GLOBAL CRYPTO EVOLUTION 2026

CoinDCX

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Introduction

The global regulatory picture for crypto-assets in 2026 is best understood as having crossed the threshold from norm articulation to norm internalisation. Earlier phases of regulatory engagement were characterised by definitional ambiguity, jurisdictional hesitation, and fragmented supervisory responses. That phase has now decisively ended. Jurisdictions are no longer debating whether to regulate crypto-assets, but rather how to embed them within existing financial, monetary, and prudential systems. This transition is driven in large part by the standard-setting influence of bodies such as the Financial Stability Board[1] and the Financial Action Task Force[2], whose principles- particularly the doctrine of "same activity, same risk, same regulation"- have begun to crystallise into enforceable domestic frameworks.

At a structural level, the most consequential development is the functional reclassification of crypto-assets within the financial system. Crypto has migrated into the operational core of finance. This has compelled regulators to shift from a market-integrity lens (focused on investor protection) to a systemic-risk and monetary-stability lens, particularly in relation to stablecoins, which now resemble privately-issued digital money.

Parallel to this functional shift is the institutionalisation of crypto markets. The entry of banks, asset managers, and payment intermediaries has fundamentally altered both market structure and regulatory expectations. Crypto intermediaries are now expected to comply with prudential norms analogous to traditional financial institutions such as capital adequacy, segregation of client assets, governance standards, and operational resilience.

This report undertakes a comparative legal analysis of select leading jurisdictions namely the United States, the United Kingdom, the European Union, the United Arab Emirates, Singapore, Hong Kong, Japan, Canada, Jordan, Bahrain and Thailand to map the evolving architecture of crypto-asset regulation. Each of these jurisdictions represents a distinct regulatory philosophy, ranging from market-driven oversight to tightly supervised licensing regimes. The analysis is structured to identify not only the legislative frameworks in force but also the institutional actors effectively "calling the shots," including securities regulators, central banks, and specialized virtual asset authorities.

Against this backdrop, the comparative insights drawn from the selected jurisdictions aim to inform the evolving trajectory of crypto regulation and legislation in 2026.

[1] Financial Stability Board, *Promoting global financial stability through strong financial sector policies* (FSB) https://www.fsb.org/ accessed 28 March 2026.
[2] Financial Action Task Force, *Leading global action to tackle money laundering, terrorist and proliferation financing* (FATF) https://www.fatf-gafi.org/en/home.html accessed 28 March 2026.

Overview

1. Across jurisdictions, cryptoassets have undergone a decisive transition from regulatory ambiguity to structured legal recognition. What was once an uncertain asset class sitting at the margins of financial regulation is now being systematically incorporated into formal legislative frameworks. Jurisdictions such as the European Union, through the Markets in Crypto-Assets Regulation (MiCAR), and the United Kingdom, via incremental expansions under its financial services architecture, demonstrate a clear shift away from interpretative enforcement toward express statutory inclusion. This evolution reflects a broader global movement toward regulatory certainty, where cryptoassets are no longer debated as to their classification but are instead governed through defined legal categories and obligations.
2. A notable divergence, however, persists in institutional design. The United States continues to operate under a fragmented regulatory structure, with overlapping jurisdictional claims between the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC), often leading to interpretative inconsistencies and enforcement-led clarity. In contrast, financial centres such as Singapore and Hong Kong have opted for more consolidated approaches, with primary oversight resting with the Monetary Authority of Singapore and the Securities and Futures Commission respectively. Meanwhile, the United Arab Emirates has moved a step further by establishing bespoke regulators such as the Virtual Assets Regulatory Authority (VARA), reflecting a growing preference for specialised, sector-specific regulatory bodies in complex and fast-evolving markets.
3. There is a discernible rise in bespoke crypto legislation, marking a departure from reliance on legacy securities or commodities law. Jurisdictions are increasingly enacting crypto-native statutes that directly address the unique risks posed by digital assets. The European Union's Markets in Crypto-Assets Regulation exemplify this trend. These frameworks go beyond investor protection to incorporate prudential safeguards, including reserve backing requirements for stablecoins, segregation of client assets, and redemption rights, thereby embedding financial stability considerations into the regulatory core.
4. At a foundational level, global regulatory alignment is being driven by compliance with standards set by the Financial Action Task Force (FATF). Across both advanced and emerging jurisdictions including Bahrain, Jordan, and Thailand, AML/CFT obligations have become the baseline layer of crypto regulation. Licensing or registration of Virtual Asset Service Providers (VASPs), implementation of the "travel rule," and enhanced due diligence norms are now widely adopted. This demonstrates that, notwithstanding divergences in domestic legal frameworks, FATF compliance functions as the minimum common denominator, ensuring a degree of international harmonisation and market legitimacy.
5. Central banks, too, have assumed a more prominent and strategic role in shaping the regulatory trajectory. Institutions such as the Bank of England, the European Central Bank, and the Monetary Authority of Singapore are no longer confined to passive risk monitoring; they are actively influencing policy design, particularly in relation to

stablecoins and payment systems. Their involvement in Central Bank Digital Currency (CBDC) initiatives and systemic risk oversight indicates that monetary authorities are increasingly central to determining the contours of crypto regulation, especially where issues intersect with financial stability and monetary sovereignty.

6. Finally, the maturation of crypto regulation has been significantly shaped by market disruptions and systemic failures. Legislative responses across jurisdictions reveal a clear pattern: strengthening of custody norms, imposition of stricter disclosure requirements, and tightening of licensing regimes. These developments suggest that regulatory frameworks are evolving from reactive, enforcement-driven models to anticipatory and resilience-oriented systems, aimed at pre-empting risks rather than merely responding to crises.
7. From an Indian perspective, the regulatory approach remains transitional yet progressively structured. Oversight has largely been enforcement-driven, particularly through the Financial Intelligence Unit - India (FIU-IND), with recent developments mandating registration and compliance for crypto intermediaries. While these measures indicate increasing regulatory engagement and alignment with global AML standards, a comprehensive, bespoke legislative framework is still awaited, positioning India as a jurisdiction that is cautiously advancing while closely observing global regulatory trajectories.

(Status of Crypto Regulation across the world)

United States

The United States' approach to crypto regulation has undergone a profound doctrinal shift. The earlier reliance on enforcement actions primarily driven by the SEC reflected a legal strategy grounded in applying legacy securities laws to novel technological arrangements. However, this approach generated significant uncertainty, particularly regarding asset classification and regulatory jurisdiction. The current phase marks a transition toward ex-ante rulemaking, where legislative clarity precedes enforcement, thereby reducing interpretive ambiguity and enhancing legal certainty.

Key Legislative Initiatives

Congress has considered multiple crypto-specific bills. In 2021, Rep. Patrick McHenry introduced the *Clarity for Digital Tokens Act*,[3] proposing a three-year SEC safe harbor for new token issuances as long as projects achieve decentralisation. McHenry described it as providing a "'safe harbor' for startup digital asset projects, while maintaining important investor protections". In May 2024, the House passed the *Financial Innovation and Technology for the 21st Century Act*[4] (FIT21) by a 279–136 vote. FIT21 assigns oversight based on blockchain design: it would give the CFTC sole jurisdiction over truly decentralized digital commodities (on blockchains that are "functional and decentralised") and leave more centralised token projects under the SEC. Notably, the Biden White House and the SEC opposed FIT21, with Gensler warning it "would create new regulatory gaps and undermine decades of precedent". Meanwhile, Congress also acted on stablecoins: in July 2025 it passed the bipartisan GENIUS Act[5], establishing a federal framework for dollar-backed payment stablecoins (requiring audited reserves, bank-like charters, and oversight by banking regulators).

The White House Policy Framework

The July 2025 White House Crypto Report[6] serves as a foundational policy document, articulating a coherent federal vision. It reframes crypto-assets not as regulatory anomalies but as legitimate components of financial innovation. Crucially, it shifts enforcement priorities away from developers and intermediaries toward illicit actors, thereby aligning regulatory intervention with risk rather than technological form. This marks a subtle but important move toward technology-neutral regulation.

