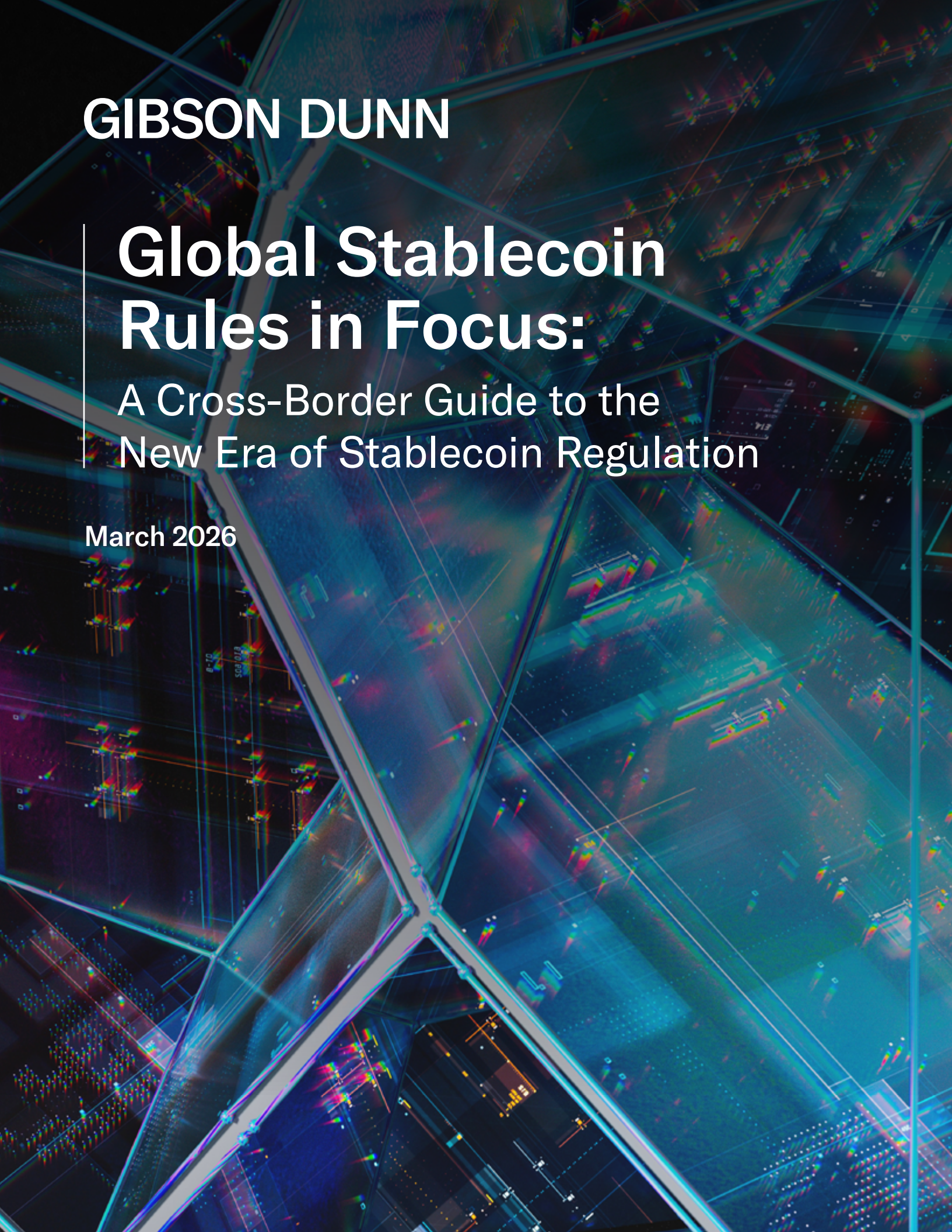

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Global Stablecoin Rules in Focus:

A Cross-Border Guide to the New Era of Stablecoin Regulation

March 2026

Stablecoins have moved from experimental rails to core market infrastructure, prompting regulators around the world to define who may issue them, how reserves must be held, and what rights users have upon redemption, among other things. Across leading jurisdictions, common policy aims—payment stability and consumer protection—coexist with divergent approaches to licensing, prudential standards, disclosures, custody, and market conduct. The United States is progressing through a patchwork of federal and state measures, but with the adoption of the GENIUS Act, there is increasing comfort that the U.S. will implement a clear regulatory framework. The European Union has adopted a comprehensive, passportable regime for cryptoassets and connected services. The United Kingdom is bringing crypto-assets, including stablecoins, within its regulatory framework. Hong Kong recently implemented a licensing regime for fiat-referenced stablecoin issuers. Singapore is finalizing a stablecoin framework emphasizing reserve quality, par-value redemption and disclosures. The United Arab Emirates supervises issuance, custody, and marketing through a mix of federal oversight and financial free-zone regimes. Other markets—from Japan and Switzerland to Canada, Australia, and Brazil—are likewise codifying rules that vary in scope, timing, and supervisory style.

For issuers, distributors, exchanges, and institutional users, regulatory differences across jurisdictions drive concrete choices, including where to domicile an issuing entity, how to structure reserves and attestations, product design, redemption procedures, listing and distribution strategies, contractual terms with partners, and contingency planning for stress events. Although the regulatory landscape continues to rapidly evolve, the sections that follow provide a snapshot view of the current United States, European Union, United Kingdom, Hong Kong, Singapore and UAE frameworks, and identify the operational implications for market participants. A chart comparing the current regulatory regimes is provided in Appendix 1. For ease of reference, a glossary of defined terms is available in Appendix 2.

I. United States – Core Federal Framework: The GENIUS Act

United States stablecoin activity has operated within a patchwork of federal and state oversight. Historically, most stablecoin issuers operating in the United States have operated as state licensed money transmitters and registered with the Financial Crimes Enforcement Network (FinCEN) as money services businesses. Meanwhile, others have operated subject to the New York BitLicense framework or have obtained limited purpose trust charters or other novel depository institution charters. To further complicate matters, certain product features, distribution channels, and use cases have necessitated engagement with federal (and, where relevant, state) securities, commodities, and banking regulators.

Signed into law on July 18, 2025, the Guiding and Establishing National Innovation for U.S. Stablecoins Act (the GENIUS Act) establishes a federal framework for the regulation of payment stablecoins that is designed to protect holders and increase confidence in the stablecoin market. Although the GENIUS Act establishes the framework, it is not yet in effect, and federal and state rulemakings will determine many of the details, including compliance deadlines, reporting templates, examination scope, and certification mechanics for state permitted payment stablecoin regimes. The U.S. Department of the Treasury (Treasury) and the Office of the Comptroller of the Currency (OCC) have commenced rulemakings to implement the GENIUS Act, which are not yet final. Additional proposed regulations are expected from additional U.S. agencies, including the Board of Governors of the Federal Reserve System (Federal Reserve), the Federal Deposit Insurance Corporation (FDIC), and FinCEN. States are expected to follow with their own regulatory frameworks and applications for regime certification. Market participants can expect a staggered timeline and interim supervisory guidance before there is full harmonization among the rules.

Key components of the GENIUS Act framework are set forth below. For additional information on the GENIUS Act, please refer to our prior publication.[1] For information on the OCC proposal, please refer to our prior publication;[2] however, we note that the OCC proposal remains subject to public comment and, therefore, is not addressed herein.

A. Definition of a "Payment Stablecoin"

The GENIUS Act establishes a federal regulatory framework for "payment stablecoins," which are digital assets designed or used for payment or settlement whereby the issuer:

(i) is obligated to convert, redeem, or repurchase for a fixed amount of monetary value (not including a digital asset denominated in a fixed amount of monetary value) and

(ii) represents, or reasonably creates an expectation, that such issuer will maintain a stable value tied to a fixed amount of monetary value.

By contrast, the GENIUS Act excludes from the definition of "payment stablecoin" a digital asset that is a (1) national currency, (2) deposit (including tokenized deposits recorded using distributed ledger technology), or (3) security.

