

Stablecoin developments in Asia

Regulatory comparisons – Feb 2025

	Hong Kong (Stablecoin Bill)	Singapore (MAS SCS Framework)
Licensing	Issuers will require a license from the Hong Kong Monetary Authority (HKMA)	Issuers of “MAS Regulated Stablecoins” with circulation exceeding S\$5 million will need a major payment institution (MPI) license from the MAS; SCS issuers below the threshold will not be regulated
Regulated Stablecoins	<ul style="list-style-type: none"> (1) Issues fiat referenced stablecoin in Hong Kong (2) Issues a HKD referenced (partially or wholly) stablecoin outside of Hong Kong (3) Issues a fiat reference stablecoin outside of Hong Kong and actively markets to the public in Hong Kong 	Single-currency stablecoins (SCS) pegged to the Singapore dollar or any G10 currency issued solely in Singapore labelled as “MAS Regulated stablecoins”
Reserve Assets	High-quality liquid assets; specific requirements to be detailed in subsidiary legislation	Portfolio of reserve assets with very low risk; must be at least 100% of the outstanding SCS in circulation
Redemption at Par	Issuers must honour redemption requests at par	Issuers must return the par value of SCS to holders within five business days
Capital Requirements	Paid up capital of no less than HKD\$25 million or a higher amount as determined by HKMA	Higher of S\$1 million or 50% of annual operating expenses as base capital requirement
Solvency	Must have adequate financial resources and liquid assets to meet its obligations as they will or may fall due	Liquid assets which are valued at higher of 50% of annual operating expenses or an amount assessed by annual independent audit to be needed to achieve recovery or an orderly wind-down
Business Restrictions	Other business activities possible subject to – (i) dedicated and sufficient resources for issuance (ii) prior HKMA consent (iii) no significant risk to issuance and (iv) mitigation of potential or actual conflicts of interest	No other activities unless necessary to carry out business operations, such as custody of issued SCS, or facilitating the transfer of issued SCS to buyers
Disclosure	Issuers must provide adequate disclosures to users	Issuers must provide disclosures on the SCS's value stabilizing mechanism, rights of holders, and audit results of reserve assets
Other Requirements	Compliance with AML/CFT requirements, secure custody arrangements	Compliance with requisite notices applicable to MPI and SPI holders (such as AML/CFT, cyber hygiene and technology risk management), use of the term “MAS-regulated stablecoins” for compliant stablecoins