Emergence of Statutory Architecture

[3]US House Committee on Financial Services, *McHenry Introduces Legislation to Provide Legal Clarity & Certainty for Digital Asset Projects* (Press Release, Washington DC, 5 October 2021) https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=408154 accessed 28 March 2026

[4]H.R. 4763, *Financial Innovation and Technology for the 21st Century Act*, 118th Cong (introduced 20 July 2023, passed House 22 May 2024) https://www.congress.gov/bill/118th-congress/house-bill/4763 accessed 28 March 2026.

[5]S 1582, *Guiding and Establishing National Innovation for U.S. Stablecoins Act*, 119th Cong, 1st Sess, *text as introduced* (Congress.gov) https://www.congress.gov/bill/119th-congress/senate-bill/1582/text accessed *28 March 2026*.

[6]President's Working Group on Digital Asset Markets, *Strengthening American Leadership in Digital Financial Technology: Report Pursuant to Executive Order No 14178* (The White House, July 30 2025) https://www.whitehouse.gov/wp-content/uploads/2025/07/digital-Assets-Report-EO14178.pdf accessed 28 March 2026.

The U.S. is increasingly moving toward a statute-led regulatory architecture, anchored in two key legislative instruments: the GENIUS Act[7] and the CLARITY Act[8]. These statutes are not merely incremental reforms; they represent an attempt to codify the legal status of digital assets within federal law, thereby reducing reliance on administrative interpretation.

The GENIUS Act

The GENIUS Act is conceptually significant because it reframes stablecoins as payment liabilities rather than as speculative assets. This legal characterisation aligns stablecoins more closely with bank deposits or electronic money, thereby justifying their inclusion within the prudential regulatory perimeter. The Act distributes regulatory authority across federal banking regulators - the Federal Reserve, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. This allocation reflects a deliberate choice to anchor stablecoin regulation within the banking regulatory ecosystem, rather than creating a standalone crypto regulator.

1. Under the GENIUS Act, payment stablecoins are defined as digital assets used for payment or settlement, which promise to maintain a stable value relative to a fixed monetary benchmark.[9]
2. Only "permitted payment stablecoin issuers" (PPSIs)[10] (bank subsidiaries, nonbanks approved by the OCC, or state-regulated entities) may issue these instruments. Unauthorized issuance would invite criminal penalties.[11]
3. To ensure financial integrity and consumer protection, the Act mandates that stablecoin issuers maintain 1:1 reserve backing in highly liquid and low-risk assets such as U.S. Treasury bills, Federal Reserve deposits, and cash (Section 4(a)(1)).
4. Issuers are required to publicly disclose monthly reserve composition and undergo certified audits by registered public accounting firms (Section 4(a)(3)).
5. They must also comply with comprehensive operational, compliance, and risk management standards, including anti-money laundering (AML), Know-Your-Customer (KYC), and sanctions compliance requirements under the Bank Secrecy Act (Section 4(a)(5)).
6. Technological capabilities must also be in place to comply with lawful government orders such as freezing or seizing assets (Section 4(a)(6)).
7. The bill also introduces governance restrictions, e.g., banning directors with serious financial crime convictions, and prohibits tying arrangements and false claims of government backing.

[7]S 1582, *Guiding and Establishing National Innovation for U.S. Stablecoins Act*, 119th Cong, 1st Sess, *text* (Congress.gov) https://www.congress.gov/bill/119th-congress/senate-bill/1582/text accessed 28 March 2026.
[8]H.R. 3633, *Digital Asset Market Clarity Act of 2025*, 119th Cong, *text* (Congress.gov) https://www.congress.gov/bill/119th-congress/house-bill/3633/text accessed 28 March 2026
[9]Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act), S 1582, 119th Cong, § 2(6); ibid § 2(7); ibid § 2(15)(A); ibid § 2(15)(A)(ii)(III).
[10]*Guiding and Establishing National Innovation for U.S. Stablecoins Act* (GENIUS Act), S 1582, 119th Cong, § 2(16).
[11]Penalties may include fines of up to USD 1 million and/or imprisonment for a term of up to five years.

8. Furthermore, stablecoin custodians must segregate client assets, and in the event of insolvency, stablecoin holders gain priority rights over reserves.[12]
9. The GENIUS Act also proposes extraterritorial coordination. It instructs the Treasury to negotiate reciprocal arrangements with jurisdictions having equivalent regimes to facilitate cross-border use of U.S. dollar stablecoins.[13]
10. It amends securities and commodities laws to clarify that PPSI-issued stablecoins are neither securities nor commodities[14], thus exempting them from overlapping regulatory burdens.
11. A separate study on non-payment stablecoins is also mandated to examine potential systemic and design risks.

The CLARITY Act

The CLARITY Act addresses one of the most persistent issues in U.S. crypto regulation: the jurisdictional overlap between the SEC[15] and the CFTC.[16] By introducing a statutory classification framework, it seeks to replace litigation-driven determinations with legislative clarity.

1. Under the CLARITY Act, digital assets are functionally classified to distinguish between "digital commodities" and "investment contracts," thereby establishing a statutory basis for regulatory allocation. Digital commodities broadly understood as fungible blockchain-based assets that do not embody securities characteristics are brought within the regulatory purview of the CFTC, while investment contracts remain subject to oversight by the SEC[17].
2. Section 201 amends the Securities Act to provide that when an "investment contract" involves a digital asset, the asset itself is treated separately from the contract and called an "investment-contract asset". If the asset later satisfies Commodity Exchange Act definitions, it is regulated as a digital commodity rather than as a security.
3. To operationalise this classification, the Act amends the Commodity Exchange Act[18] to expressly incorporate digital commodities and extend its scope to intermediaries operating in these markets, including brokers, dealers, commodity pool operators, and trading advisors[19]. As a consequence, such entities are required to register with the CFTC and comply with applicable conduct, reporting, and supervisory obligations, thereby expanding the regulatory perimeter to cover previously unregulated spot market activity.

[12] *Guiding and Establishing National Innovation for U.S. Stablecoins Act* (GENIUS Act), S 1582, 119th Cong, § 4.
[13] Ibid § 4(a)(6)(A)–(B).
[14] Ibid § 2(15)(B)(iv).
[15] Securities and Exchange Commission, *Home Page* (SEC) https://www.sec.gov/ accessed 28 March 2026.
[16] Commodity Futures Trading Commission, *Home Page* (CFTC) https://www.cftc.gov/ accessed 28 March 2026.
[17] H.R. 3633, Digital Asset Market Clarity Act of 2025, 119th Cong, § 101, read with § 201 (text) (Congress.gov) https://www.congress.gov/bill/119th-congress/house-bill/3633/text accessed 28 March 2026.
[18] Commodity Futures Trading Commission, *Commodity Exchange Act & Regulations* (CFTC) https://www.cftc.gov/LawRegulation/CommodityExchangeAct/index.htm accessed 28 March 2026.
[19] H.R. 3633, *Digital Asset Market Clarity Act of 2025*, 119th Cong, §§ 102–103 (text) (Congress.gov) https://www.congress.gov/bill/119th-congress/house-bill/3633/text accessed 28 March 2026.