B. Permitted Payment Stablecoin Issuers

Only a "permitted payment stablecoin issuer" may issue stablecoins within the United States. The GENIUS Act creates three categories of permitted payment stablecoin issuers, each of which must be formed in the United States:

- Subsidiaries of insured depository institutions (IDIs) approved by the parent IDI's primary federal regulator (e.g., Federal Reserve, OCC, FDIC, or the National Credit Union Administration);
- "Federal qualified payment stablecoin issuers" approved by the OCC, which may include (i) non-bank entities (other than state-qualified payment stablecoin issuers), (ii) uninsured national banks (i.e., national trust companies), and (iii) federal branches of foreign banks; and
- "State qualified payment stablecoin issuers" established under relevant state law, subject to a consolidated outstanding issuance cap of less than $10 billion (unless waived), that are not IDIs, subsidiaries of IDIs, an uninsured national bank or a federal branch of a foreign bank, and only where the host state's oversight framework aligns with the certification requirements under the GENIUS Act.

Permitted payment stablecoin issuers will benefit from preemption of state licensing laws, including those applicable to money transmitters. Additionally, a state qualified payment stablecoin issuer's approval to issue payment stablecoins would also expressly supersede and preempt state licensing requirements. Notably, however, state consumer protection laws are not broadly preempted by the GENIUS Act.

Foreign entities are prohibited from issuing payment stablecoins in the United States altogether; however, beginning on July 18, 2028, foreign issuers may offer or sell payment stablecoins through a digital asset service provider if the foreign payment stablecoin issuer:

(i) is subject to a "comparable" regulatory and supervisory regime, as determined by the Secretary of the Treasury (the Secretary) upon a recommendation from the SCRC (as defined below);

(ii) registers with the OCC;

(iii) holds reserves in the United States sufficient to meet United States customer liquidity demands, unless otherwise permitted under a reciprocity arrangement;

(iv) is not domiciled or regulated in a jurisdiction that is subject to comprehensive United States sanctions or is determined by the Secretary to be a jurisdiction of primary money laundering concern; and

(v) has the technological capability to comply, and will comply with, lawful orders to seize, freeze, burn, or prevent the transfer of outstanding payment stablecoins.

The GENIUS Act does not prohibit a foreign payment stablecoin issuer from establishing a permitted payment stablecoin issuer in the United States to issue payment stablecoins.

C. Stablecoin Certification Review Committee

The GENIUS Act establishes the "Stablecoin Certification Review Committee" (the SCRC)[3] to provide secondary federal oversight with respect to the state regulatory framework and state qualified payment stablecoin issuers. The SCRC is tasked with the following:

(i) reviewing certifications from the states that state-level regulatory regimes meet the criteria for "substantial similarity" to the federal regime;

(ii) granting approval for a non-financial services public company to issue payment stablecoins; and

(iii) providing additional guidance, such as interpretive rules addressing the prohibition against non-financial public companies and the form of initial and annual state-level regulatory regime certifications.

Decisions by the SCRC require at least a two-thirds vote (and in certain cases, such as with regard to subpart (i) above, unanimity) and each member of the SCRC must make a recommendation to the Secretary regarding whether a foreign country has a regulatory and supervisory regime that is "comparable" to the requirements established under the GENIUS Act.

D. Core Issuer Obligations

The GENIUS Act imposes uniform baseline requirements on permitted payment stablecoin issuers designed to safeguard reserves, ensure transparency, and mitigate financial crime risk. At a minimum, issuers are expected to implement these obligations through formal policies, board and senior management oversight, internal controls,

and independent testing. Such obligations include the following:

(i) **Full reserve backing.** Issuers must maintain 1:1 reserves against outstanding stablecoins, limited to U.S. dollars or high-quality liquid assets such as cash, bank deposits, and short-term Treasuries, and reserves must be held in segregated accounts and cannot be commingled with assets of the custodian.

(ii) **Prohibition on rehypothecation.** Reserve assets may not be lent, pledged, or otherwise rehypothecated or reused, except for narrowly defined operational exceptions that should be documented and monitored (e.g., satisfying certain margin obligations, obligations associated with custodial services, or creating liquidity to redeem payment stablecoins in narrow cases).

(iii) **Disclosure and third-party assurance.** Issuers must provide standardized, monthly public reporting on reserve composition and sufficiency, supported by independent examinations or attestations by third-party auditors and timely notification of any material deviations. If a permitted payment stablecoin issuer has more than $50 billion in consolidated total outstanding issuance and is not a public company, it must provide annual audited financial statements that are filed with regulators and are publicly available.

(iv) **No interest to holders.** Permitted payment stablecoin issuers may not pay any form of interest or yield to holders solely in connection with the holding, use, or retention of such payment stablecoin. However, they may—and often do—pay reserve income as a distribution expense to partners who often in turn distribute rewards to customers. The regulations related to interest payment structures remain a main focus of the implementing regulations.[1]

(v) **Financial crimes compliance.** Permitted payment stablecoin issuers are designated as "financial institutions" under the Bank Secrecy Act (BSA) and must therefore maintain robust compliance programs to ensure compliance with anti-money laundering (AML), customer due diligence (i.e., "know your customer" or "KYC" checks), sanctions screening, and transaction monitoring requirements commensurate with the product's scale and risk profile. Permitted payment stablecoin issuers will also be required to provide suspicious activity reports to FinCEN and the Office of Foreign Assets Control.

Taken together, these requirements call for robust risk, legal, and compliance capabilities, with clear redemption procedures, incident response playbooks, and partner oversight frameworks to support safe and compliant operations at scale.

E. Key Challenges and Considerations

Implementation of the GENIUS Act presents a series of legal, supervisory, and operational challenges and considerations that market participants will need to address. The multi-agency nature of United States oversight, compounded by the role state regulators will play, increases the likelihood of asynchronous rulemaking, resulting in uneven expectations during the transition period—and, potentially, beyond full effectiveness. Differences in issuer categories and scale limitations may cause market fragmentation and influence corporate structuring and restructuring, while technology choices and distribution models will shape interoperability, compliance costs, and customer outcomes. In addition, product design and marketing will require heightened care to avoid mischaracterization and consumer protection issues. These implementation challenges and considerations may also be compounded by parallel digital asset market structure legislation, including the CLARITY Act, which has passed in the United States House of Representatives, and United States Senate market structure proposals, neither of which would displace the GENIUS Act's core issuance framework but could further shape the regulatory treatment of permitted payment stablecoins with respect to intermediaries, sanctions, and secondary market trading. Some key challenges and considerations for market participants are described in greater detail below.

- **Rulemaking cadence and fragmentation.** Overlapping rulemakings by Treasury, federal bank regulators, and FinCEN—together with state rulemakings—may produce timing gaps and divergent examination and oversight priorities, requiring conservative implementation timelines and robust regulatory entanglement strategies. That complexity could increase if digital asset market structure legislation advances in parallel.
- **Federal-state interplay.** States' regulations and the certification of state regimes and any issuance caps applicable to state-qualified permitted payment stablecoin issuers could segment the market by size and growth trajectory, affecting decisions about domicile, licensing pathway, and group structure.
- Bank incentives and market structure. The differing incentives and constraints for banks that issue versus banks that do not (including reserve treatment consequences) may encourage consortium models, bank-issuer partnerships, bank reseller models, and specialized roles for custody and reserve management.

- **Interoperability and settlement.** Coexistence of public networks and permissioned rails, coupled with issuer-specific mint/burn mechanics, creates integration and reconciliation challenges that must be managed through technical standards, governance of bridging solutions, and clear operational playbooks.
- **Compliance program intensity.** Enhanced BSA/AML obligations, transaction monitoring (including on-chain analytics), and third-party risk management will remain significant cost centers and should be scaled commensurate with product scope and risk.
- **Product design, disclosures, and marketing.** Prohibitions on paying interest to holders, alongside potential sharing of reserve income with partners, call for careful structuring of rewards, precise disclosures, and marketing controls to mitigate the risk of "interest-like" characterizations and unfair, deceptive, or abusive acts or practices concerns. The Treasury ANPRM and related comment letters highlight interest concerns (among other things), suggesting that this is an area that will ultimately receive further clarification and guidance from regulators.
- **Deposit insurance and marketing.** The GENIUS Act prohibits (i) permitted payment stablecoin issuers from representing that payment stablecoins are backed by the full faith and credit of the United States, guaranteed by the United States government, or subject to federal deposit insurance or federal share insurance; and (ii) marketing a product in the United States as a payment stablecoin unless the product is issued pursuant to the GENIUS Act.

