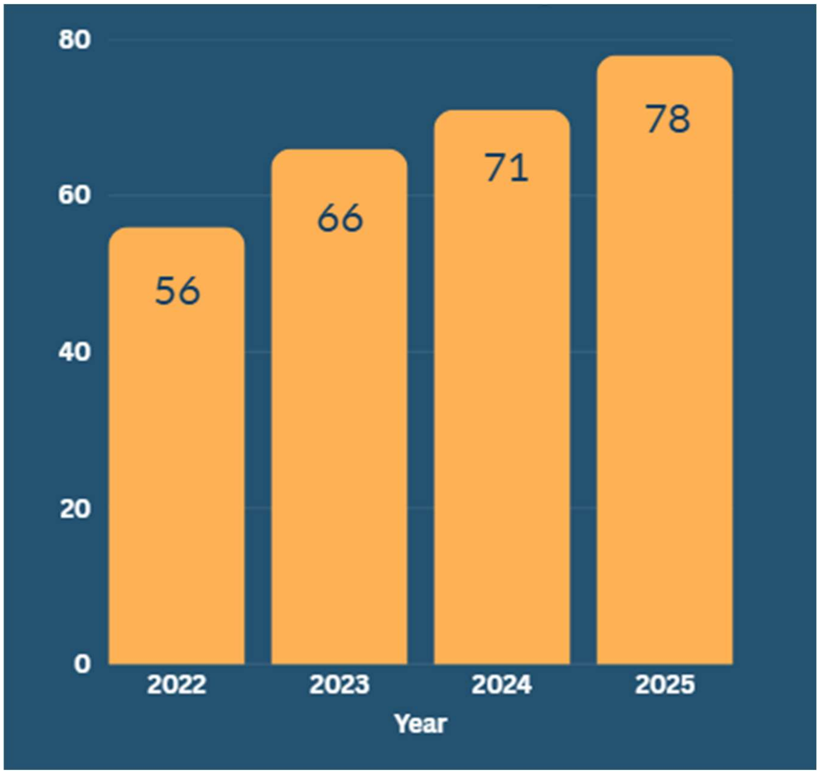

Fig.1.2. Number of Enquiries 2025

Increased number of engagements & more detailed understanding of needs

Better quality engagement for firms and the Central Bank

The Innovation Hub engaged with 78 firms innovating in financial services in 2025, an increase of 10% from the number of engagements in 2024.

There continues to be a steady increase in firms engaging with the Innovation Hub, showing the continued demand for engagement, and the increased level of innovation activity in the market.

Increased collaboration with the ecosystem, through events such as Enterprise Ireland 'Office Hours' (where the Central Bank's Innovation team meets with Enterprise Ireland clients onsite), have raised awareness about the role of the Innovation Hub and increased engagement with the Central Bank.

Geographic Location 2025

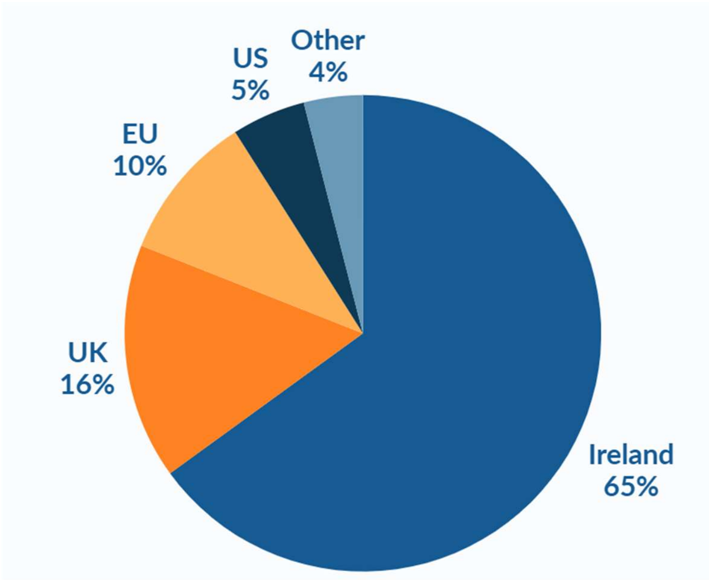

Fig.1.3. Geographic Location 2025

As a globally recognised hub for FinTech, innovative businesses are not limited to Ireland and while our remit lies within the Irish financial services industry, the Innovation Hub also engages with international firms wanting to expand into Ireland and the EU.