4. The Act establishes a comprehensive market infrastructure regime by mandating the registration of digital commodity exchanges that facilitate trading in such assets.[20] These exchanges are subject to core regulatory requirements, including fair access, market integrity safeguards, conflict-of-interest mitigation, and operational resilience standards.
5. Section 301 amends the Exchange Act to make clear that brokers, dealers, and alternative trading systems (ATS) may handle and take custody of of "digital commodities" and "permitted payment stablecoins" without converting those products into "securities." In effect, the statute carves out a new asset class that can trade on SEC-registered platforms while remaining outside the classical definition of a "security" in § 2(a)(1) of the Securities Act of 1933. The section instructs the Commission to update § 6 of the Exchange Act to list these instruments explicitly, thereby eliminating any argument that every blockchain token is presumptively a "security." This may have the following implications:
    a. Registered broker-dealers can make markets in digital commodities without triggering the capital, segregation, and customer-protection rules written for securities unless another section (e.g., § 310) says otherwise.
    b. The SEC retains the power to re-characterize a token as a security if it meets Howey-type criteria, but the burden now lies with the agency.
6. In parallel, intermediaries engaged in brokerage or dealing functions are also required to register, subject to limited exemptions for *de minimis* activity, thereby formalising the role of intermediation within crypto markets.[21]
7. A key structural innovation of the Act lies in its distinction between primary and secondary market transactions. While primary issuances and capital-raising activities involving digital assets continue to fall within securities law, secondary market trading of digital commodities is treated as commodity activity under the CFTC's exclusive jurisdiction.[22] This transaction-based bifurcation resolves longstanding jurisdictional ambiguity and enables regulated trading environments to develop with greater legal certainty.
8. The Act introduces targeted disclosure obligations[23] on developers and issuers of digital assets, particularly in relation to protocol functionality, governance mechanisms, and token economics. These disclosures are designed to address informational asymmetries without subjecting such actors to the full rigour of securities registration, thereby creating a transparency framework within the digital asset ecosystem.
9. The Act mandates joint rulemaking between the SEC and the CFTC to harmonise compliance for entities subject to dual registration.[24] The objective is to enable *substituted compliance*, thereby eliminating duplicative obligations relating to capital, segregation, and reporting.

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[20]H.R. 3633, *Digital Asset Market Clarity Act of 2025*, 119th Cong, § 204 (text) (Congress.gov) https://www.congress.gov/bill/119th-congress/house-bill/3633/text accessed 28 March 2026.

[21]H.R. 3633, *Digital Asset Market Clarity Act of 2025*, 119th Cong, § 205 (text) (Congress.gov) https://www.congress.gov/bill/119th-congress/house-bill/3633/text accessed 28 March 2026.

[22]H.R. 3633, *Digital Asset Market Clarity Act of 2025*, 119th Cong, § 201 (text) (Congress.gov) https://www.congress.gov/bill/119th-congress/house-bill/3633/text accessed 28 March 2026.

[23]H.R. 4763, Clarity for Payment Stablecoins Act of 2025 (or Clarity Act of 2025), 119th Cong, § 311.

[24]H.R. 3633, *Digital Asset Market Clarity Act of 2025*, 119th Cong, § 304 (text) (Congress.gov) https://www.congress.gov/bill/119th-congress/house-bill/3633/text accessed 28 March 2026.

10. It directs the SEC to update legacy record-keeping rules to recognise blockchain-based, immutable ledgers as valid regulatory records.[25]
11. Through Section 306 , it grants the SEC broad exemptive authority to exclude specific persons, transactions, or classes from compliance requirements, thereby introducing flexibility to respond to technological evolution without requiring legislative amendments.
12. Title IV of the CLARITY Act fundamentally restructures the Commodity Exchange Act by introducing a dedicated regulatory regime for spot or cash markets in digital commodities. It vests primary jurisdiction in the CFTC over such markets, including the registration, prudential supervision, and customer protection obligations applicable to exchanges, brokers, dealers, and other intermediaries. Through a series of interlinked provisions, it establishes a comprehensive framework that integrates digital assets into existing commodities law while clearly delineating boundaries vis-à-vis the SEC and state regulatory regimes. In doing so, it provides market participants with a formal registration pathway, uniform rules on custody and segregation of assets, and tailored exclusions for decentralised finance infrastructure.
13. At an operational level, the act codifies the CFTC's jurisdiction over spot digital commodity transactions, mandates the use of qualified custodians to address crypto-specific risks such as private key control, and introduces a structured registration regime for exchanges and intermediaries, including brokers, dealers, and associated persons.
14. It further facilitates market development through a self-certification mechanism for new products, while imposing safeguards such as conflict-of-interest rules, disclosure obligations, and restrictions on insider trading by control persons. Simultaneously, the framework preserves regulatory flexibility by excluding non-custodial DeFi participants from registration, authorising studies on emerging asset classes, and providing dedicated funding mechanisms to strengthen supervisory capacity. Collectively, these provisions establish a robust yet adaptive market structure regime for digital commodities in the United States.
15. The Act also adopts a modular approach to asset classification by excluding certain categories such as permitted payment stablecoins from the definition of digital commodities, recognising that such instruments are more appropriately governed under specialised legislative frameworks. This avoids regulatory overlap and ensures coherence across parallel statutes governing distinct segments of the crypto ecosystem.
16. Finally, the CLARITY Act operates as a comprehensive market structure statute, seeking to integrate digital assets into the existing financial regulatory architecture while reducing reliance on ex-post enforcement and judicial interpretation.

It can be seen that the legal trajectory of crypto in the United States has transitioned from "regulation by enforcement" to a structured, bifurcated regime defined by the March 2026 Joint

[25]H.R. 3633, *Digital Asset Market Clarity Act of 2025*, 119th Cong, § 305 (text) (Congress.gov) https://www.congress.gov/bill/119th-congress/house-bill/3633/text accessed 28 March 2026.

SEC/CFTC Interpretive Release.[26] This framework effectively codified a "Two-Gate" system[27], drawing a bright-line distinction between Digital Commodities and Digital Securities. Under this doctrine, decentralized assets such as Bitcoin and Ether are governed by the CFTC as functional commodities, while the SEC retains jurisdiction only over assets representing traditional financial instruments or those not subject to the Howey Test that emphasizes ongoing "essential managerial efforts." By providing a legal "morphing" mechanism, the law now recognizes that a project may launch as a security but mature into a commodity, thereby granting the industry the jurisdictional finality it has long demanded.

The second pillar of this trajectory is the GENIUS Act, which decoupled stablecoins from broader securities litigation and placed them under the prudential supervision of the OCC[28] and the Federal Reserve. By mandating 1:1 reserves in high-quality liquid assets and strictly prohibiting yield-bearing features, the Act treats stablecoins as payment infrastructure rather than investment contracts. This shift was largely necessitated by the Supreme Court's 2024 overturning of *Chevron* deference, which stripped agencies of their ability to "interpret" ambiguous statutes to expand their own reach.[29] Consequently, the current legal senario is no longer shaped by administrative whim, but by strict statutory mandates that prioritize transparency and institutional stability over broad, discretionary bans.

Ultimately, the U.S. has adopted a "disclosure-heavy, enforcement-light" model to remain competitive with international frameworks like Europe's MiCAR. The legal core of this evolution is the transition from a purely judicial assessment of "investment contracts" to a legislative taxonomy that provides safe harbors for staking, mining, and software development. By aligning domestic policy with global standards and satisfying the judiciary's demand for specific Congressional authorization, the United States has successfully moved crypto out of the "Wild West" era and into a formalized asset class. Therefore, the current legal posture is one of controlled integration, ensuring that while innovation is protected, the systemic risks to the broader financial apparatus are strictly mitigated through targeted oversight.

It can be concluded that the United States is constructing a hybrid, market-oriented crypto regulatory regime characterised by:

- Functional clarity through legislation (GENIUS + CLARITY)
- Institutional integration via regulatory guidance
- Strategic use of stablecoins to extend dollar dominance
- Continued fragmentation due to federal - state dualism

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[26]Securities and Exchange Commission and Commodity Futures Trading Commission, *SEC and CFTC Announce Historic Memorandum of Understanding Between Agencies*, Press Release No 2026-26 (11 March 2026) https://www.sec.gov/newsroom/press-releases/2026-26-sec-cftc-announce-historic-memorandum-understanding-between-agencies accessed 28 March 2026.

[27]FinTech Weekly, *SEC Names Bitcoin, Ether, Solana and 13 More Crypto Assets Digital Commodities — Not Securities* (FinTech Weekly, 18 March 2026) https://www.fintechweekly.com/news/sec-bitcoin-ether-solana-digital-commodities-not-securities-march-2026 accessed 28 March 2026

[28]Office of the Comptroller of the Currency, *Home Page* (OCC) https://www.occ.gov/ accessed 28 March 2026.

[29]Natural Resources Defense Council, *The Supreme Court Ends Chevron Deference - What Now?* (NRDC, 28 June 2024) https://www.nrdc.org/stories/what-happens-if-supreme-court-ends-chevron-deference accessed 28 March 2026.

In contrast to the EU's prescriptive harmonisation, the US model is modular, innovation-led, and geopolitically conscious in prioritising global competitiveness and monetary influence over regulatory uniformity.