II. European Union

In the European Union, the Markets in Crypto-Assets Regulation (Regulation (EU) 2023/1114) (MiCA) regulates the issuance and distribution of stablecoins, as well as requirements and obligations for stablecoin issuers; it also regulates the provision of certain crypto-asset services. MiCA is in full force across the European Union, with provisions relating to the issuance of e-money tokens (EMTs) and asset-referenced tokens (ARTs) in force since June 30, 2024. The remainder came into effect on December 30, 2024.

A. Definition of a Stablecoin

MiCA defines an EMT as a type of crypto-asset that purports to maintain a stable value by referencing the value of one official currency. MiCA treats EMTs as electronic money within the EU regulatory framework. Issuers must grant holders the right to redeem at par at any time, and EMTs may not accrue interest to the holders. Title II of the E-Money Directive applies to EMTs unless MiCA specifies otherwise.

This summary focuses on EMTs under MiCA as these are broadly equivalent to the designation of stablecoins in other jurisdictions. In contrast, ARTs are a type of crypto-asset designed to maintain a stable value by linking their worth to a basket of multiple assets, such as several currencies, commodities, or other crypto-assets.

MiCA also allows for the designation of certain EMTs as "significant" if they reach substantial scale in terms of user base, market capitalization, or transaction volume.

Issuers of these significant EMTs face a stricter set of rules, including additional reserve requirements, and enhanced regulatory oversight by the European Banking Authority (EBA).

B. Licensing Requirements

MiCA applies to issuers that offer EMTs within the EU. Non-EU-based issuers are required to establish an EU presence. An issuer of an EMT must be an EU-authorized credit institution or an EU-authorized electronic money institution. There are additional requirements, however, for issuers of ARTs.

Distributors or offerors of EMTs may need separate authorization as a crypto-asset service provider (CASP) if they are providing certain regulated 'crypto-asset services' in the EU, such as placing of crypto-assets or providing custody of crypto-assets on behalf of clients. Firms providing crypto-asset services in the EU are required to be authorized as a CASP. Third-country firms that are not CASPs can only provide crypto-asset products, services or activities in the EU at the client's own exclusive initiative.

There are additional requirements in relation to EMTs which are pegged to a non-EU member state currency, including: (i) a cap on daily transactions (set at 1 million transactions per day on average and EUR 200,000,000 in aggregate value of transactions per day on average); (ii) quarterly reporting requirements if the issue value for the EMT is higher than EUR 100,000,000; and (iii) limits on the amount of the EMT to be issued if the European Central Bank issues an opinion that the EMT poses a threat to certain aspects of the financial system.

C. Reserve Requirements

At least 30% of received funds must be held as deposits with EU credit institutions. The remaining funds must be invested in secure, low-risk assets that qualify as highly liquid financial instruments, and these must be denominated in the same currency of denomination as the EMT.

There are additional requirements for electronic money institutions that issue EMTs which are deemed (and notified as such) as significant:

(i) Only highly liquid, low-risk instruments may be used for reserve assets, with the EBA specifying eligible investments and concentration limits;

(ii) Reserves must always cover the risks associated with the underlying currency to which the EMT refers, as well as the liquidity risks associated with the redemption rights of holders;

(iii) The value of reserves must at least equal outstanding claims and must be measured at market prices using prudent mark-to-market data;

(iv) The reserve assets must be held with qualified custodians;

(v) Reserve assets must be held in segregated accounts/records, but issuers must set limits and controls to avoid undue concentration of the reserve with any single custodian or in particular asset exposures;

(vi) The reserves must be legally and operationally segregated from the issuer's estate and from other tokens' reserves;

(vii) If an issuer offers multiple EMTs, each token must have its own separately managed reserve; and

(viii) An issuer must have a clear stabilization policy covering the referenced currency, reserve composition and allocation, risk assessments, issuance/redemption mechanics, and other relevant investments.

D. Obligations for EMT Issuers

Before making any offer of an EMT to the public in the European Union or seeking admission of such tokens to trading, an issuer (or other relevant entity, such as a distributor) must notify its crypto-asset white paper to the competent authority at least 20 working days before publication. Prior approval is not required; although a notification must be provided to the regulator. The issuer is responsible for the accuracy and completeness of the information in the white paper and must publish the white paper on its website before the offer or admission, as applicable.

Issuers of significant EMTs must procure an independent audit of their reserve of assets every six months, and they must notify the EBA and publish a summary of the audit within two weeks of notification. They are also required to comply with a number of additional requirements, including adopting a remuneration policy that supports sound risk management, running regular liquidity stress tests, and meeting own funds (regulatory capital) requirements.

E. Implementation

The European Commission has adopted delegated acts, i.e. Level 2 measures in relation to MiCA. In addition, the EBA and the European Securities and Markets Authority (ESMA) have developed regulatory technical standards, implementing technical standards, and templates, and have issued guidelines which provide further implementation details for MiCA.

F. Key Challenges and Considerations

MiCA establishes a harmonized EU framework for crypto-assets, but its implementation and supervision still present a number of practical challenges:

(i) Fragmented supervision and regulatory arbitrage. MiCA's supervision currently sits with national competent authorities (NCAs), leading to potentially uneven enforcement and regulatory arbitrage risks.

(ii) Oversight of large CASPs and cross-border platforms. Major exchanges and global platforms often serve EU clients through offshore structures, complicating supervision and data access for EU regulators. The NCAs have called for ESMA-level oversight of "significant CASPs" and tighter controls on delegation to third countries to close these supervisory gaps.

(iii) Stablecoin and monetary sovereignty risks. The regulation's treatment of dollar-denominated stablecoins has raised concerns over Europe's monetary sovereignty. MiCA currently permits "multiple issuance" structures that allow non-EU issuers to circulate stablecoins backed by non-EU reserves, potentially undermining EU financial stability and the Euro's role in payments.

(iv) Cybersecurity and operational resilience. Under current MiCA provisions, regulators cannot demand cybersecurity certification at the authorization stage. National authorities have recommended mandatory independent cyber audits and a Europe-wide certification scheme to mitigate systemic risks from cyber incidents.

(v) PSD2 overlap for EMT-related services. Where CASPs provide EMT custody or transfer functionality that amounts to a payment service under the EU's second Payment Services Directive (Directive (EU) 2015/2366)(PSD2), firms may face dual perimeter compliance. The EBA's temporary PSD2 'no-action' supervisory approach ended on 2 March 2026.

III. United Kingdom

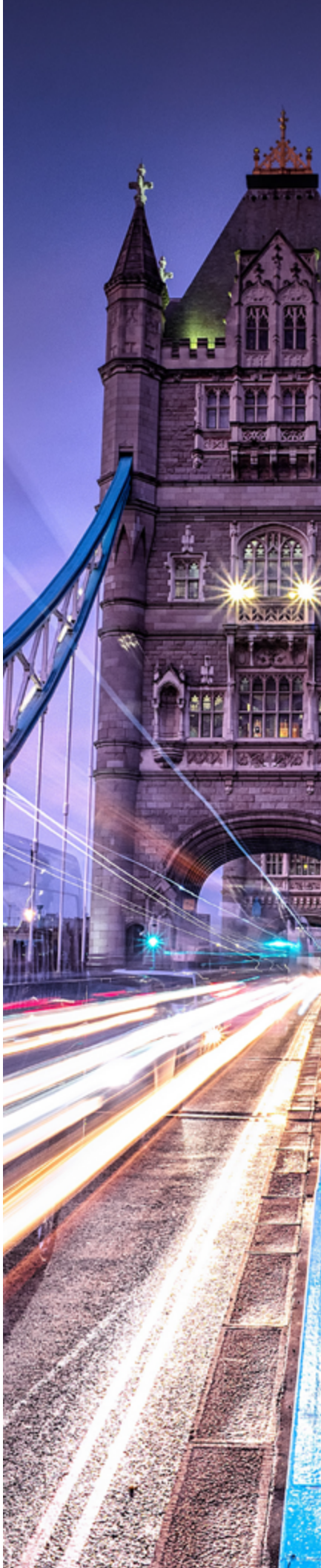
As of March 2026, the UK's stablecoin regime is moving toward a comprehensive operational framework. The Financial Services and Markets Act 2023 (FSMA 2023) already provides for the regulation of digital settlement asset payment systems and service providers, enabling oversight by the Bank of England and the Payment Systems Regulator. The Cryptoassets Regulation (defined below) expands the Financial Services and Markets Act 2000 (FSMA) perimeter by inserting new cryptoasset activities into the RAO (defined below), with the Financial Conduct Authority (FCA) to authorize and supervise such activities (and the Bank of England to supervise systemic sterling stablecoin arrangements). Until commencement, the existing cryptoasset financial promotion rules and the AML registration requirement continue to apply. The Cryptoassets Regulation provides that the full commencement day is expected to be 25 October 2027, but certain provisions came into force shortly after the Cryptoassets Regulation was made to enable the FCA to take preparatory steps and to allow applications for relevant permissions or approvals to be made and determined ahead of full commencement

In February 2026, Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (SI 2026/102) (Cryptoassets Regulation) was made, with this setting a foundation for the forthcoming regime once it comes into force on 25 October 2027. The Cryptoassets Regulation expands the UK's existing financial regulatory perimeter to cover key cryptoasset activities and bring them under the regulation of the FCA. It introduces new regulated activities by inserting a new Chapter 2B into the Regulated Activities Order (RAO), including: (i) issuing qualifying stablecoins; (ii) safeguarding qualifying cryptoassets; (iii) operating cryptoasset trading platforms; (iv) dealing or arranging deals in cryptoassets; and (v) making arrangements for staking.

