

Consultation conclusions for legislative proposal to implement regulatory regime for stablecoin issuers in Hong Kong released

The Financial Services and the Treasury Bureau (FSTB) and the Hong Kong Monetary Authority (HKMA) jointly issued today (July 17) the consultation conclusions on the legislative proposal to implement a regulatory regime for fiat-referenced stablecoin (FRS) issuers in Hong Kong.

During the two-month public consultation period completed in February this year, 108 submissions from market participants, industry associations, business and professional organisations and other stakeholders were received. A vast majority of respondents agreed that with the increased prevalence and evolving development of virtual assets (VAs), a regulatory regime should be introduced for FRS issuers, with a view to facilitating proper management of the potential monetary and financial stability risks, as well as providing transparent and suitable guardrails. The proposed regulatory requirements and implementation arrangements received general support from respondents, with some further enhancements suggested in the submissions.

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "In addition to the existing regulatory regime for VA trading platforms, the establishment of a licensing regime for FRS issuers will further strengthen the VA regulatory framework in Hong Kong in line with international standards and effectively mitigate possible financial stability risks associated with FRS issuance activities."

The Chief Executive of the HKMA, Mr Eddie Yue, said, "We are grateful for the respondents' valuable comments and are encouraged by the general support for the proposed regulatory regime. We believe that a well-regulated environment is conducive to the sustainable and responsible development of the stablecoin ecosystem in Hong Kong."

The FSTB and the HKMA will take into account the views and suggestions from respondents in finalising the legislative proposal for implementing the regulatory regime, with a view to introducing a bill into the Legislative Council as soon as possible.

The consultation conclusions are available on the websites of the [FSTB](#) and the [HKMA](#). The HKMA is also processing the applications for the stablecoin issuer sandbox, with the list of sandbox participants to be announced shortly.