United Kingdom

The United Kingdom is in the process of transitioning from a limited anti-money laundering focused crypto framework to a comprehensive financial regulatory regime under the Financial Services and Markets Act, 2023 (FSMA).[30] This marks a decisive shift toward integrating cryptoassets within the traditional financial system. Rather than enacting a single omnibus statute, the UK has adopted a modular, activity-based approach, bringing specific crypto-related functions within the regulatory perimeter through amendments to the Regulated Activities Order[31], the creation of the Designated Activities Regime[32], and a bespoke framework for Digital Settlement Assets. Complementing this, the recognition of cryptoassets as a distinct category of personal property under English law strengthens legal certainty and enforceability, particularly in insolvency and proprietary claims.[33]

The regulatory architecture is being operationalised primarily through the Financial Conduct Authority[34] and the Bank of England[35], reflecting a dual-regulator model that mirrors traditional financial supervision. Firms currently registered under the Money Laundering Regulations will be required to obtain full authorisation under FSMA, with the new regime expected to become fully operational by 2027.[36] The framework imposes prudential, conduct, and governance requirements akin to those applicable to traditional financial institutions, including capital adequacy, liquidity standards, operational resilience, and wind-down planning. In parallel, cryptoassets have already been brought within the financial promotions regime as "restricted mass market investments", triggering stringent consumer protection obligations such as risk disclosures, appropriateness assessments, and marketing restrictions, including for overseas firms targeting UK consumers.[37]

Statutory architecture

The Financial Services and Markets Act 2023 amended FSMA to designate "cryptoassets" as a new category of regulated activity subject to the UK's general prohibition (s.19 FSMA). Once

[30] *Financial Services and Markets Act 2023* (UK Public General Act 2023, c 29) https://www.legislation.gov.uk/ukpga/2023/29/contents accessed 28 March 2026.
[31] Financial Services and Markets Act 2023 (UK) and the amendments to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) made under it.
[32] Financial Services and Markets Act 2023 (UK), s 8 (Designated activities), in ch 2 (New regulatory powers).
[33] Ministry of Justice and Sarah Sackman KC MP, *UK Among First Countries to Recognise Cryptocurrency as Personal Property* (UK Government, 4 December 2025) https://www.gov.uk/government/news/uk-among-first-countries-to-recognise-cryptocurrency-as-personal-property accessed 29 March 2026.
[34] Financial Conduct Authority, *Home Page* (FCA) https://www.fca.org.uk/
[35] Bank of England, *Home Page* (Bank of England) https://www.bankofengland.co.uk/ accessed 29 March 2026.
[36] *Financial Services and Markets Act 2023* (UK Public General Act 2023, c 29) https://www.legislation.gov.uk/ukpga/2023/29/contents accessed 29 March 2026.
[37] Crypto Council for Innovation and Global Digital Finance, *Joint Letter on the Application of the FCA Handbook for Regulated Cryptoasset Activities* (11 March 2026) https://cryptoforinnovation.org/wp-content/uploads/2026/03/Joint-Letter_Application-of-FCA-Handbook-for-Regulated-Cryptoasset-Activities.pdf accessed 29 March 2026.

HM Treasury specifies an activity in the Regulated Activities Order (RAO), carrying it out in the UK "by way of business" requires FCA authorisation.[38] This is legally significant because crypto firms are not governed by a bespoke supervisory code; instead, they become subject to the entire FSMA toolkit: threshold conditions, senior managers regime, enforcement powers, prudential requirements (where specified), and the FCA's Principles for Businesses.

The definition of "cryptoasset" in UK law is intentionally technology-neutral: a cryptographically secured digital representation of value or contractual rights that can be transferred, stored, or traded electronically. However, the UK distinguishes sharply between:

- Security tokens (already within the existing securities perimeter under MiFID-equivalent rules)[39],
- E-money tokens (regulated under the Electronic Money Regulations)[40],
- Fiat-backed stablecoins used for payments (new payment-focused regime)[41], and
- Other exchange tokens and utility tokens (subject to new cryptoasset activity regulation).

This layered classification avoids duplicative regulation but creates nuanced boundary questions, particularly where tokenised instruments resemble deposits or collective investment schemes.

Section 69 of FSMA 2023[42] expands the scope of regulated activities under the FSMA 2000 to also cover investment "where an asset, right or interest is, or comprises or represents, a cryptoassets." Section 69 FSMA 2023[43] defines cryptoassets as "any cryptographically secured digital representation of value or contractual rights that (a) can be transferred, stored or traded electronically, and (b) that uses technology supporting the recording or storage of data (which may include distributed ledger technology)." These provisions have, in effect, covered investment in cryptoasset as a regulated activity under the FSMA.

The scope of cryptoasset being recognised under the FSMA is still subject to great scrutiny. As evidence, section 69 FSMA 2023 states that "The Treasury may by regulations amend the definition of "cryptoasset". This provision may in part reflect the concerns among UK policymakers on a specific type of cryptoasset, i.e., unbacked cryptoassets such as Bitcoin and Ether.

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[38]Davis Polk & Wardwell LLP, 'UK Financial Regulation Update: UK's Proposed Regime for Cryptoassets' (Client Update, 17 March 2026) https://www.davispolk.com/insights/client-update/uk-financial-regulation-update-uks-proposed-regime-cryptoassets accessed 29 March 2026.

[39]Clifford Chance LLP, *Security Token Offerings: A European Perspective on Regulation* (October 2020) 22 https://www.cliffordchance.com/content/dam/cliffordchance/briefings/2020/10/security-token-offerings-a-european-perspective-on-regulation.pdf accessed 29 March 2026.

[40]Financial Conduct Authority, *Cryptoassets* (FCA) https://www.fca.org.uk/firms/cryptoassets accessed 29 March 2026.

[41]HM Treasury, *Update on Plans for the Regulation of Fiat-backed Stablecoins* (October 2023) https://assets.publishing.service.gov.uk/media/653a82b7e6c968000daa9bdd/Update_on_Plans_for_Regulation_of_Fiat-backed_Stablecoins_13.10.23_FINAL.pdf accessed 29 March 2026.

[42]*Financial Services and Markets Act 2023* (UK), s 8 https://www.legislation.gov.uk/ukpga/2023/29/section/8 accessed 29 March 2026.

[43]Financial Services and Markets Act 2023 (UK), s 8 https://www.legislation.gov.uk/ukpga/2023/29/section/8 accessed 29 March 2026.

The FSMA 2023 also introduces a new Part 5A on Designated Activities Regime (DAR).[44] The new section 71K(3)[45] specifies designated activities as those that are related or connected to either (a) the financial markets or exchanges of the United Kingdom, or (b) financial instruments, financial products or financial investments that are (or are proposed to be) issued or sold to, or by, persons in the United Kingdom. Section 71K(7) further clarifies that "The financial instruments, financial products and financial investments mentioned [in subsection (3)(b) (designated activity)] may include cryptoassets". In essence, this provision allows the government to regulate cryptoassets in the UK.

Regulatory authorities

The Financial Conduct Authority (FCA)[46] is the primary conduct and prudential regulator for cryptoasset service providers (CASPs). It applies authorisation standards, capital rules (where designed), safeguarding obligations, systems and controls requirements, and market abuse surveillance.

However, systemic stablecoin arrangements fall within the remit of the Bank of England[47] if designated as systemically important under the Banking Act framework. In that case, the Bank exercises powers analogous to those applied to payment systems and central counterparties, including oversight of reserve management, redemption mechanics, and operational resilience. The Payment Systems Regulator[48] may also intervene in relation to access and competition issues within payment systems. This tripartite structure reflects a constitutional division between conduct supervision (FCA), systemic risk and prudential stability (Bank of England), and competition in payments (PSR).

Stablecoins: legal design and financial stability constraints

The UK's stablecoin regime is legally nuanced. Fiat-backed stablecoins used as a means of payment are treated not primarily as investment instruments but as payment arrangements. Issuers must ensure[49]:

- 1:1 backing with high-quality liquid assets,
- Legal segregation of reserve assets,
- Clear, enforceable redemption rights at par,
- Insolvency-remote safeguarding structures,
- Operational resilience consistent with DORA-like standards[50] (though the UK uses its own operational resilience regime).