The Cryptoassets Regulation introduces new deeming provisions under FSMA s.418 for cryptoasset activities, treating certain activities as carried out in the UK where there is a UK consumer or client nexus. The practical effect is that many cross-border models serving UK consumers require FCA authorization (or will be out of scope only in tightly-defined circumstances).

The FCA is also consulting on a number of rules for cryptoasset firms, including prudential rules, application of FCA handbook rules, and specific rules and guidance for issuing a qualifying stablecoin and safeguarding qualifying cryptoasset (Proposed Issuance Rules). Alongside this, the Bank of England has published its proposed rules for systemic sterling stablecoins (Proposed Systemic Stablecoins Rules).

Unless otherwise stated, the UK section of this publication should be understood to refer to prospective rules which are not yet finalized or operational. Final rules are expected in 2026, when the FCA intends to publish policy statements and open the gateway for authorizations, aligned to the Crypto Roadmap.



A. Definition of a Stablecoin

Under the Cryptoassets Regulation, a "stablecoin" is limited to a fiat-referenced cryptoasset backed by corresponding fiat or other assets to maintain stable value. Only entities issuing qualifying stablecoins from an establishment in the UK can be authorized as issuers.

Two new specified investments are added to the RAO by the Cryptoassets Regulation: (i) a "qualifying cryptoasset" (article 88F) is a fungible, transferable cryptoasset subject to exclusions; and (ii) a "qualifying stablecoin" (article 88G) is a subset of qualifying cryptoassets that purport to maintain a stable value by reference to a fiat currency through holding fiat currency or fiat currency plus other assets.

To avoid overlap, qualifying stablecoins (and their stabilization arrangements) are carved out of the Electronic Money Regulations' electronic money classification, as well as from being classified as an alternative investment fund. Tokenized deposits remain regulated as "deposits" and are outside of the stablecoin perimeter.

B. Licensing Requirements

Under the Cryptoassets Regulation, stablecoin issuance and custody are regulated activities supervised by the FCA (and, for systemic firms, jointly with the Bank of England).

Firms are required to obtain specific FCA authorization to conduct the regulated activity of "issuing qualifying stablecoin," which includes offering, redeeming, or maintaining value. However, issuers operating solely from overseas will not need to be authorized if they are not issuing a qualifying stablecoin from an establishment in the UK. This overseas exemption does not apply for systemic sterling stablecoins, as it is proposed that non-UK groups issuing sterling systemic stablecoins into the UK (including via intermediaries) will need to do so through a UK subsidiary which holds its backing assets and capital in the UK.

Resellers or intermediaries who arrange or facilitate sales between an issuer and end users could still be captured under the Cryptoassets Regulation if their activities amount to "arranging deals in qualifying cryptoassets" or "dealing in qualifying cryptoassets as agent," which would require FCA authorization. Such resellers or distributors can facilitate the sale, marketing, or distribution of qualifying stablecoins on behalf of the issuer but cannot issue or redeem the stablecoins themselves. Resellers and distributors must ensure that communications to consumers are clear, fair, and not misleading, and comply with the financial promotions regime, but they will not be responsible for maintaining or safeguarding the reserve assets that back the stablecoin.

The FCA has published that the application period for firms seeking permission for the new cryptoasset regulated activities will run from 30 September 2026 to 28 February 2027, ahead of the regime's expected commencement in October 2027. A statutory "run-off" transitional provision is being proposed to allow certain unsuccessful applicants (or firms that withdraw) to wind down pre-existing UK business for up to two years after commencement, subject to strict limits.

C. Reserve Requirements

Under the Proposed Issuance Rules, every qualifying stablecoin must be fully backed 1:1 by safe, liquid assets such as short-term UK or 'Zone A' government debt and cash deposits. Issuers may use a limited range of other assets, like certain money market funds or repos, but only with FCA approval and strong risk controls. At least 5% of reserves must be held in on-demand UK bank deposits.

The FCA currently only plans to permit reserves in the same reference currency as the stablecoin, unless an issuer can demonstrate robust systems to manage associated currency and liquidity risks, an area on which the FCA is consulting further.

A cornerstone of the FCA regime is that reserve assets will be required to be held in a statutory trust for the benefit of stablecoin holders and be safeguarded by an independent third-party custodian. This custodian must formally acknowledge in writing that the assets are held in trust for the holders, not for the issuer, and there must be clear contractual liability, as well as sub-custody controls, including controls on any custody chain, such as prior written consent for sub-custodian appointments.

Each distinct stablecoin issuance must have separate trust and custody arrangements to prevent cross-contamination of assets. Issuers will also be required to implement robust risk management, governance, key management, and liquidity controls over the reserve pool. Where fiat is held in connection with safeguarding, existing client-money rules under CASS 7 would apply.

Issuers will also be required to reconcile reserve holdings daily, correct shortfalls or remove excess within one business day, and keep detailed client-specific records maintained independently of distributed ledger technology to ensure full segregation and accuracy. In addition, issuers will also be required to publish quarterly reserve disclosures and undergo an annual independent audit.

The Proposed Systemic Stablecoins Rules set out more stringent requirements for the reserves of systemic sterling stablecoins, including that the reserves are held with a qualified third-party custodian that is authorised and regulated in the UK for safeguarding client assets. The reserves must be composed of at least 40% unremunerated deposits at the Bank of England (to meet redemption requests quickly), and up to 60% may be in short-term UK government debt (gilts/T-bills) - with a proposed step-up allowing up to 95% in government debt at launch for issuers recognised as systemic from the outset. Temporary breaches of the 40:60 split may be allowed to handle large, unexpected redemptions, but the issuer will be required to promptly rebalance. The Bank of England acknowledges transition issues for a firm transition from the FCA reserve regime into the systemic BoE regime and has proposed a "step-up" pathway.

In addition to this, the Bank of England proposes transitional holding limits for systemic sterling stablecoins as a financial-stability safeguard. The consultation also indicates a per-coin cap of around £20,000 for individuals and £10 million for businesses, with scope for exemptions, such as for merchants/intermediaries that need higher balances to provide services.

Issuers of systemic sterling stablecoins will also have various ongoing obligations and restrictions, including capital requirements related to general business risk, requirements for a financial risk reserve and an insolvency reserve, and a temporary holding limit on the value of systemic sterling stablecoins that can be held with individual holders.

D. Key Challenges and Considerations

A major concern is that key components of the UK regime are still transitional. The Cryptoassets Regulation sets the perimeter, but many operational rules are deferred to various FCA discussion and consultation papers, each still moving through consultation. Beyond the transitional status, there are a number of other key focus areas.

(i) **Fragmented framework.** The approach of bolting cryptoassets onto the existing FSMA framework rather than creating a new system (like the EU's MiCA) may cause complexity and confusion.

(ii) **Payments uncertainty.** FSMA 2023 already provides the frameworks to regulate DSA settlement systems and service providers. The outstanding items are secondary legislation and detailed Bank of England, FCA, and PSR rules that will calibrate responsibilities across issuers, wallets, and payment system operators, as well as amendments to the Payment Services Regulations to give consumers the same protections when payment with stablecoins as with fiat. HM Treasury has stated it intends to modernise the payments framework so that tokenised payments (including stablecoin payments) can sit within a clearer, more consistent regime, with further consultation and legislation signposted in the latest payments work programme.