The split of firms headquartered in Ireland (65%) is an increase from the 51% of firms based in Ireland in 2024 reflecting growth in firms based in Ireland and deeper engagement with the local ecosystem through activities such as participation in accelerator programmes, and onsite engagement with firms in regional innovation hubs.

Stage of Development 2025

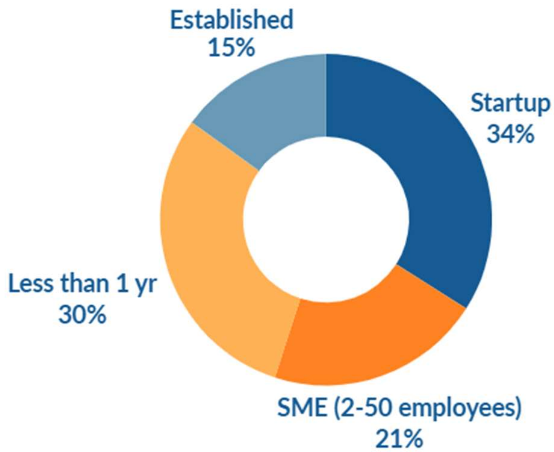

Fig.1.4. Stage of Development 2025[1]

It is a core mission of the Innovation Hub to ensure that it is open to all innovators in financial services, no matter the size of the firm.

Significant increase in engagement from early-stage firms with a **focus on future innovation**

In 2024, we saw a proportionally larger increase in engagements by larger firms as they became more aware of the opportunity to engage with the Central Bank on innovation related activity.

In 2025, we saw:

- Strong engagement from start-ups seeking to build an understanding of regulation and compliance early into their business models and approach.
    - Increased engagement with Enterprise Ireland, InsTech, and other public and private bodies raised awareness of the supports available through the Innovation Hub.
- Continued engagement with cutting edge commercialisation projects in universities as they sought to demonstrate their innovations.

[1] For the purposes of the work of the Innovation Hub, a 'startup' is defined as an innovative firm in the first 5 years since incorporation.

  - This is reflected in 2 participants in the 2026 Sandbox Programme being recent spinouts from university research programmes.

Enquiries related to the Authorisation process in the Central Bank

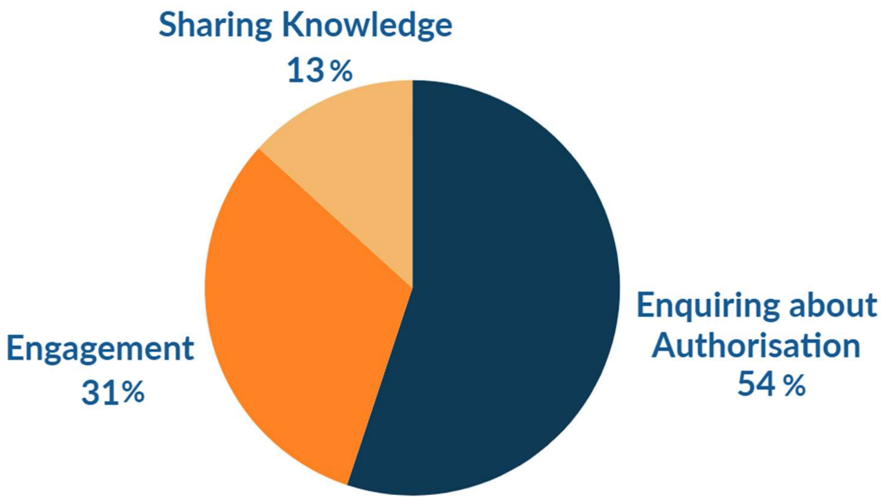

Fig.1.5. Enquiries related to the Authorisation process in the Central Bank

Enquiries from firms who were seeking information on the authorisation process with the Central Bank increased to 54% in 2025, up from 44% in 2024.

These firms were seeking information on a number of key areas such as:

- RegTech firms seeking to understand the Central Bank's expectations as it related to the regulated financial services firms that they provide services to.
- Firms looking to understand the regulatory expectations as it relates to the provision of investment advice and other regulated services.
- Firms looking to understand any regulatory overlap when providing multiple products or services i.e. payments and crypto services.

There were also a large number of engagements (31%) from firms that used the Innovation Hub as the first point of contact where the aim was to build a relationship with the Central Bank. These included universities, public sector bodies and international agencies.