[44]Financial Services and Markets Act 2023 (UK), s 8 https://www.legislation.gov.uk/ukpga/2023/29/section/8 accessed 29 March 2026.
[45]Ibid
[46]Financial Conduct Authority, *Home Page* (FCA) https://www.fca.org.uk/ accessed 29 March 2026.
[47]Bank of England, *Home Page* (Bank of England) https://www.bankofengland.co.uk/ accessed 29 March 2026.
[48]Payment Systems Regulator, *Home Page* (PSR) https://www.psr.org.uk/ accessed 29 March 2026.
[49]PwC UK, *FCA Sets Out Proposals on Stablecoin Issuance, Cryptoasset Custody and Capital Requirements* (PwC UK, 12 March 2026) https://www.pwc.co.uk/industries/financial-services/understanding-regulatory-developments/fca-sets-out-proposals-on-stablecoin-issuance-cryptoasset-custody-and-capital-requirements.html accessed 29 March 2026.
[50]Ibid

On May 28, 2025, the FCA released two consultation papers- CP25/14[51] on stablecoin issuance and custody, and CP25/15[52] on the prudential regime for cryptoasset firms. These papers form the core of the proposed regulatory framework aimed at ensuring stability, security, and transparency in the growing stablecoin market, while also ensuring that cryptoasset firms are capitalised and governed prudently.

1. The FCA proposes that firms issuing fiat-backed stablecoins for UK payments, or offering custody services for them, must be authorized under Part 4A of FSMA 2000. The regime explicitly excludes algorithmic and unbacked stablecoins.
2. The papers mandate full fiat backing, with reserves held in a statutory trust by third-party custodians to protect users. At least 5% of reserves must be immediately accessible deposits to manage liquidity risks.[53] Custodians are also required to segregate client assets, maintain clear records, and hold funds in trust to ensure legal clarity.
3. The FCA also proposes strict standards for cryptoasset custodians. These include segregation of client assets from firm assets, holding those assets on trust, maintaining detailed records, and implementing strong internal governance controls. These measures are intended to reduce risks seen in recent crypto failures such as FTX where poor safeguarding and commingling of assets led to significant consumer losses. The paper highlights that clear and accessible disclosures—on reserve composition, technology used, redemption mechanisms, and third-party arrangements—will be key to fostering trust.
4. While the FCA supports innovation and competitiveness, the proposals focus heavily on consumer protection, financial stability, and international alignment with global standards from IOSCO and the Financial Stability Board. The framework currently excludes algorithmic or unbacked stablecoins, and foreign issuers without UK presence will fall outside the perimeter. The consultation closed on 31 July 2025, with final rules expected later in 2026. These regulations aim to lay a safe foundation for stablecoin use in the UK's evolving digital financial ecosystem.
5. The CP25/15: Prudential Regime for Cryptoasset Firms [54] outlines capital and liquidity requirements for firms. Stablecoin issuers must maintain at least £350,000 in permanent capital, while custodians must hold at least £150,000. Firms are also required to hold liquid assets equal to one-third of their fixed overheads and 1.6% of any guarantees provided to clients. These measures are aimed at ensuring operational resilience. Furthermore, firms must adopt strong governance, accounting systems, and internal controls to promote sound risk management and protect client assets.

A key divergence from the EU model under MiCAR is the UK's proposal to impose holding limits on systemic sterling stablecoins. The legal rationale is macroprudential: to mitigate deposit substitution risk and sudden bank funding outflows. This reflects the Bank of England's statutory

[51]Financial Conduct Authority, CP25/14: Stablecoin Issuance and Cryptoasset Custody (Consultation Paper, May 2025) https://www.fca.org.uk/publication/consultation/cp25-14.pdf accessed 29 March 2026.
[52]*Financial Conduct Authority*, "Publications search results" (FCA Webpage, accessed 29 March 2026) https://www.fca.org.uk/publications/search-results?live_c=1&start=1.
[53]Financial Conduct Authority, CP25/14: Stablecoin Issuance and Cryptoasset Custody (Consultation Paper, May 2025) 27 https://www.fca.org.uk/publication/consultation/cp25-14.pdf accessed 29 March 2026.
[54]Financial Conduct Authority, CP25/15: A Prudential Regime for Cryptoasset Firms (Consultation Paper, 28 May 2025) https://www.fca.org.uk/publication/consultation/cp25-15.pdf accessed 29 March 2026.

financial stability mandate under the Financial Services Act framework.Thus, the UK treats stablecoins less as a market conduct issue and more as a structural banking stability issue when scale thresholds are met.

Financial promotions and consumer protection

The UK has taken one of the strictest retail approaches globally via the Financial Promotion Order amendments. Cryptoassets qualifying as "controlled investments" cannot be marketed to UK consumers[55] unless:

- The firm is FCA-authorised or the communication is approved by an authorised firm,
- Standardised risk warnings are included,
- "Refer-a-friend" incentives are prohibited,
- Appropriateness assessments are conducted for retail clients.

Breach constitutes a criminal offence. This is a powerful enforcement lever and has led to market exits by offshore platforms unable to comply.

The FCA's developing cryptoasset custody framework mirrors CASS (Client Assets Sourcebook) principles.[56] Firms must segregate client cryptoassets from proprietary holdings, maintain reconciliations, and implement safeguarding controls.However, cryptoassets raise property law complexities. English courts have recognised cryptoassets as property (e.g., through case law developments)[57], but questions remain about how trust law interacts with blockchain-based control, particularly where omnibus wallets are used. The UK regime attempts to pre-empt insolvency disputes by clarifying beneficial ownership structures at the regulatory level.

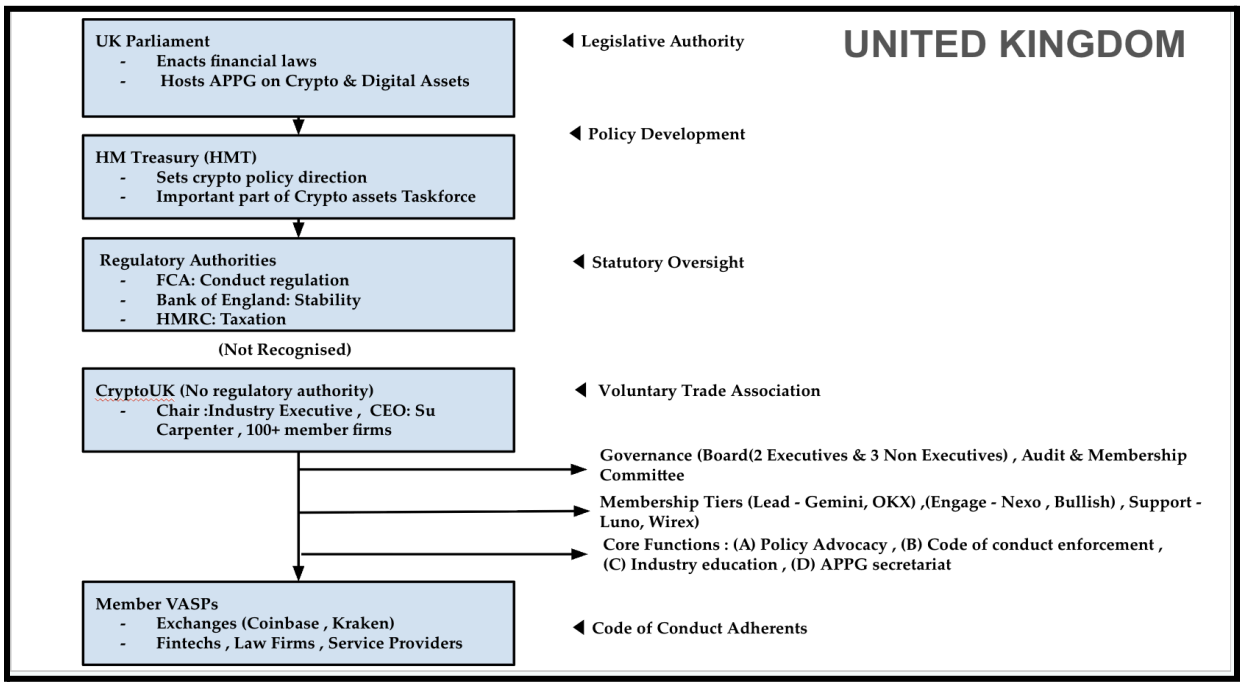
The UK also plans to extend market abuse controls to crypto trading venues, aligning with the "same risk, same regulation" doctrine advocated by the Financial Stability Board. Surveillance, conflict-of-interest management, and disclosure standards will resemble those applied under UK Market Abuse Regulation (MAR). This closes regulatory arbitrage between tokenised securities and exchange tokens traded in quasi-exchange environments.

