EDITORIAL: *Panta rei* — Finance changes too

Dear readers!

It is to a Greek philosopher named Heraclitus, who lived between the 6th and 5th centuries B.C. in Ephesus, an Ionian city in the Anatolian peninsula (part of present-day Türkiye), that is attributed to the maxim "*panta rei*", literally "everything flows, everything is in constant motion". Heraclitus reflects that man can never experience the same thing twice, since every entity, in its apparent reality, is subject to the inexorable law of change.

In this third issue of the journal *Risk Governance & Control: Financial Markets & Institutions*, the common thread running through the published research is the aphorism "*panta rei*" as all research is inspired by changes and innovations that contribute to the advancement of science.

The factors most subject to constant change certainly include the information technology (IT) sector and, thus technology. When new technologies emerge, such as robotics, artificial intelligence and virtual reality, a transformative change occurs as how companies operate is altered (Ali et al., 2023). In 2021, began to spread with some significance the market for non-fungible tokens (NFTs) (Dowling, 2022): digital assets whose ownership is registered via blockchain.

NFTs are becoming increasingly mainstream and are attracting a lot of interest from researchers and practitioners: *Mfon Akpan* and *Henry Ugochukwu Ukwu* in their article carry out a comprehensive analysis of the difficulties associated with NFTs, including their impact on the art market, the risks associated with property rights and the correct treatment in financial statements under International Financial Reporting Standards (IFRS).

The ongoing development of technology also affects the banking sector: regulatory technology called RegTech has become a significant research topic in financial stability regulation (Chao et al., 2022; McCarthy, 2023). RegTech harnesses artificial intelligence for cost-effective early risk identification (Anagnostopoulos, 2018; Buckley et al., 2020; Butler & O'Brien, 2019; von Solms, 2021). *Luca Battanta* and *Francesca Magli* in their article, through an exploratory survey conducted using interviews, explain how the financial system in Switzerland or other countries could improve thanks to the combination of technology and regulation, primarily through instruments such as RegTech incubators, accelerators and skills aggregators.

Not only is technology constantly evolving, but corporate governance is affected by changes in the external world around it and the characteristics of its directors, albeit at a slower and slower pace than the rate of technological evolution. In this regard, *Dean Blomson*'s research examines the relevance, contribution, role and operation of a networked board, as opposed to traditional governance systems. The paper, analysing the merits and limitations of a networked board, innovates previous literature by highlighting how what is unconventional today, may be unconventional tomorrow.

It is well known that governance plays a fundamental role in defining the strategies a company undertakes intending to create value for shareholders and stakeholders (Balachandran & Faff, 2015; Boubakri et al., 2008; Goh et al., 2016). *Hassan M. Hafez* focuses on the study of governance within the banking sector and sets out to analyse the impact of governance on liquidity risk for Egyptian banks from 2000 to 2022, finding a relationship that merits further investigation.

Governance determines the strategies of companies and thus also their being environmental, social and governance (ESG) friendly (Miranda et al., 2023; Nadeem et al., 2020; Ranaldo et al., 2023; Shahab et al., 2020). The focus on ESG aspects has become crucial in recent years, especially given climate change and the preservation of the environment in which we live. For this reason, *Valentina Cioli, Alessandro Giannozzi, Lucrezia Pescatori*, and *Oliviero Roggi* in their research set themselves the goal of investigating the relationship between ESG variables and credit ratings. Through an analysis of a sample of 1191 companies listed in the US in 2021, the research shows a direct relationship between ESG performance and credit ratings. However, the empirical analysis shows that the current integration of ESG parameters into credit rating assignment processes is only at an early stage because it is still difficult to quantify the impact of these factors by separating them from economic and financial indicators.

We are grateful to all the scholars who have contributed to this issue, whose highly topical objectives relate to the diverse and new frontiers that the world of finance must continually address to stay abreast of the times and to reflect on the practical, managerial and regulatory implications that these constant changes require.

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