Enabling Technology 2025

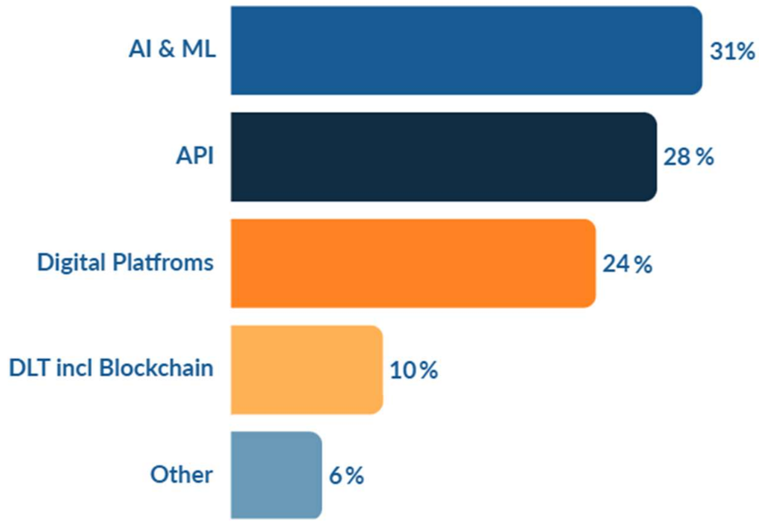

Fig 1.6. Enabling Technology 2025

Our engagement with firms throughout 2025 has highlighted the use of a wide range of technologies in the financial services industry. Some examples of use cases include:

- AI to facilitate small businesses to make better informed financial decisions.
- API led solutions to allow users to share their financial information with advisors using Open Banking.
- Digital Platforms to promote financial literacy and education.
- Blockchain solutions to allow for the tokenisation of assets for investment purposes.

Spotlight on AI

Fig1.7. Spotlight on AI

1 in 3 firms who engaged through the Hub in 2025 are using AI as their enabling technology

AI has been one of the leading technologies used by firms engaging through the Hub, with 1 in 3 firms using the technology in 2025, up from 1 in 5 firms in 2024.

We are seeing continued growth in its usage in 2026 as reflected in the fact that 4 of the 9 projects in the 2026 Sandbox Programme are using AI as their enabling technology.

We continue to see the use of AI across multiple sectors such as Capital Markets and Funds, RegTech, Insurance and Banking. For example, some of the firms that engaged in 2025 were using AI in the following ways:

- To ensure regulatory compliance by using AI to automate compliance checks and monitor transactions.
- As a support tool to firms providing financial wellbeing and advice to customers either as a ‘chatbot’ type of tool to engage customers or as a tool for providing a more detailed financial analysis of a customer.
- To identify fraudulent documentation during customer onboarding and identity verification.

This growth in the use of AI in the financial sector is consistent with the findings of recent surveys issued by the Central Bank[2] in conjunction with European Insurance and Occupational Pensions Authority (EIOPA) and European Securities and Markets Authority (ESMA) on the use of AI in both the Insurance[3] and Capital Markets[4] sector.

These surveys showed that most insurance firms surveyed are using AI systems to some extent but with very little autonomous use.

AI usage on the capital markets side revealed a pronounced disparity in AI adoption across firm sizes with the larger firms more likely to have deployed AI solutions.

Relatedly, the Central Bank welcomed its designation as a market surveillance authority under the AI Act and issued a survey to the Banking and Payments sector in Q1 2026 to further develop our understanding of how regulated firms are using AI which will assist us in our own internal planning for the supervision of the use of this new technology.

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[2] https://www.centralbank.ie/docs/default-source/regulation/industry-market-sectors/insurance-reinsurance/solvency-ii/communications/insurance-quarterly-news/the-insurance-quarterly-march-2026.pdf?sfvrsn=ec8721a_6

[3] European Insurance and Occupational Pensions Authority, ‘Generative AI Market Survey: Outlook, Use Cases and Risk Management’ (February 2025) https://www.eiopa.europa.eu/document/download/bec886e2-dea0-4bbe-9624-d5f23f85700a_en?filename=EIOPA-BoS-25-679-GenAI-Report.pdf.