[55]Law Business Research Ltd, *Lexology Panoramic: Cryptoassets & Blockchain, United Kingdom* (online chapter, Lexology Panoramic 2024/25) https://www.lexology.com/panoramic/tool/workareas/report/cryptoassets-and-blockchain/chapter/united-kingdom accessed 29 March 2026.

[56]KPMG, *No custody without CASS? Application of CASS rules to cryptoasset custody* (Regulatory Insights, KPMG, accessed 29 March 2026) https://kpmg.com/xx/en/our-insights/regulatory-insights/no-custody-without-cass.html

[57]*AA v Persons Unknown [2019] EWHC 1234 (Ch); Ion Science Ltd v Persons Unknown [2020] EWHC 567 (Comm); Fetch.ai Ltd v Persons Unknown [2021] EWHC 890 (Ch); Tulip Trading Ltd v Bitcoin Association [2022] EWHC 345 (Ch); D'Aloia v Persons Unknown [2022] EWHC 678 (Ch); Osbourne v Persons Unknown [2023] EWHC 901 (Comm).*

SRO Model of UK



Economic positioning and forward trajectory

Macroeconomically, the UK is leveraging regulatory clarity as a competitiveness strategy. Post-Brexit, the government has emphasised the "Edinburgh Reforms"[58] to enhance financial services agility. Digital assets, tokenisation, and fintech infrastructure form part of this industrial policy. Growth remains moderate, inflation has stabilised relative to 2022 peaks, and the Bank of England maintains a cautious monetary stance. Within this context, crypto regulation is framed not as deregulatory but as integrationist embedding digital assets within the formal financial system rather than allowing a parallel shadow market to develop. Looks like, by 2026–2027, the UK will likely have:

- A fully authorised CASP regime under FSMA,
- A payment-integrated stablecoin framework with systemic oversight,
- Prudential standards for custodians and exchanges,
- Tight retail promotion controls,
- Ongoing experimentation via regulatory sandboxes.

Legally, the UK model is characterised by perimeter expansion rather than legislative rupture. Its strength lies in doctrinal continuity with traditional financial regulation. Its challenge will be ensuring proportionality so that compliance burdens do not discourage innovation.

[58] https://publications.parliament.uk/pa/cm5804/cmselect/cmtreasy/221/report.html

European Union

The European Union[59] has, by 2026, transitioned from a phase of regulatory design to one of active implementation and supervision in the crypto-assets space. The regulatory focus is no longer on whether or how to regulate, but on ensuring that firms comply with an already well-defined framework. This shift reflects a broader legal policy objective of embedding crypto-assets within the EU's existing financial architecture, while maintaining financial stability and investor protection. Regulatory attention is particularly concentrated on governance standards, operational resilience, and the robustness of stablecoin arrangements.

Markets in Crypto-Assets Regulation (MiCAR)

1. At the centre of the EU's approach lies the Markets in Crypto-Assets Regulation (MiCAR)[60], which constitutes the first comprehensive and directly applicable legal framework governing crypto-assets across all Member States. Fully operational since December 2024, MiCAR eliminates the need for divergent national regimes and introduces a uniform set of rules applicable throughout the Union.
2. It applies to both crypto-asset issuers and crypto-asset service providers (CASPs), thereby covering the full lifecycle of crypto-assets: from issuance to trading and custody.
3. MiCAR adopts a carefully delineated scope. It regulates crypto-assets that do not already fall within the ambit of existing financial services legislation such as MiFID II.[61] Certain categories remain excluded, notably fully decentralised finance arrangements, central bank digital currencies, and genuinely non-fungible tokens, provided they do not exhibit characteristics of fungibility or financialisation.
4. MiCAR classification of crypto-assets into distinct legal categories
    a. MiCAR distinguishes between asset-referenced tokens (ARTs),[62] which derive their value from a basket of assets;
    b. e-money tokens (EMTs)[63], which are pegged to a single fiat currency; and a residual category of other crypto-assets, including utility tokens.
    c. This classification is not merely descriptive but determines the intensity and nature of regulatory obligations applicable to each category, particularly in the case of stablecoins.

[59]European Union, *European Union – Official website* (European Union website) https://european-union.europa.eu/index_en accessed 29 March 2026.
[60]European Securities and Markets Authority, *Markets in Crypto-Assets Regulation (MiCA)* (ESMA, updated 12 March 2026) https://www.esma.europa.eu/esmas-activities/digital-finance-and-innovation/markets-crypto-assets-regulation-mica accessed 29 March 2026.
[61]European Securities and Markets Authority, *Final Report: Guidelines on the Conditions and Criteria for the Qualification of Crypto-Assets as Financial Instruments* (ESMA, December 2024) https://www.esma.europa.eu/sites/default/files/2024-12/ESMA75453128700-1323_Final_Report_Guidelines_on_the_conditions_and_criteria_for_the_qualification_of_CAs_as_FIs.pdf accessed 29 March 2026.
[62]Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 [2023] OJ L 150/40 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32023R1114 accessed 29 March 2026.
[63]*Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937* [2023] OJ L 150/40 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023R1114 accessed 29 March 2026.

   d. Both ARTs and EMTs are subject to enhanced regulatory scrutiny, including strict reserve backing requirements, governance obligations, and limitations on the payment of interest to token holders.
   e. In addition, tokens deemed "significant" on the basis of their scale and systemic relevance are subject to heightened supervision, including direct oversight by the European Banking Authority. This reflects regulatory concerns regarding their potential impact on monetary policy and financial stability.[64]
5. The regulation establishes a rigorous authorisation regime for CASPs. Entities providing services such as custody, exchange, trading platforms, or advisory functions must obtain authorisation from a national competent authority.
6. Once authorised, however, they benefit from passporting rights, allowing them to operate across the EU without the need for multiple licences. This feature is central to the creation of a single market for crypto-assets and significantly enhances the scalability of compliant business models.
7. Disclosure forms another cornerstone of MiCAR's framework. Issuers of crypto-assets are required to publish a detailed white paper prior to any public offering or admission to trading.
   a. This document must contain essential information about the project, including its underlying technology, associated risks, and the rights attached to the asset. The objective is to ensure that investors are adequately informed and to reduce the information asymmetry that has historically characterised crypto markets.
8. Conduct and Prudential requirements on market participants include obligations relating to the segregation and safeguarding of client assets, governance standards, and minimum capital requirements calibrated according to the nature of services provided. In parallel, the regulation introduces a dedicated market abuse regime, prohibiting insider dealing, market manipulation, and unlawful disclosure of inside information in crypto-asset markets, thereby aligning them more closely with traditional financial markets.
9. MiCAR does not operate in isolation but is complemented by other elements of the EU's digital finance framework. The Digital Operational Resilience Act (DORA)[65], for instance, imposes detailed requirements relating to ICT risk management[66], incident reporting, and third-party risk.
10. Together with strengthened anti-money laundering rules and the application of the travel rule to crypto transactions, these measures create a layered and interlocking system of regulation that addresses not only financial risks but also technological and operational vulnerabilities.