(iii) **Uneven treatment of overseas issuers.** The Cryptoassets Regulation omits a clear "overseas persons exemption," meaning that overseas firms issuing stablecoins into the UK might avoid full FCA regulation, while UK issuers must meet strict prudential, reserve, and disclosure requirements. This creates an uneven playing field – UK firms would face higher compliance costs, whereas foreign issuers could reach UK users more freely.

IV. Hong Kong

The Hong Kong Monetary Authority (HKMA) is responsible for licensing, supervision and enforcement in relation to the issuance and offering of stablecoins. The key framework establishing a licensing system for stablecoins is set forth in the Stablecoins Ordinance (Cap. 656) (SO), which took effect on August 1, 2025.[5]

The SO applies in conjunction with the guidelines issued by the HKMA. Key components of the framework are comprised of (i) The Explanatory Note on Licensing for Stablecoin Issuers, which sets out guidance on the licensing regime, as well as licensing procedures;[6] (ii) The Guideline on Supervision of Stablecoin Issuers, which sets out the HKMA's expectations with regards to the minimum criteria which a licensed issuer of stablecoins is required to fulfil;[7] and (iii) The Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Stablecoin Issuers), which sets out the anti-money laundering and counter-financing of terrorism (AML/CFT) requirements for licensed issuers.[8]

The first round of stablecoin licenses are expected to be issued in March 2026. The number of licenses that will be granted will likely be relatively small (most likely fewer than 5).

A. Definition of a Stablecoin

Broadly, the SO regulates the issuance and offering of specified stablecoins. Currently, the scope of the definition of "specified stablecoin" only covers stablecoins which purport to maintain a stable value with reference wholly to one or more official currencies, which are commonly referred to as "fiat-referenced stablecoins" or FRS.

B. Licensing Requirements

A person must have a stablecoin license if it: (i) issues a specified stablecoin in Hong Kong; (ii) issues a specified stablecoin referencing (wholly or partly) the Hong Kong dollar (HKD) outside Hong Kong; or (iii) actively markets (whether in Hong Kong or elsewhere) an issuance of specified stablecoin to the Hong Kong public.

Whether a specified stablecoin is "issued in Hong Kong" will depend on the particular circumstances of each case, including (but not limited to) factors such as the location of (a) the issuer's place of incorporation; (b) its day-to-day management and operations; (c) the minting and burning of the specified stablecoin; (d) where the reserve assets are managed; and (e) where the bank account for processing the cash flows arising from minting/redemption requests is maintained.

In seeking a license, potential issuers must fulfill the minimum criteria set out under the SO, such as requirements in relation to AML/CFT systems and controls, risk management, disclosure, attestations, audits and restrictions on business activities. Several other key requirements are set forth below.

(i) **Financial resources.** An issuer must have a paid-up share capital of not less than HK$25,000,000 or an equivalent amount in another currency.

(ii) **Reserve assets management.** An issuer must maintain a pool of segregated, high quality and high liquidity reserve assets for each type of specified stablecoins issued. The market value of the specified reserve assets pool for the type of specified stablecoins must at all times be at least equal to the par value of the outstanding specified stablecoins of the type in circulation.

(iii) **Redemption.** An issuer must provide each holder of a specified stablecoin issued by the licensee with the right to redeem the specified stablecoin.

(iv) **Purpose and soundness of issue of specified stablecoin.** The issue of a specified stablecoin by an issuer must be prudent and sound, having regard to the purpose, business model and operational arrangement of the issue, e.g., the issuer's business plan should be realistic, and has a reasonable prospect of generating sufficient demand for the specified stablecoins it issues.

(v) **Non-interest bearing.** An issuer should not pay interest or interest-like incentives in any form to specified stablecoin holders, with the exception of marketing incentives that do not amount to payment of interest.

C. Stablecoin Offerings

Only permitted offerors can offer specified stablecoins in Hong Kong or hold out as offering specified stablecoins to the public in Hong Kong. Offering a specified stablecoin is defined as making a communication in the course of business to another person with sufficient information on the (i) stablecoin to be offered; (ii) the offer terms; and (iii) channels through which it will be offered, to enable a decision on whether to acquire the stablecoin from the offeror. There is considerable disagreement in the industry at present in relation to how widely this definition should be read, with views differing significantly as to whether this definition captures concepts such as lending of stablecoins to existing customers.

Permitted offerors are (a) stablecoin licensees; (b) HKMA-licensed banks; (c) Securities and Futures Commission-licensed corporations licensed for Type 1 regulated activity (i.e., dealing in securities); (d) licensed virtual asset trading platforms; and (e) stored value facilities licensees.

D. Investor Protection

Only stablecoins issued by HKMA-licensed issuers can be offered to retail investors. Stablecoins issued by unlicensed issuers outside of HK can only be offered to professional investors.[9]

V. Singapore

At present, activities relating to "digital payment tokens" (DPTs)—which broadly comprise cryptocurrencies as well as stablecoins—and specifically, dealing in DPTs, operating a DPT exchange, DPT transfer services, DPT inducement services and DPT custody services, are regulated under the Singapore Payment Services Act 2019 (PS Act). Stablecoin issuers presently operating in Singapore are required to hold a license for DPT services.

In 2022, the Monetary Authority of Singapore (MAS), the Singapore regulator of DPTs, proposed a new "stablecoin issuance" framework under the PS Act that would introduce an additional regulatory framework specific to stablecoin issuance activities (the "MAS Framework"). The proposed contours of the MAS Framework and MAS' expectations have been set out in various consultations and responses, although the MAS Framework itself has not yet come into force, as the legislative amendments to implement it have not yet been introduced in Parliament.

In the interim, all stablecoin issuance activities continue to be regulated as DPT services under the PS Act. In this regard, some industry participants have sought to stay ahead of the curve by obtaining a license to provide DPT services while demonstrating substantive compliance with the proposed stablecoin issuance framework, with a view to meeting all the requirements of the MAS Framework and obtaining the new "stablecoin issuance" permission once it comes into effect. This will notably permit them to market their stablecoins as "MAS-regulated stablecoins."

A summary of the MAS Framework, including key components and areas of focus, is set forth below.

A. Definition of a Stablecoin

Under the MAS Framework, the issuance in Singapore of a stablecoin referencing a single Group of Ten (G10) currency or the Singapore dollar (a Single Currency Stablecoin or

SCS) will be regulated as a stablecoin issuance service under the PS Act once the MAS Framework comes into effect.

Non-SCSs (e.g., stablecoins pegged to a basket of currencies or an asset, or algorithmic stablecoins) and SCSs issued outside Singapore will continue to be regulated under the existing framework applicable to DPT services under the PS Act. Generally, an entity issues an SCS in Singapore if it is based in Singapore, performs the function of controlling the total supply of and minting and burning of the SCS, and manages the reserve assets backing the SCS. However, as the MAS Framework has not been implemented, this definition could be subject to further refinement.

Additionally, the MAS Framework does not currently allow multi-jurisdictional issuances of SCSs, (i.e., an issuer who wishes to obtain regulatory recognition of its stablecoins in Singapore will be allowed to issue such SCSs solely out of Singapore).

B. Permissible Issuers

The MAS Framework contemplates both bank and non-bank issuers of SCSs.

Non-bank issuers of SCSs with a circulation not exceeding S$5 million will not be subject to the MAS Framework and will only need to obtain a standard payment institution (SPI) license under the existing framework applicable to DPT services under the PS Act. However, such issuers may choose to apply for a stablecoin issuance license under the MAS Framework should they wish to obtain regulatory recognition for their stablecoins.

For bank issuers, the MAS Framework contemplates two mechanisms for issuance: (a) stablecoins backed by tokenized bank deposits; or (b) fully reserve asset-backed stablecoins. Only the latter will fall within the MAS Framework. The former will be excluded from the scope of the MAS Framework as existing banking regulations may already apply to such activities.

C. Requirements for Payment Stablecoin Issuers

Key requirements of the MAS Framework include:

(i) Prudential requirements, including:

- Base capital of S$1 million or 50% of annual operating expenses, whichever is higher;
- Maintenance of liquid assets valued at the higher of 50% of annual operating expenses or an amount assessed to achieve recovery / orderly wind-down;

(ii) Safeguarding of reserve assets;

(iii) Requirements relating to the composition, valuation, custody and segregation of reserve assets;

(iv) Redemption of stablecoins at par value within five business days;

(v) Monthly independent attestation of reserve assets and annual audit report on reserve assets;

(vi) Restrictions on certain business activities (e.g., prohibitions on engaging in lending, staking, and dealing activities);

(vii) Issuance of a white paper disclosing details such as information about the issuer and risks arising from use of the stablecoin; and

(viii) AML/CFT requirements, including customer due diligence, the travel rule, and ongoing monitoring.