[4] European Securities and Markets Authority, ‘ESMA TRV Risk Analysis Financial Innovation AI adoption and trends in securities markets: EU evidence’ (February 2026) https://www.esma.europa.eu/sites/default/files/2026-02/ESMA50-481369926-30599_TRV_Risk_Analysis_AI_adoption_and_trends_in_securities_markets.pdf

In February 2026, the Central Bank published the Central Bank's Regulatory and Supervisory Outlook Report, which sets out the Central Bank's current perspective on regulatory and supervisory implications around the use of AI in financial services.

Throughout 2025 and 2026, the Central Bank will be supporting the implementation of the EU AI Act in Ireland, undertaking policy work and developing its supervisory expectations of regulated entities related to the use of AI in financial services.

AI Supervisory Developments:

The EU AI Office will play a key role in implementing the AI Act. As well as being a supervisor of frontier AI across the EU it has provided cross-industry guidance on a range of areas relevant to financial services such as the AI system definition and prohibited practices and is due to provide guidance on the high-risk classification under the AI Act in the coming months.

The European Supervisory Agencies are adopting to an outcome-focused approach to AI risk-management anchored in the AI Act, DORA, and other existing sectoral regulation and guidance. This focuses on governance, proportionality, accountability and integration AI supervision into the mainstream prudential and conduct risk frameworks of regulated firms, not treating AI as a silo.

AI considerations feature in our supervisory priorities for 2026 and beyond, with the degree of focus varying depending on AI's significance in each sector, our assessment of risk and the wider European supervisory agenda. Many of the risks associated with AI are not new and are already covered by existing regulations and standards, with the AI Act representing a targeted addition that will need integration into firms' operational frameworks.

As firms increasingly digitalise how they deliver important services to consumers and investors, the resilience of those technologies and of the third-party providers behind them, becomes a core supervisory concern. In the face of a constantly evolving technological and cyber-threat landscape, including related to frontier AI models, firms need a future-proofed strategic response with senior sponsorship and appropriate levels of investment. Firms' obligations under DORA apply directly here: including maintaining a clear view of ICT risks, ensuring ICT controls evolve with emerging threats, and being prepared to respond to & recover from operational disruptions.

Firms must adhere to the following standards when deploying AI:

• Strategic alignment - Firms must ensure their use of AI is appropriate for the specific business challenge being addressed.

• Accountability and explainability - They should establish clear accountabilities and responsibility, human oversight of decisions and their explainability.

• Proportionate governance - Risk management practices must be commensurate with the scale, scope and sensitivity of the AI deployment.

• Compliance - Processes should be in place to ensure all EU AI Act obligations are met including transparency requirements.

Spotlight on Tokenisation

50% of firms using DLT as their enabling technology were focused on tokenisation

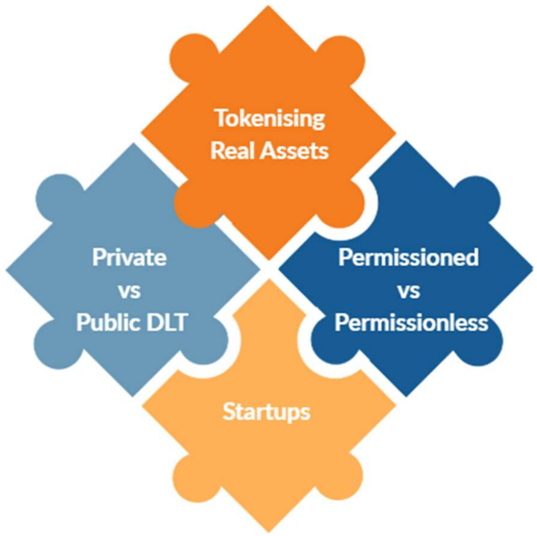

Fig 1.8. Spotlight on Tokenisation

Digitalisation, tokenisation and new forms of digital money will continue to shape financial markets in the years ahead.

We continue to see the use of distributed ledger technology (DLT) across multiple sectors such as Capital Markets and Investments, RegTech, Insurance and Banking.

A primary use case of firms that engaged through the Hub in 2025 related to the tokenisation of real assets (for example real estate) for retail investors.

In March 2026, the Central Bank published a Discussion Paper on the potential application of tokenisation within the Irish and European financial services ecosystem.

Our Discussion Paper aims to:

- Increase our understanding of DLT and its potential to transform the underlying infrastructure of finance and create new innovative financial services.