The EU framework includes a transitional regime allowing existing operators a limited period to comply with MiCAR's requirements, with the transition expected to conclude in 2026. This

[64]European Central Bank Crypto-Assets Task Force, *Stablecoins: Implications for Monetary Policy, Financial Stability, Market Infrastructure and Payments, and Banking Supervision in the Euro Area* (ECB Occasional Paper No 247, September 2020) https://www.ecb.europa.eu/pub/pdf/scpops/ecb.op247~fe3df92991.en.pdf accessed 29 March 2026.
[65]European Insurance and Occupational Pensions Authority, *Digital Operational Resilience Act (DORA)* (EIOPA website) https://www.eiopa.europa.eu/digital-operational-resilience-act-dora_en accessed 29 March 2026
[66]European Insurance and Occupational Pensions Authority, *Information and Communication Technology (ICT) Risk Management Guidelines* (EIOPA, 2020)

phased approach balances regulatory certainty with practical feasibility, enabling firms to adapt their operations while ensuring that the market moves decisively towards full compliance. In sum, the EU has established a highly structured and harmonised regime that seeks to normalise crypto-assets within the broader financial system while mitigating their associated risks

United Arab Emirates

The United Arab Emirates has adopted a federated and multi-layered regulatory approach to virtual assets, positioning itself as a global digital asset hub. Its framework is not centralised under a single statute; instead, regulatory authority is distributed across federal, emirate-level, and financial free zone regulators. At the federal level, the Central Bank of the UAE (CBUAE)[67] regulates payment tokens and stablecoins, while the Capital Markets Authority (CMA) supervises virtual asset service providers (VASPs)[68] and broader market activities.

At the emirate level, Dubai has established the Virtual Assets Regulatory Authority (VARA)[69] under Dubai Law No. 4 of 2022[70], which acts as a dedicated, purpose-built regulator for virtual assets, aimed at making Dubai a global virtual asset hub.The UAE's financial free zones: Abu Dhabi Global Market (ADGM)[71] and Dubai International Financial Centre (DIFC)[72], operate independent common law-based regimes through their regulators (FSRA and DFSA), both of which have reached a mature supervisory stage with a principles-based, firm-accountability model.

Legal Perimeter and Licensing Structure

The UAE has developed a multi-tier authorisation system, reflecting its federated regulatory design:

- VARA (Dubai level)
    - Dedicated VA regulator (excluding DIFC)
    - Covers eight regulated activities (exchange, custody, advisory, etc.)
    - Framework is activity-based, risk-sensitive, and innovation-oriented
- CMA (Federal level)
    - Licenses VASPs across mainland UAE (outside Dubai/FFZs)
    - Covers exchange, brokerage, custody, and platform operation
    - Also introduces tokenization frameworks for securities and financial instruments
- Free Zones (ADGM & DIFC)
    - Independent regimes via FSRA and DFSA

[67]Central Bank of the UAE, *Central Bank of the UAE – Official website* (Central Bank of the UAE website) https://www.centralbank.ae/en/ accessed 29 March 2026.
[68]Government of the United Arab Emirates, *Regulation of Digital Properties* (U.AE official portal) https://u.ae/en/about-the-uae/digital-uae/regulatory-framework/regulation-of-digital-properties accessed 29 March 2026.
[69]Virtual Assets Regulatory Authority, *Virtual Assets Regulatory Authority (VARA) – Official website* (https://www.vara.ae/en/) accessed 29 March 2026.
[70]*Law No (4) of 2022 Regulating Virtual Assets in the Emirate of Dubai* (28 February 2022) https://dlp.dubai.gov.ae/Legislation%20Reference/2022/Law%20No.%20%284%29%20of%202022%20Regulating%20Virtual%20Assets.html accessed 29 March 2026.
[71]Abu Dhabi Global Market, *ADGM : Official website* https://www.adgm.com/ accessed 29 March 2026.
[72]Dubai International Financial Centre, *DIFC : Official website* https://www.difc.com/ accessed 29 March 2026.

- Focus on institutional-grade supervision and market infrastructure integration

Supervisory approach

The UAE has transitioned into a mature supervisory phase, marked by a move away from prescriptive rulemaking towards principles-based regulation and firm-level accountability. Regulators increasingly require firms to take responsibility for governance, risk management, and product suitability, rather than relying on exhaustive rulebooks. A key illustration is the approach of the DIFC regulator, which requires firms to undertake internal token assessments before offering products[73], thereby embedding compliance within institutional processes rather than external approvals. This signals a broader shift towards governance-intensive supervision.

Federal Regulation

At the federal level, the CMA[74] functions as the principal regulator for securities, commodities, and Virtual Asset Service Providers (VASPs). In parallel, the CBUAE exercises jurisdiction over specific aspects of virtual assets, particularly in relation to stored value facilities and fiat-backed stablecoins. The Securities and Commodities Authority (SCA) derives its regulatory mandate from Cabinet Decision No. (111) of 2021 on the Regulation of Virtual Assets and their Service Providers[75], which establishes the legal definition of virtual assets and prescribes licensing requirements for activities such as trading, custody, and management. Importantly, Cabinet Decision No. (111) of 2021 affirms that overarching regulatory authority vests with the SCA, while simultaneously permitting the delegation of supervisory powers to designated Local Licensing Authorities within individual Emirates. This mechanism reflects a calibrated decentralisation of regulatory control, allowing emirate-level regulators to tailor oversight in accordance with local market conditions without undermining federal coherence. In furtherance of this approach, Cabinet Resolution No. 112 of 2022 formally delegated certain regulatory competencies to the Dubai Virtual Assets Regulatory Authority (VARA)[76], granting it authority over the licensing and supervision of VASPs operating in Dubai, excluding those within the DIFC jurisdiction.

Local Emirate Level

1. Dubai (Onshore): The Dubai VARA, established under Law No. 4 of 2022, regulates virtual assets in Dubai (excluding DIFC) through its 2023 Virtual Asset Framework governing VASP licensing and operations.

[73]Dubai Financial Services Authority, *Crypto: DFSA's Crypto Token Regulation in the DIFC* (DFSA website) https://www.dfsa.ae/crypto accessed 29 March 2026.
[74]Securities and Commodities Authority, *SCA - Official website* https://www.sca.gov.ae/en/home.aspx accessed 29 March 2026.
[75]CMS, *UAE: SCA Issues New Guidelines on the Regulation of Virtual Assets and VASPs* (CMS Legal Update, 13 September 2024) https://www.cms.law/en/are/legal-updates/uae-sca-issues-new-guidelines-on-the-regulation-of-virtual-assets-and-vasps2 accessed 29 March 2026.
[76]*Cabinet Decision No 112/2022 on Delegating Certain Competencies related to the Regulation of Virtual Assets* (Virtual Assets Regulatory Authority Rulebook) https://rulebooks.vara.ae/rulebook/cabinet-decision-no-1122022-delegating-certain-competencies-related-regulation-virtual accessed 29 March 2026.

2. SCA - VARA Cooperation: A 2024 agreement between the SCA and VARA mandates VARA licensing for Dubai-based VASPs (with automatic SCA registration), while other Emirates remain under SCA jurisdiction, excluding free zones.
3. Enforcement (Dubai): VARA exercises enforcement powers including fines, suspensions, and licence revocation, with appeals heard by its Grievance Committee established in 2023.
4. Dubai (DIFC): The Dubai Financial Services Authority independently regulates virtual asset activities within the Dubai International Financial Centre, requiring separate licensing.
5. Abu Dhabi (ADGM): The Financial Services Regulatory Authority in the Abu Dhabi Global Market operates a comprehensive virtual asset regime (since 2018) covering exchanges, custodians, brokers, and intermediaries under an English common law-based framework.

Stablecoins and payment tokens

The United Arab Emirates (UAE) regulates stablecoins through the Payment Token Services Regulation[77] issued by the CBUAE[78], which came into effect on 21 August 2024.