D. Implementation

While the MAS has consulted extensively on the MAS Framework, the legislative amendments necessary to implement the MAS Framework have not yet been drafted or introduced in Parliament. The MAS has also very recently indicated that it is working on legislative amendments to formalize the MAS Framework and will likely issue a public consultation in the course of 2026.

E. Key Challenges and Considerations

The MAS Framework only recognizes a narrow category of stablecoins – only SCSs pegged to the Singapore dollar or a G10 currency can gain recognition as an "MAS-regulated stablecoin" under the MAS Framework. Notably, this excludes SCSs issued outside of Singapore or pegged to other currencies or assets and non-SCS stablecoins.

The MAS Framework is also territorially restricted and limited to stablecoins issued in Singapore – issuers are required to issue an SCS solely out of Singapore to obtain regulatory recognition. This means that an SCS issuer in Singapore cannot issue the same SCS in other jurisdictions. Such restrictions may make the recognition option less attractive for larger or established issuers which already issue stablecoins in multiple jurisdictions or have ambitions to expand issuance to multiple markets.

VI. United Arab Emirates

A. Current Stablecoin Regime

The UAE's current stablecoin regime operates across multiple financial regulatory jurisdictions, consisting of the onshore regime and two financial free zones – the Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM). Together, these create a landscape with five different financial services regulators. Onshore, the regulators comprise the Central Bank of the United Arab Emirates (CBUAE), the Virtual Assets Regulatory Authority (VARA), and the Capital Markets Authority (formerly the Securities and Commodities Authority), all of which have their own regulatory frameworks for stablecoins. In the financial free zones, the Financial Services Regulatory Authority (FSRA) regulates the ADGM, while the Dubai Financial Services Authority (DFSA) regulates the DIFC. Each of these entities maintains its own supervisory scope with respect to the issuance, distribution, and oversight of stablecoins and related virtual assets.

B. Core UAE Framework (Onshore)

The UAE's core onshore framework is divided between the CBUAE and VARA:

CBUAE

Through the Payment Token Services Regulation (C/2-2024) (PTSR), the CBUAE regulates Payment Token services in the UAE. A Payment Token is defined under the PTSR as a Virtual Asset which purports to maintain a stable value by referencing the value of (i) the same Fiat Currency as the Payment Token is denominated in; or (ii) another Payment Token also denominated in the same Fiat Currency. For the purposes of the PTSR, Fiat Currency means a currency that is controlled by a central bank, has the status of legal tender and is required to be accepted within a given jurisdiction. Any entity which, by way of business, provides issuance, custody, transfer and/or conversion services in respect of Payment Tokens must be licensed or registered with the CBUAE. Distribution activities in respect of Payment Tokens are also regulated under the PTSR in circumstances where the first occasion on which a Payment Token is transferred is when an issuer generates a Payment Token for transfer to a distributor with a view to the distributor selling the Payment Token, or otherwise transferring the Payment Token to the public.

Under the PTSR, Licensed Payment Token Service Providers and Licensed Payment Token Issuers are permitted to issue tokens. The regulatory framework distinguishes between two categories of issuers: Dirham Payment Token Issuers (i.e., issuance of Dirham-backed Payment Tokens) and Foreign Payment Token Issuers (i.e., issuance of a Payment Token denominated in a foreign currency that is not the Dirham). The latter category captures any issuer that is not incorporated and physically located in the UAE, which, for the avoidance of doubt, includes entities based within the UAE's financial free zones such as the ADGM. Dirham Payment Token Issuers are required to obtain a license from the CBUAE in order to operate lawfully. By contrast, Foreign Payment Token Issuers are not eligible for licensing by the CBUAE and must instead comply with a separate registration regime specifically applicable to foreign issuers.

VARA

Through its Virtual Asset Issuance Rulebook (VA Issuance Rulebook), VARA regulates all entities in Dubai that issue Virtual Assets in the course of business, including Fiat Referenced Virtual Assets (FRVA). An FRVA is defined as a Virtual Asset that purports to maintain a stable value relative to one or more fiat currencies, or to other FRVA(s), but which does not have legal tender status in the UAE and is not issued as a means of payment for goods or services in the UAE. Importantly, an FRVA is neither issued nor guaranteed by any governmental authority and derives its functionality solely from the acceptance and use of its community of holders. Permitted issuers under the VARA framework are limited to Virtual Asset Service Providers (VASPs) that have been licensed to conduct Category 1 Virtual Asset Issuance Services.

Notwithstanding VARA's jurisdiction over the issuance of FRVAs as a category of Virtual Asset, the issuance of any Dirham denominated FRVA falls outside VARA's remit and remains under the exclusive regulatory jurisdiction of the CBUAE. It is our understanding that, in practice, the CBUAE retains primary oversight of fiat-backed reference stablecoins, while VARA's authority extends only to FRVAs that stabilise against alternative asset pools.

C. Core UAE Framework (Financial Free Zones – ADGM and DIFC)

ADGM

In the ADGM, the FSRA regulates stablecoin activities through the Conduct of Business Rulebook (COBS) and Financial Services and Markets Regulations (FSMR). COBS 19A sets out the dedicated legal framework governing the issuance of Fiat-Referenced Tokens. It applies to persons who intends to issue, or has already issued, Fiat-Referenced Tokens, defined as a digital asset, the transfer and storage of which is achieved through the use of distributed ledger or similar technology and the purpose of which is to be used as a medium of exchange with a stable store of value by (i) referencing a fixed amount of a single fiat currency; and (ii) enabling the holder to redeem the token in exchange for the amount of the fiat currency referred to in (i) from its issuer upon demand.

Under this framework, the FSRA restricts issuance activities to Authorised Persons who have a Financial Services Permission to carry out the regulated activity of "Issuing a Fiat-Referenced Token." Notwithstanding the foregoing, the FSRA has made clear that an Authorised Person must not issue a Fiat-Referenced Token denominated in Dirhams, underscoring that the regulation of all Dirham-referenced tokens remains the exclusive preserve of the CBUAE. Beginning January 1, 2026, the FSRA introduced a new category of Regulated Activity – "Fiat-Referenced Token Intermediation" – as part of its broader Payment Services activity class. This activity captures the purchase or sale of a Fiat-Referenced Token, whether as principal or as agent on behalf of the token's issuer, when undertaken by way of business. By formalizing intermediation as a discrete Payment Service, the FSRA makes clear that distribution is a regulated function in its own right, distinct from issuance. Accordingly, any person distributing Fiat-Referenced Tokens, including those acting on behalf of an issuer, will be required to obtain their own Financial Services Permission from the FSRA.

DIFC

In the DIFC, the DFSA does not regulate the issuance of Fiat Crypto Tokens (FCTs) and does not provide a framework for entities seeking to issue such tokens from within the DIFC. Instead, the DFSA has adopted a suitability regime, under which an FCT issued in another jurisdiction may be "recognized" for use within the DIFC if it satisfies defined recognition criteria. These criteria are designed to ensure that only FCTs issued in jurisdictions with regulatory standards comparable to those of the DFSA, and whose structure demonstrably maintains a stable value relative to their reference currency, may be admitted for limited purposes such as money transmission, executing payment transactions, clearing and settlement, and margining in connection with the trading of crypto token derivatives. As of the date of this publication, the DFSA has assessed the following FCTs as suitable: Circle Euro Coin (EURC); Circle USD Coin (USDC); and Ripple USD (RLUSD).

We understand that the DFSA is expected to update and potentially expand this regime in the near term.

D. Requirements for Payment Stablecoin Issuers in the UAE

While the precise obligations differ between the onshore UAE and ADGM regimes, issuers of payment-type stablecoins are generally subject to a common set of prudential, custody, assurance, and licensing requirements. In practice, these include:

(i) 1:1 backing in cash, or high-quality liquid assets;

(ii) segregated custody of reserve assets;

(iii) regular audits carried out by external independent auditors, and attestation in respect of the same to the regulator; and

(iv) licensing or registration (as applicable) with the regulator.