- Assess the opportunities, challenges, enablers (including legal and regulatory clarity, operational resilience and scalability, and interoperability) and risks arising from these technological innovations.
- Examine how DLT and tokenisation interact and intersect with existing financial infrastructures, intermediaries and product offerings.
- Ensure that the use of DLT and tokenisation in financial services deliver the benefits of efficiency, transparency, and accessibility for the welfare of society as a whole.

In publishing this we are seeking to join the dots on the tokenisation of assets alongside the tokenisation of money, leveraging our unique vantage point as a Eurosystem central bank and integrated financial regulator.

Our objective is to allow innovation in financial services to deliver efficiency, transparency, inclusion and broader economic benefits, while ensuring that risks are appropriately managed. Effective coordination among central banks, regulatory authorities and industry will be essential to maintain coherence and responsiveness as tokenisation becomes integrated into financial services.

Digital Money and Tokenisation – Supervisory Developments:

Our planned activities range from our gatekeeping role in the authorisation of Crypto Asset Service Providers under MiCAR and their ongoing supervision to our consideration of how the fundamental changes to the way financial products and services are structured and delivered – including asset tokenisation, the development of stablecoins, tokenised bank deposits and a digital euro - affect consumers and established firms.

Sector Focus 2025

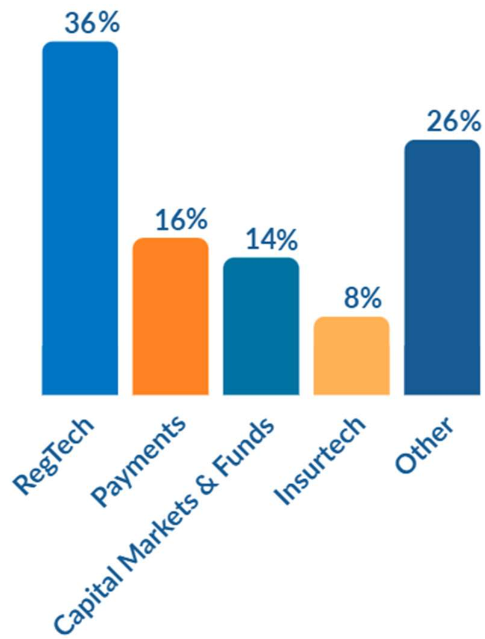

Fig. 1.9. Sector Focus 2025

In line with previous years, there was a broad range of enquiries across all sectors of financial services, with the highest level of enquiries from firms in the RegTech and Payments sector.

The largest single increase in enquiries came from firms in the Capital Markets and Funds sector with 14% of all enquiries in 2025 compared to 1.4% in 2024.

The increasing trend towards tokenisation of assets for retail investors also contributed to the increase in engagement from firms in the Capital Market and Funds space.

Increased engagement from RegTech & Payment firms in 2025 focussed on:

DORA

MiCAR

Tokenisation

AI

Innovation Sandbox Programme 2025

About the Innovation Sandbox Programme

The Central Bank developed an Innovation Sandbox Programme to inform the early-stage development of selected innovative initiatives in financial services that promote better outcomes for consumers and the financial system. Through the programme, we aim to provide regulatory advice and support to firms on their innovative projects, in line with our public policy objectives.

Innovation Sandbox Programme 2025 – Combatting Financial Crime

The Central Bank's inaugural Innovation Sandbox Programme on Combatting Financial Crime ran from December 2024 to June 2025. We accepted 7 participants whose projects ranged from zero knowledge proof technology for name and address verification to AI driven analytics for motor insurance and fraud protection.

Key Highlights

Key Highlights

38 applications received

7 participants selected including 2 partnerships

Geographic reach - Ireland, Europe & UK

Programme duration - 6 months

62 dedicated support sessions
& 6 workshops

Internal support from 100+ Central Bank
Staff to enhance understanding of
relevant regulations for all participants

Data Hackathon with 40+ students
submitting research reports

Fig 2.0. Key Highlights

Participant Outcomes

Participant	Category	Innovation Focus	Outcome
AMLYZE	Information Sharing	AMLTRIX: an open-source knowledge framework for AML/CFT typologies	☑ Launched during programme
ROSEMAN LABS		Privacy-enhancing technology for data sharing	☑ Proof of concept with two Irish banks
SEDICII / PTSB	Identify Verification	Zero-knowledge proof name and address verification	☑ Developed and completed a pilot programme
TRUSTELEVATE		Digital onboarding for minors	☑ Regulatory clarity provided
VIDOS		Digital identity verification	☑ Regulatory clarity provided
EXPLEO	Fraud Prevention	Phone call blocking	☑ Phone call blocking prototype developed
FORWARD EMPHASIS / PASABI		AI–driven motor insurance fraud detection	☑ Ghost broking detection prototype developed

Fig 2.1. Participant Outcomes

Insights

The diverse experiences and outcomes achieved by the seven participants provide valuable insights into both opportunities and persistent challenges. Over the course of the six-month programme, the Central Bank gained significant insights into what is needed to improve financial crime prevention efforts, including the potential for innovative technologies and regulatory clarity.

