



The SEACEN Centre

Opening Remarks

“Central Banking in the Age of Artificial Intelligence: Payments, Regulation, and Financial Stability for a Connected Asia”

Speech by the Executive Director of The SEACEN Centre, Dr Cynyoung Park at the High-Level Conference of the SEACEN Executive Committee Meeting, 5 October 2026

The High-Level Conference was held on 5 October 2026, ahead of the 25th SEACEN Executive Committee (EXCO) Meeting in Bali, Indonesia, hosted by Bank Indonesia (BI)

Deputy Governor Ricky Gozali, Deputy Governors and Members of the SEACEN Executive Committee, Distinguished speakers, colleagues, ladies and gentlemen,

Good morning.

Let me begin by expressing our sincere thanks to Bank Indonesia for hosting this High-Level Conference in conjunction with the SEACEN Executive Committee meeting. We are especially grateful for the generosity and care with which Bank Indonesia has welcomed us to Bali—an extraordinary setting in every sense with its beauty, warmth and long tradition of bringing people together.

Our theme today—“Central Banking in the Age of Artificial Intelligence: Payments, Regulation, and Financial Stability for a Connected Asia”—is timely. AI has wide-ranging implications for the present and future of our economies, making its mark on productivity, labour markets, prices, expectations, risk assessment, and financial conditions.

In his recent Jackson Hole address, Federal Reserve Chairman Kevin Warsh framed AI as the latest general-purpose technology—one that could lift productivity and living standards, but its speed, scale, and economic

consequences remain uncertain. Massive and immediate investment in AI and related industries—including data centres, energy, and other infrastructure—is already boosting demand, with its effects on prices, employment, and wages beginning to emerge.

His address carries important messages for all central bankers. As stewards of economic and financial stability, we must remain open to the promise of technology, but we must not mistake promise for certainty.

AI can improve risk assessment, financial planning, fraud detection, and compliance. Yet it also creates vulnerabilities through opaque model, data dependence, bias, cyber risk, and concentration among technology providers. The challenge is not only about AI safety for individual banks, but what happens when many institutions rely on similar models, common data, and the same cloud providers. As the Financial Stability Board recently noted, these dependencies can amplify correlated behaviour and systemic fragility. They therefore require coordinated supervision, regulation, and macroprudential oversight.

Simultaneously, tokenisation, digital assets, digital currencies, and programmable payments bring together functions that were once kept separate. Finance is becoming more digital, interconnected, and always on. In this environment, sound judgement, credible institutions, and effective cooperation will be essential for you, central bank leaders in this room.

Against this backdrop, let me turn to a concrete regional agenda for connected, trusted, and resilient finance.

Asia's digitalisation agenda is increasingly about more than technology. It is about growth, inclusion, regional economic integration, and resilience in a fragmenting global economy.

Across the region, digitalisation is already supporting intraregional trade, supply chain management, and greater access to payments and financial services.

In this context, Asia has made important progress in linking payment systems across borders. These connections facilitate trade and investment and contribute to financial resilience. But important gaps remain.

Connectivity alone is not enough. It must be supported by compatible rules, strong governance, and, above all, liquidity and trust.

Asia's growing network of links between domestic instant-payment systems shows what is possible. But the next generation of systems will be even more seamless: increasingly programmable, automated, and available around the clock.

More bilateral links do not automatically add up to an integrated regional network. Without compatible standards and arrangements, greater scale may simply mean greater complexity and higher costs.

That is why regional cooperation should focus more on interoperable systems and institutions that will allow technology to work across borders. These include messaging standards, digital identity, due diligence, data protection, dispute resolution, fraud reporting, and settlement finality.

Common principles and multilateral arrangements can reduce the cost of expanding cross-border links while respecting different national systems. We do not need uniform laws and regulations. We do need transparency, compatibility, and mutual recognition.

Inclusion must also be part of the design.

MSMEs and smaller financial institutions need affordable access, proportionate compliance requirements, transparent pricing, interoperable digital identity, and support for digital literacy. Consultation with banks, payment providers, technology firms, and smaller businesses should help identify barriers that may not always be visible to regulators.

We must also recognise that faster and more connected systems can transmit risks more quickly.

We should not confuse payment connectivity with a financial safety net. Faster payment rails do not create foreign-currency liquidity in a crisis. They don't replace reserves, swap arrangements, sound macroeconomic policies, or deep and effective hedging markets.

Regional arrangements therefore need clear frameworks for liquidity, settlement risk, cyber incidents, fraud, and operational outages. These should be supported by supervisory cooperation, crisis communication, stress testing, and clear accountability.

Ultimately, resilience depends on how financial institutions and systems can coordinate and continue function effectively under stress.

And here, I would emphasise two foundations: liquidity and trust.

We have sought to advance a regional payment architecture that can bring together payment instructions, compliance, foreign-exchange execution, and settlement. A Nexus-style scheme, for example, can help standardise processes across instant-payment systems. But again, payment connectivity is not an FX backstop. It must be supported by credible arrangements for liquidity.

BIS-led experiments point to some of the possible building blocks. Project Mariana examined how automated market makers could facilitate the pricing, execution, and settlement of spot foreign-exchange transactions. Project Mandala explored how to incorporate jurisdiction-specific policy and regulatory requirements into a common protocol.

These initiatives illustrate what technology can make possible. But moving from experimentation to an operational regional model requires more than technical capability. It requires clear safeguards against market disruption, losses of confidence, and the costs and risks of rebalancing liquidity.

Let me conclude.

Our financial systems do not need to follow identical paths of development. But we need to learn from one another, assess emerging risks together, and build interoperable systems and compatible regulatory approaches that allow innovation without compromising stability.

SEACEN is a partner in this journey. Our role is to help members build these future capabilities, learn from one another's experiences, and deepen the mutual understanding and trust that make regional cooperation possible.

In 2026, we devote more than a quarter of our research and capacity-building activities to AI, digital technology, and governance for digital transformation. We remain committed to scaling up our work in areas such as AI in economic analysis and regulation, digital currencies, digital payment connectivity, cybersecurity, and financial stability in digital era.

I encourage all of you to continue using SEACEN as a platform for learning, sharing experience, testing ideas, and developing regional policy insights together.

Because ultimately, the future of finance in Asia will be shaped by the institutions, rules, capabilities, and trust that we build around it.

I look forward to our discussion, and to working together to shape the next generation of central banking and finance in Asia.

Thank you.

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About The SEACEN Centre —

The South East Asian Central Banks (SEACEN) Research and Training Centre was established in 1982 to serve the capacity building needs of central banks in the South East Asian region. Starting with 8 initial members, the Centre now boasts members from 19 jurisdictions among its full members, as well as 9 Associate and 7 Observer members in the Asia-Pacific region. The SEACEN Centre has established its unique regional position in serving its membership of central banks in the Asia-Pacific region through its learning programmes, research work, and networking and collaborative platforms for central banking capacity building in line with its Vision to become the Regional Learning Hub for Central Banks in the Asia-Pacific region.

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