E. Key Challenges and Considerations

The UAE's stablecoin framework is fast evolving, however the interplay between regulatory frameworks, combined with restrictions on use cases and marketing, currently presents some complexity for issuers navigating the boundary between onshore and freezone regimes.

Regime split. In principle, AED-denominated tokens fall squarely within the onshore jurisdiction of the CBUAE, while VARA is intended to regulate non-AED issuances in Dubai. In practice, however, the CBUAE's oversight extends more broadly, and issuers of non-AED-denominated tokens still require CBUAE registration. As a result, foreign issuers commonly structure their activities through the ADGM's dedicated Fiat-Referenced Token regime and pursue parallel registration with the CBUAE to ensure compliance. This fragmented landscape necessitates multi-licensing analysis and can create administrative complexity, given the differing operational, audit, and disclosure requirements across regimes.

On-shore merchant acceptance limits. UAE merchants may only accept Dirham Payment Tokens from a CBUAE-licensed issuer in exchange for goods and services. Foreign Payment Tokens from a Registered Foreign Payment Token Issuer may only be used to buy Virtual Assets/derivatives of Virtual Assets. They cannot be used for the payment of ordinary goods/services. This materially narrows day-to-day use cases for foreign stablecoins onshore.

Marketing constraints. Promotions are tightly controlled onshore and are only permitted by licensed parties. There are additional limits for non-AED tokens.

Algorithmic tokens are prohibited. The onshore regulation prohibits entirely the issuance and promotion of, and any services in relation to, algorithmic stablecoins as payment instruments. Algorithmic stablecoins are those stablecoins which purport to maintain a stable value by reference to a fiat currency or other asset as a result of interventions (whether automatic or manual) which have the effect of altering the supply and demand.

What Market Participants Should Expect

Market participants should plan for a phased compliance environment globally in which licensing pathways, reserve requirements, assurance expectations, and distribution rules will continue to become clearer and may continue to tighten—and not always on the same timeline. Although general policy goals are converging in many jurisdictions, implementation details are likely to result in operational differences that may affect product design, treasury and custody arrangements, partner contracting, and distribution sequencing.

Over the longer term, there will likely be continued convergence around core elements—such as high-quality, segregated reserves; clear, enforceable redemption rights; robust disclosures and independent assurance; and heightened financial crime and market conduct controls—but with continuing jurisdictional divergence on many of the practical, operational details, such as how stablecoins may be distributed and the degree to which equivalence or recognition regimes will enable cross-border scaling. Accordingly, it will be important for market participants to provide sufficient lead time to appropriately address cross-jurisdictional differences and implement a governance model designed to travel across regimes.

NOTES

[1] https://www.gibsondunn.com/the-genius-act-a-new-era-of-stablecoin-regulation/.

[2] https://www.gibsondunn.com/occ-proposes-comprehensive-stablecoin-regulatory-framework-to-implement-the-genius-act/.

[3] The SCRC is comprised of Secretary of the Treasury (as chair of SCRC), the Chair of the Federal Reserve (or the Vice Chair for Supervision of the Federal Reserve, as delegated by the Chair of the Federal Reserve), and the Chair of the FDIC.

[4] In September 2025, the Treasury issued an advance notice of proposed rulemaking (the Treasury ANPRM) to solicit public comment regarding implementation questions related to the GENIUS Act. Among other things, the Treasury asked for public comment about whether any regulations should "be issued to clarify the meaning of 'pay,' 'interest,' yield,' 'solely,' or otherwise clarify the scope of Section 4(a)(11)" and "to clarify whether, and to what extent, any indirect payments are prohibited[.]"

[5] See https://www.elegislation.gov.hk/hk/cap656.

[6] See https://www.hkma.gov.hk/media/eng/doc/key-functions/ifc/stablecoin-issuers/Explanatory_Notes_on_Licensing_of_Stablecoin_Issuers_eng.pdf

[7] See https://www.hkma.gov.hk/media/eng/doc/key-functions/ifc/stablecoin-issuers/Guideline_on_supervision_of_licensed_stablecoin_issuers_eng.pdf

[8] See https://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/aml-cft/Guideline_on_Anti-Money_Laundering_and_Counter-Financing_of_Terrorism_For_Licensed_Stablecoin_Issuers_eng.pdf

[9] A "professional investor" is defined in the Securities and Futures Ordinance and related rules as certain institutional entities (e.g., licensed intermediaries, authorized financial institutions, insurers, collective investment schemes) and individuals or corporations meeting prescribed asset thresholds (e.g., HK$8 million / USD$1m in a share portfolio for individuals).

APPENDIX 1

SUMMARY OF KEY COUNTRY REQUIREMENTS

	USA	UK	EU	Singapore	Hong Kong	UAE
Statutory Framework for Stablecoins	• GENIUS Act signed into law July 18, 2025 – not yet in effect. • OCC proposed framework, not addressed herein given not final.	• Regime remains transitional – stablecoin intermediation activities are supervised by the FCA through the financial -promotion regime and AML requirements under the MLRs. • Cryptoasset activities are now included within the existing FSMA regime.	MiCA.	• The Payment Services Act 2019 • The MAS is working on legislative amendments to formalise this new framework.	• The Stablecoins Ordinance (Cap. 656). • HKMA is responsible for licensing, supervision and enforcement under Stablecoins Ordinance.	• **CBUAE** – PTSR. • **VARA** – VA Issuance Rulebook (issued pursuant to Dubai Law No. 4 of 2020). • **FSRA** – FSMR and COBS • **DFSA** – DFSA Rulebook (in particular, the General Module).
Implementing Regulations	Most regulations required to be promulgated by July 18, 2026.	None issued yet; the Bank of England and the FCA continue to consult on potential rules.	ESMA has adopted a variety of different Level 2 and 3 measures, including Delegated Regulations, Regulatory Technical Standards, and Guidelines.	Not applicable at present, as the legislative provisions have not been published yet. The PS Act and relevant existing subsidiary regulations will be the umbrella framework which applies to stablecoin issuance activities.	HKMA has issued guidelines covering the licensing process, its supervisory expectations, and AML requirements for licensed stablecoin issuers.	**Onshore:** CBUAE and VARA. **DIFC:** Part 3A of the GEN Rulebook (near-term changes expected). **FSRA:** • COBS and FSMR implement regime for fiat-referenced tokens. • The FSRA updated its rules for Fiat-Referenced Tokens (FRT), including a new limb to capture the activity of "FRT intermediation." • FSRA Guidance on the Regulation of Virtual Asset Activities in the ADGM.

	USA	UK	EU	Singapore	Hong Kong	UAE
1:1 Reserve Requirements	• 1:1 backing. • USD, deposits, short-term Treasuries, approved liquid assets.	• 1:1 backing with reserve of secure, liquid, low-risk assets (minimum 5% in UK bank deposits). • Option to hold certain "expanded backing assets" with FCA approval.	• 1:1 backing with highly liquid financial instruments, including at least 30% of received funds held as deposits with EU credit institutions (higher for significant EMTs). • Reserves must be denominated in the same currency referenced by the EMT.	**Composition** • Must be denominated in the currency which the SCS is pegged to. • Must be held in cash / cash equivalents / certain government debt securities with up to three-month residual maturity. **Reserves** • Must be at least equivalent to par value of SCS in circulation, marked daily. **Segregation and custody** • Must be held in segregated trust accounts with permitted custodians.	• HKMA expects issuers to apply an appropriate degree of over-collateralisation (i.e. more than 1:1) to provide a buffer for potential changes in market prices. The degree of over-collateralisation required will depend on the market risk profile of the reserve assets. • Generally reserve assets must match the currency of the reference asset. • Reserve assets must be segregated, high-quality and liquid.	The onshore and offshore regimes are aligned on a full 1:1 backing, requiring high quality liquid reserves.
Currency Reference Requirements	• Can reference USD or other currencies.	• Can reference either GBP or other currency • Multi-currency reference is also permitted – but the FCA is consulting on appropriate treatment for such models.	An EMT may be denominated in any currency, but if it references a non-EU-Member State official currency, additional provisions apply.	Only stablecoins which reference a single G10 currency or the Singapore dollar are allowed.	Can reference any official currency or combination of official currencies.	**CBUAE** – Limits to the same fiat currency as the token issuance. **VARA** – Allows for multi-fiat currency references. **FSRA** – Limits to a single fiat currency.