Through the programme we learned that the sandbox model works when participants engage fully and address industry and system-wide challenges rather than narrow commercial interests.

We also found that as a regulator our convening role multiplies when combined with structured programmes bringing diverse stakeholders together around common problems.

Finally, we discovered that innovation can deliver better outcomes when regulatory oversight ensures solutions serve public interest from the outset. For more information see our insights report.

Data Hackathon

A core component of the Innovation Sandbox Programme was the exchange of insights through the Central Bank's Research Engagement Programme. This feature involves advancing research in important areas connected to the theme, taking various forms as required.

As part of this programme, the Central Bank was able to collaborate with the University of Limerick (UL), hosting a first of its kind Hackathon event in the Kemmy Business School.

This initiative brought together students from UL's Financial Services, Accounting, and Risk and Insurance MSc programmes to tackle the growing challenges of financial crime through data-driven innovation.

A key enabler of this event was NayaOne, whose cutting-edge data repository provided the digital sandbox environment essential for students to simulate and test their models.

Over 40+ students submitted research projects, with 6 successful entries being selected for a showcase event held in UL.

Picture 1 shows staff from the Central Bank, NayaOne and University of Limerick Professor Eamonn Leonard and students

2025 Engagement

Industry and stakeholder engagement, at a local and international level, is at the core of the activities of the Innovation Hub. Engagement helps us to better understand the environment. And clarity helps stakeholders to better understand us. Both of these help us in our wider work and to deliver our outcomes.

Innovation Engagement

In 2025 we engaged with stakeholders in a number of ways, attending and participating in over 50 events, including industry working groups, international cooperation, and technology/innovation events such as:

- Participation in the Irish Funds 'Emerging Tech & Innovation Speaker Series' in Cork in March.
- Participation in the 'ÉireFin' Fintech Accelerator run by MiddleGame Ventures and Enterprise Ireland in March.
- Presenting at the 'Eyes Off Data Summit' in September.
- Presenting at the John McCarthy AI Summer School on 'AI for Finance' hosted by the RDI Hub in September.
- Hosting an 'Office Hours' session, facilitated by Enterprise Ireland, with engagement from 8 companies in October.

The Central Bank hosts its annual Financial System Conference, an event that brings together the diverse perspectives of international and domestic policymakers, industry leaders and consumer representatives from across the financial system.

The learnings from the Innovation Sandbox Programme were discussed as part of a detailed panel, highlighting how the Central Bank, participant firms, and industry learned from the programme.

Picture 2 shows Carole Donaghy (Central Bank of Ireland), Audrey Crummy (FSI), Eamon Leonard (UL), and David Tighe (Central Bank of Ireland) at the Financial System Conference

The Financial Industry Forum Innovation Subgroup has played an important role in informing the work of the Innovation Hub and the organisation's Innovation Strategy more broadly. In 2025, the Subgroup met in Spring and Autumn and industry shared insights on leveraging best practice in the development of regulatory sandboxes and the Central Bank highlighted the objectives and purpose of the Innovation Sandbox advising the theme would focus on innovation in payments. Discussions throughout the meetings explored the importance of capturing the learnings from the Sandbox, and the potential opportunities and challenges of AI for the financial system.

The Innovation Strategy team was recognised as Fintech Public Servant Advisor or Team of the Year at the National Finance Conference 2025. This award reflects the dedication of colleagues across the Central Bank of Ireland and our commitment to working alongside Ireland's dynamic fintech community — supporting innovation, protecting consumers, and building a resilient financial ecosystem.

EU and International Engagement

Collaboration with international regulators and standard-setting bodies provides a better understanding of the technological opportunities and challenges facing financial services.

