

Fintech Trends for 2025

Transformative Legal Experts

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1. Rebound of Fintech Investment

25 is expected to bring a rebound on fintech investment, boosting M&A activity and expansion projects of current fintech players throughout Europe. Economic recovery, lower interest rates, and more regulatory clarity are expected to create a favorable environment for new investment projects in Portugal, leveraging Portugal's appeal to digital nomads and Portuguese tech engineers' reputation in the market. Acquisitions, establishment of new branches or joint ventures with local entities are expected to jump in the upcoming year.

AI, incorporation of regtech solutions, and other technologies are expected to boost fintech efficiency and attractiveness, leading to more integration as a way to face enhanced regulatory requirements and more active roles of the Portuguese regulators.

Portuguese regulators are more cooperative on acquisition of qualified holdings regulatory controls, leading to smoother and predictable regulatory proceedings, which is aligned with the purpose of diversifying licenses in Portugal and increasing competition through the attraction of fintech players to the Portuguese market.

2. Market developments for lending and payments

Lending, both consumer and corporate lending, is subject to particularly stringent licensing requirements in Portugal, which were smoothed for corporate lending with the creation of loans funds, which are finally launching further to the clarification of the tax regime. Loan funds could be extremely attractive for fintech players entering into the corporate lending market, not only for tax reasons but also due to regulatory flexibility and funding diversification. 2025 will likely bring us the first successful cases of fintech using loan funds as a platform for corporate lending business.

On the consumer lending side, BNPL and embedded finance solutions are expected to grow in Portugal with increasing demand for customer personalization of payment methods and rush to greater efficiency, security and speediness on the still traditional and bank-centric payments sector (instant payment solutions such as Pix in Brazil will likely serve as benchmark for further European developments).

3. Decentralised finance and asset tokenization

DeFi and asset tokenization are growing at a relatively slow pace in Portugal. We anticipate that 2025 will mark the beginning of several innovative projects related to the tokenization of financial instruments and real-world assets. These projects are expected to bring more liquidity to traditionally illiquid markets and diversify the sources of financing available to consumers, corporate clients, and small entrepreneurs.

Regulatory stability and increasing investment in this sector by VC seeking larger returns in certain markets, will likely fuel the growth of tokenization projects in Portugal.

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4. MiCA Regulation

The entry in full force of the European Union's Markets in Crypto-Assets (MiCA) Regulation on 30 December 2024 has set the stage for a transformative year in the crypto-assets sector, by introducing a new licensing regime for crypto-asset service providers (CASP) and issuers of certain types of crypto-assets, as well as additional requirements for crypto-asset issuances. We expect these developments to bring more trust into the sector and strengthen the Portuguese crypto-asset market.

The MiCA Regulation includes a transitional regime allowing crypto-asset service providers that rendered their services in accordance with applicable national laws before 30 December 2024 (however the Portuguese transitional regime is still pending) to continue rendering such services during a certain period. This makes current operating VASPs as valuable targets for acquisitions while new authorization procedures under the new framework are expected to kick-off as soon as the Portuguese regime is published.

5. Green Fintech

Green Fintech companies are expected to lead a change in sustainable finance in 2025, by creating solutions which respond to the increasing regulatory pressure to hold companies accountable for the environmental impact of their business operations and with the rising consumer and investor interest in environmentally conscious services. Areas such as sustainable investing, green digital payment and accounts solutions and ESG intelligence are among the top trends which we expect to drive sustainability in the financial sector forward this year.

6. The rapid ascent of Artificial Intelligence and the impact of DORA

A recent report reveals that 76% of financial services companies have already launched AI initiatives, aiming to reduce costs and drive revenue growth. This trend is also visible in Portugal, where even the regulator, the Bank of Portugal, has adopted AI tools to streamline and improve efficiency across various areas.

The upcoming EU AI Act will significantly shape the financial sector. High-risk AI use cases, such as AI-based credit assessments by banks, will face stricter compliance requirements. These standards are set to evolve further with input from European standardization bodies. Moreover, financial institutions experimenting with general-purpose AI systems will need to align their governance frameworks with future regulatory expectations.

Another critical regulatory development in 2025 is Dora (Digital Operational Resilience Act), which addresses ICT risks and has already entered into force. The Bank of Portugal is actively engaged in implementing DORA's requirements. For instance, it plans to issue a regulatory framework detailing communication channels for reporting severe ICT-related incidents and voluntary notifications of significant cyber threats. Additionally, the Bank of Portugal will revise its guidance on third-party ICT service providers following updates from the European Banking Authority (EBA).



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“PLMJ provides an excellent level of customer service.”

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