	USA	UK	EU	Singapore	Hong Kong	UAE
Audit & Disclosure Requirements	• Monthly public disclosure and attestation. • CEO/CFO certification. • Annual audit for large issuers.	• Publish information on stablecoin backing and redemptions. • Disclose total number of stablecoins issued and breakdown of the reserve (backing asset) composition at least every 3 months. • Ongoing disclosure of other key information for holders, including the technology used, redemption policies, and certain third parties involvement. • Independent annual review of issuers to confirm compliance with 1:1 reserve requirement.	• Requirement to publish a white paper for any offers or admission to trading of an EMT. • Quarterly reporting of transaction-use metrics for an EMT designated in a non-EU Member State official currency. • Independent audit of reserves every six months for significant EMTs.	Independent attestation of reserve assets on a monthly basis, with the attestation report disclosed on licensee website and submitted to MAS. Licensees required to conduct an annual audit of reserve assets and submit the report to MAS.	• Licensed issuers must provide weekly attestations to HKMA regarding reserve assets. • External auditor to perform independent attestations on a regular basis. • White paper required.	**CBUAE** – Yes, extensive disclosure and audit requirements on licensed issuers and foreign registrants. **VARA** – Yes, monthly audit and disclosure requirements on all FRVA issuers. **FSRA** – Yes, extensive disclosure and audit requirements on licensed issuers and foreign registrants.
Defined custody of reserve assets	Customer assets must be protected from custodian's creditors.	Reserve assets must be held in a statutory trust with an independent custodian.	There is no requirement for a custodian for the reserve assets of EMTs.	Reserve assets must be held in segregated trust accounts opened with permitted custodians as discussed above.	Reserve assets must be strictly segregated from other assets and protected from creditors in the event of the custodian's insolvency.	All the regimes require segregated custody of reserve assets. VARA and FSRA stress operational segregation, while CBUAE enforces escrow-style custody.

	USA	UK	EU	Singapore	Hong Kong	UAE
Distinction of licensing requirements for issuer vs. reseller	• Only a "permitted payment stablecoin issuer" may issue a payment stablecoin. • No license for "digital asset services providers" to resell but instead places limitations on what they can offer.	• Only firms with specific FCA authorization to conduct the regulated activity of "issuing qualifying stablecoin," can offer, redeem, or maintain the value of a stablecoin. • Re-sellers or distributors require FCA authorization for related regulated activities. • No FCA authorization may be required for an overseas issuers if issuing a qualifying stablecoin from an establishment outside the UK (except if they issue a systemic sterling stablecoin).	• Only an EU-authorised credit institution or electronic money institution can issue an EMT. • A reseller or distributor of an EMT, where separate from the issuer, would likely be categorized as a CASP, with corresponding obligations and authorization requirements under MiCA.	The proposed stablecoin issuance framework will only apply to entities which issue stablecoins out of Singapore. Resellers will continue to be regulated under the existing framework applicable to DPT services under the PS Act.	• Only licensed entities may issue and only "permitted offerors" may offer • Strict prohibition on unlicensed activity (i.e. issuance / offering without the required licences). • Prohibition also extends to active marketing to the public of Hong Kong in relation to issuance / offering without a licence, including from outside of Hong Kong.	**CBUAE** – Payment Token Services in respect of Dirham Payment Tokens require a CBUAE license. Payment Token Services in respect of Foreign Payment Tokens require a CBUAE registration. This includes entities seeking to distribute foreign-denominated stablecoins onshore in the UAE. At present, the issuance of foreign-denominated stablecoins is not permitted onshore. **FSRA** – both issuers and resellers of stablecoins must hold the permission for "Providing Money Services". Pure resellers can be licensed under the activity of "FRT Intermediation."

APPENDIX 2

DEFINITIONS

- "ADGM" means the Abu Dhabi Global Market.
- "AML/CFT" means anti-money laundering and counter-financing of terrorism.
- "ANPRM" means the advance notice of proposed rulemaking issued by the Treasury in September 2025 regarding implementation questions related to the GENIUS Act.
- "ART" means asset-referenced tokens as described in MiCA in the European Union.
- "Authorised Person" in the ADGM is a firm licensed by the FSRA to conduct financial services under a Financial Services Permission.
- "BSA" means the Bank Secrecy Act and the regulations promulgated thereunder.
- "CASP" means crypto-asset service provider.
- "CASS 7" means Chapter 7 (Client Money Rules) of the FCA's Client Assets Sourcebook.
- "Category 1 VA Issuance" means the issuance of FRVAs and asset-references virtual assets, as well as any other virtual assets as may be determined by VARA from time to time in the UAE.
- "CBUAE" means the Central Bank of the United Arab Emirates.
- "COBS" means the Conduct of Business Rulebook issued by the FCA.
- "Crypto-asset Regulation" means the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (SI 2026/102).
- "DFSA" means the Dubai Financial Services Authority.
- "DIFC" means the Dubai International Financial Centre.
- "DPT" means digital payment token(s) as regulated in Singapore.
- "DSA" means digital settlement assets as regulated in the Draft Order.
- "EBA" means the European Banking Authority.
- "EMT" means e-money token(s) as described in MiCA in the European Union.
- "ESMA" means the European Securities and Markets Authority.
- "FCA" means the Financial Conduct Authority of the United Kingdom.
- "FCT" means the Fiat Crypto Token(s).
- "FDIC" means the Federal Deposit Insurance Corporation in the United States.
- "Federal Reserve" means the Board of Governors of the Federal Reserve System.
- "FinCEN" means the Financial Crimes Enforcement Network in the United States.
- "FRVA" means the Fiat Referenced Virtual Assets as regulated by VARA.
- "FSMA" means the Financial Services and Markets Act 2000 of the United Kingdom.
- "FSMA 2023" means the Financial Services and Markets Act 2023 of the United Kingdom.
- "FSMR" means the Financial Services and Markets Regulations of the ADGM.
- "FSRA" means the Financial Services Regulatory Authority of the ADGM.
- "G10" means the Group of Ten, i.e. the group of 11 industrialized countries that meet each year to discuss financial matters important to the global community.
- "GENIUS Act" means the Guiding and Establishing National Innovation for U.S. Stablecoins Act, S. 1582, 119th Cong. (2025).
- "HKD" means the Hong Kong dollar.
- "HKMA" means the Hong Kong Monetary Authority.
- "IDI" means insured depository institutions.

- "Licensed Payment Token Issuer" means a juridical person that has been licensed in accordance with the PTSR to perform Payment Token Issuing.
- "Licensed Payment Token Service Provider" means a juridical person that has been licensed in accordance with the PTSR to provide one or more Payment Token Services in the UAE.
- "MAS" means the Monetary Authority of Singapore.
- "MAS Framework" means the regulatory framework specific to stablecoin issuance activities in Singapore.
- "MiCA" means the Markets in Crypto-Assets Regulation (Regulation (EU) 2023/1114).
- "NCA" means a national competent authority in the EU.
- "OCC" means the Office of the Comptroller of the Currency.
- "Payment Token Issuing" in the UAE means a sale or transfer, performed by way of business, of a Payment Token, where it is the first occasion on which that Payment Token is sold or transferred.
- "Proposed Issuance Rules" means the FCA's proposed rules and guidance for issuing qualifying stablecoin and safeguarding qualifying cryptoasset(s) in the United Kingdom.
- "Proposed Systemic Stablecoins Rules" means the Bank of England's proposed rules for systemic Sterling stablecoins in the United Kingdom.
- "PS Act" means the Singapore Payment Services Act 2019.
- "PSD2" means Directive (EU) 2015/2366 on payment services in the internal market (as amended).
- "PSR" means the UK Payment Systems Regulator.
- "PTSR" means the Payment Token Services Regulation (C/2-2024) of the United Arab Emirates.
- "RAO" means the Regulated Activities Order of the United Kingdom.
- "SCRC" means the Stablecoin Certification Review Committee of the United States.
- "SCS" means a Single Currency Stablecoin under the MAS Framework in Singapore.
- "Secretary" means the Secretary of the Treasury in the United States.
- "SO" means the Stablecoins Ordinance (Cap. 656) of Hong Kong.
- "SPI" means a standard payment institution under the MAS Framework in Singapore.
- "Treasury" means the U.S. Department of the Treasury.
- "VA Issuance Rulebook" means the Virtual Asset Issuance Rulebook of VARA.
- "VARA" means the Virtual Assets Regulatory Authority of the Emirate of Dubai.

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