The Central Bank is heavily involved in innovation-related and digital finance-related committees across the three European Supervisory Authorities – ESMA, EIOPA and EBA – International Organisation of Securities Commissions, as well as other EU and international organisations.

The Innovation Strategy team collaborates, engages and shares insights with our regulatory peers on a continuous basis.

Bank for International Settlements Innovation Hub

The Bank for International Settlements Innovation Hub aims to foster international collaboration on innovative financial technology within the central banking community. The Bank for International Settlements mandate is threefold: 1) to identify and develop in-depth insights into critical trends in technology affecting central banking, 2) to develop public goods in the technology space geared towards improving the functioning of the global financial system, 3) to serve as a focal point for a network of central bank experts on innovation.

- Central Bank participated in the Bank for International Settlements Innovation Hub's 2025 Analytics Challenge in March.
- Central Bank participated in a workshop on ‘AI in Financial Services’ in November.

Participation in these activities helps inform our understanding of developing areas and learn from, and share knowledge with our peers.

European Forum for Innovation Facilitators

The European Forum for Innovation Facilitators provides a platform for supervisors to regularly share experiences from their engagement with firms through innovation facilities.

The Central Bank presented to the forum members in 2025. This covered updates on trends from the Innovation Hub and the Innovation Sandbox Programme, and our research engagement with UL.

This sharing of knowledge supports the Central Bank's work on understanding emerging trends, enhances our technological expertise, and supports us to reach common views on the regulatory treatment of innovative products, services and business models.

Other Regulator Engagement

The Central Bank engages with regulatory peers in a range of ways, through forums such as above, or by participation and engagement with programmes hosted by our peers or through individual engagements on relevant topics. Examples of these engagements in 2025 include:

- Financial Conduct Authority (UK)
    - Attendance at the AI Showcase
    - Attendance at the Open Finance Demo Day
- Hong Kong Monetary Authority
    - Presentation and shared learnings on Stablecoin approach and Sandbox

The Central Bank also participated in the 3rd cohort of the European Blockchain Sandbox, a pan-European initiative for national regulators and supervising authorities to discuss innovative use cases of blockchain technology and any regulatory issues that have arisen on a national level in a cross border setting.

EU-Supervisory Digital Finance Academy

Over 100 Central Bank staff completed training on innovation-related topics through the EU Supervisory Digital Finance Academy (EU-SDFA) between 2024 and the first half of 2026. The EU-SDFA is a three-year technical support initiative delivered by the European Commission (DG REFORM) in cooperation with the European University Institute – Florence School of Banking & Finance (EUI-FBF) and the European Supervisory Authorities.

This training provides opportunities for staff to upskill on important and emerging topics including cyber risk, SupTech, data-driven business models and data sharing, distributed ledger technology (DLT) and MiCAR, the Digital Operational Resilience Act (DORA), and tokenisation.

The Innovation Strategy Team delivered a presentation at the EU-SDFA workshop titled "Digital Sandboxes and Financial Supervision: Best Practices and Future Strategies," hosted by the Bank of Greece in July 2025.

The workshop brought together 20 participants from national competent authorities (NCAs) to explore how digital sandboxes can support supervisory innovation by:

- Enhancing financial supervision while fostering innovation
- Strengthening cross-border collaboration
- Aligning with broader innovation and regulatory frameworks

Through case studies, interactive sessions, and strategy design exercises, participants examined real-world sandbox models, governance approaches, and global best practices, helping supervisors and regulators better understand how to test and oversee emerging financial technologies.

Research Engagement

The Central Bank's Research Agenda reflects our full mandate and aligns with the key themes of our Strategic Plan. Research helps us to be future focused by anticipating and responding to changes in the economy and financial system.

There is significant overlap between the Central Bank's work in Research and the work in Innovation, particularly through the lens of the 'evolving financial system'.

As such, the Innovation team engaged with multiple universities and research centres throughout 2025 on a wide range of activities including:

University of Limerick Academic Paper

The Central Bank partnered with UL to examine how the Central Bank of Ireland's Innovation Sandbox supported innovation without regulatory waivers — through structured engagement, clear boundaries and deliberate trust-building.

Their paper, currently being peer-reviewed, titled "Regulators as Innovation Enablers: Social Capital and the Central Bank of Ireland's Innovation Sandbox", shows how social capital can function as a regulatory instrument in its own right and helps reframe the role of regulators — not just as rule-setters, but as active enablers and orchestrators of innovation ecosystems.

University College Dublin (UCD)

In September, the Innovation team assessed and gave feedback to student teams from UCD Fintech programme pitching their innovative solutions for combatting financial crime.

2026 and beyond

In 2026, we will continue to embed and evolve our innovation engagement framework.

Innovation Sandbox Programme 2026 – Innovation in Payments

Building on the success of the first programme, we launched our second thematic Innovation Sandbox Programme in 2025, focused on innovation in payments.

The programme addresses four focus areas:

- Inclusive access to the digital economy.
- Frictionless and transparent money movement.
- Resilient and secure payments.
- Safe integration of emerging payment technologies.

The objective is to accelerate solutions that deliver safer, faster and more inclusive payments for households and businesses, while giving the Central Bank early insight into emerging risks and supervisory questions.

We received 38 applications from across the innovation ecosystem and multiple countries, reflecting a strong appetite for innovation.

The eight participants in the programme are creating easier and more secure payment and finance solutions.

Our eight participants are:

- Antreo– Antreo is a secure way to link verified ESG data to payments so organisations can capture, share and audit sustainability information.

Focus on deepening our:

Regional Engagement

Research

Insight

- FacePOS– FacePOS is a Pay by account (PayBAC) wallet for both consumers and businesses using facial recognition for instant payments at point of sale.
- Monee– Monee is a digital financial market infrastructure provider enabling cross-border payments and securities settlement between the UK and Ireland.
- Narrative and Bank of Ireland- Narrative's AI-native platform transforms Open Banking data into Digital CFO guidance, boosting financial health and lending readiness for small businesses.
- Payemoji – Payemoji is an AI Powered Payments business service, provide secure card-not-present payments & refunds, eliminate chargebacks and grow sales by turning payments into conversations.
- Pocket Fund Technologies Ltd t/a Maximo with strategic partner Irish Life – Maximo is an API fintech that enables Life Companies to connect their clients to their Pension and Tax refund options.
- PTSB and BarraLake - BarraLake's SARE platform powers the initiative with a cloud-based, API-ready system that tokenises digital assets for next-generation value exchange.
- StableGreen – StableGreen is developing systems that power agreement-driven payment models in regulated markets.

In January, we launched the opening module at Dogpatch Labs in Dublin.

Picture 3 shows Director of Policy and International Division at the Central Bank of Ireland, Mícheál O'Keefe

We will complete delivery of the Innovation in Payments Sandbox Programme in June 2026 and publish an outcomes report in Quarter 4.

We will also be publishing research and insights from the participants with our research partner, University College Dublin, both during the course of the programme and beyond.

Lessons from this cohort will inform future thematic selection and operating model refinements.

We will further enhance the Innovation Hub, including development of our 'Innovation Insights' to support wider ecosystem understanding. We will continue to prioritise transparency by sharing outcomes of Sandbox activity on an annual basis.

This year we will continue to look to deepen our regional engagement through the Innovation Hub by participating in more onsite activities in different regions. In February 2026, we hosted on an 'Office Hours' session, facilitated by RDI Hub, with engagement from 7 companies. This visit provided a valuable opportunity to engage directly with firms from the RDI ecosystem.

We will deepen staff learning through cross divisional engagement and internal knowledge sharing. This will ensure that insights from innovation engagement inform day to day supervision and policy development.

At EU level, we will continue to contribute to policy discussions on payments, financial crime prevention and digital innovation. Experience from our Sandbox Programmes positions us to provide practical insight into how regulation operates in practice.

On the research side, the Central Bank and Banca d'Italia launched the Innovation Data Challenge 2026.

The central banks have focused this first joint regulator challenge on the use of technology and data to innovate retail payments. This cross-regulator initiative is designed to foster cutting-edge research and innovation in the retail payments sector.

Students from Irish and Italian universities will participate in this initiative, which will offer a unique opportunity to explore how technology and data can help shape the future of payments. Participants will include students from University College Dublin, University College Cork, University of Galway, University of Limerick, Università Bocconi, Politecnico di Milano, and University of Naples 'Parthenope'.

Teams will have access to a data platform featuring synthetic and real datasets to promote research in the payments sector. Applications will open mid-January with a virtual showcase at the end of April.

Through this work, the Central Bank will continue to support innovation that delivers better outcomes for consumers and the wider economy, while safeguarding financial stability and trust in the system.

Updates on our innovation engagement facilities will be posted here.

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