1. This defines stablecoins, referred to as “Payment Tokens”[79], as virtual assets pegged to either fiat currency or other payment tokens. The regulation distinguishes between Dirham Payment Tokens (pegged to AED) and Foreign Payment Tokens (pegged to non-AED fiat currencies).
2. A license from the CBUAE is mandatory for entities wishing to issue, custody, or convert these tokens, including overseas firms targeting UAE residents. Separately, the Securities and Commodities Authority (SCA) is developing a regulatory regime for stablecoins backed by commodities, and Dubai’s VARA oversees certain activities within the emirate. There are limited exemptions for loyalty programs and payment tokens used exclusively within closed-loop systems.
3. To conduct regulated stablecoin activities, firms must obtain licenses for specific services: issuing tokens, providing custody and transfer, and offering conversion services. Entities promoting stablecoin services must either be licensed or officially appointed by a licensed firm.
4. Reserve and redemption requirements are implied but not fully detailed in the current regulation. The CBUAE retains discretion to designate any virtual asset as a Payment Token, even if not issued by a licensed provider.
5. Notably, the regulations do not apply to the UAE’s Financial Free Zones; specifically the Dubai International Financial Centre (DIFC)[80] and Abu Dhabi Global Market) (ADGM)[81], which have their own rules.

[77] *Payment Token Services Regulation* (Central Bank of the UAE Rulebook) https://rulebook.centralbank.ae/en/rulebook/payment-token-services-regulation accessed 29 March 2026.
[78] Central Bank of the UAE, *Central Bank of the UAE – Official website* https://www.centralbank.ae/en/ accessed 29 March 2026.
[79] *Payment Token Services Regulation* (Central Bank of the UAE Rulebook) https://rulebook.centralbank.ae/en/rulebook/payment-token-services-regulation accessed 29 March 2026, art 1(51).
[80] Dubai International Financial Centre, *DIFC – Official website* https://www.difc.com/ accessed 29 March 2026.
[81] Abu Dhabi Global Market, *ADGM – Official website* https://www.adgm.com/ accessed 29 March 2026

At the same time, the regime imposes strict limitations on usage. In particular:

- Merchants may only accept licensed AED-backed stablecoins for payments
- Algorithmic stablecoins and privacy-enhancing tokens are prohibited

This reflects a calibrated stance supporting innovation while tightly controlling monetary risk and financial stability concerns.

Alongside private digital assets, the UAE is actively developing a central bank digital currency, the Digital Dirham[82], under its broader financial infrastructure transformation programme. The initial focus is on wholesale and cross-border applications, with retail deployment expected in later phases. This has led to the emergence of a dual-layer monetary framework, where public digital money (CBDC) coexists with regulated private stablecoins, each serving distinct roles within the financial system.

Overall, the UAE's framework reflects a strategically coordinated but institutionally plural model, combining innovation-friendly policies with increasing regulatory discipline. Ongoing developments suggest deeper coordination across regulators, enhanced prudential standards, and alignment with international norms such as FATF requirements.

Singapore

Singapore follows a risk-based, activity-specific regulatory model for crypto-assets, administered by the Monetary Authority of Singapore (MAS)[83]. Instead of a single consolidated statute, the framework operates through a combination of financial services, payments, and AML laws, supplemented by MAS-issued binding Notices and Guidelines. The regulatory objective is to balance financial innovation with systemic stability, market integrity, and consumer protection, while maintaining strict oversight over money laundering and terrorism financing risks. The legal treatment of crypto-assets in Singapore depends on their functional characteristics, with multiple statutes applying concurrently where relevant.

Under the Securities and Futures Act, 2001 (SFA)[84], crypto-assets that constitute capital markets products such as securities, derivatives, or units in collective investment schemes are regulated under traditional securities law. Entities dealing in such tokens must comply with prospectus requirements, licensing norms, and market conduct obligations. The Payment Services Act, 2019 (PS Act)[85], read with the Payment Services Regulations, 2019[86], forms the

[82]Central Bank of the UAE, *Digital Dirham – A Primer on the UAE's Central Bank Digital Currency* (Policy Paper No 01/2025, July 2025) https://www.centralbank.ae/media/lczb23l4/cbdc-short-report_july.pdf accessed 29 March 2026
[83]Monetary Authority of Singapore, *MAS – Official website* https://www.mas.gov.sg/ accessed 29 March 2026.
[84]*Securities and Futures Act* (Monetary Authority of Singapore website) https://www.mas.gov.sg/regulation/acts/securities-and-futures-act accessed 29 March 2026.
[85]*Payment Services Act* (Monetary Authority of Singapore website) https://www.mas.gov.sg/regulation/acts/payment-services-act accessed 29 March 2026.
[86]*Payment Services Regulations 2019* (Monetary Authority of Singapore website) https://www.mas.gov.sg/regulation/regulations/payment-services-regulations-2019 accessed 29 March 2026.

core regulatory framework for crypto-assets classified as Digital Payment Tokens (DPTs)[87]. It governs activities such as:

- Operating crypto exchanges
- Facilitating token transfers
- Providing custodial wallet services
- Dealing in or brokering DPTs

Stablecoins are generally treated as DPTs unless brought under a specific regulatory carve-out. The Financial Services and Markets Act, 2022 (FSMA)[88] expands the regulatory perimeter by introducing a licensing regime for Digital Token Service Providers (DTSPs)[89], particularly targeting entities providing services outside Singapore but operating from within its jurisdiction. Additionally, the Commodity Trading Act, 1992 (CTA)[90] may apply where token transactions resemble spot commodity trading arrangements.

Licensing architecture and regulatory entry

Singapore maintains a tiered and activity-based licensing framework, with different licences triggered depending on the nature of the crypto activity.

- Entities dealing in capital markets tokens must obtain a Capital Markets Services (CMS) licence[91] under the SFA.
- Providers of DPT services must be licensed under the PS Act as either:
    - Standard Payment Institutions, or
    - Major Payment Institutions (depending on transaction thresholds).
- Entities qualifying as DTSPs must obtain a licence under the FSMA, particularly where cross-border services are involved.

MAS adopts a highly selective licensing approach, granting approvals only to applicants demonstrating robust governance and risk management systems, strong AML/CFT controls and technological resilience and operational soundness. This has resulted in a relatively limited number of licensed crypto operators, reflecting a cautious regulatory stance.

A significant reform introduced in June 2025 expanded Singapore's regulatory reach beyond its territorial boundaries. Under the FSMA framework any entity incorporated in Singapore or operating from Singapore that is providing digital token services to persons outside Singapore, must obtain a licence and comply with ongoing reporting obligations, conduct and governance standards, and full AML/CFT requirements aligned with FATF norms. Entities unable to meet

[87]Monetary Authority of Singapore, *Digital Payment Tokens* (MAS Media Library PDF) https://www.mas.gov.sg/-/media/MAS-Media-Library/who-we-are/mas-gallery/Digital-Payment-Tokens.pdf accessed 29 March 2026.
[88]*Financial Services and Markets Act 2022* (Monetary Authority of Singapore website) https://www.mas.gov.sg/regulation/acts/financial-services-and-markets-act-2022 accessed 29 March 2026
[89]*Guidelines on Licensing for DTSPS* (Monetary Authority of Singapore website) https://www.mas.gov.sg/regulation/guidelines/guidelines-on-licensing-for-dtsps accessed 29 March 2026.
[90]*Guidelines on Licensing for DTSPS* (Monetary Authority of Singapore website) https://www.mas.gov.sg/regulation/guidelines/guidelines-on-licensing-for-dtsps accessed 29 March 2026.
[91]*CMS Licence* (Monetary Authority of Singapore website) https://www.mas.gov.sg/regulation/capital-markets/apply-for-licensing-or-registration-of-capital-market-entities/cms-licence accessed 29 March 2026.

these requirements are required to cease regulated activities, marking a decisive move to prevent regulatory arbitrage.

MAS has strengthened investor protection measures, particularly in response to risks arising from exchange failures and asset mismanagement. Like segregation of customer assets from proprietary holdings, maintenance of assets in statutory trust accounts, proper maintenance of books, records, and reconciliation mechanisms, implementation of strong cybersecurity and internal control systems, risk awareness assessments for retail customers and enhanced disclosures on volatility and risks associated with crypto-assets. These measures collectively aim to reduce the risk of loss, misuse, or commingling of customer funds.

Singapore treats crypto-assets as inherently high-risk from an AML/CFT perspective, and imposes stringent compliance obligations. All entities whether licensed or not are subject to obligations under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (CDSA)[92] and the Terrorism (Suppression of Financing) Act (TSFA).[93] The compliance requirements include suspicious transaction reporting (STRs), customer due diligence (CDD) and ongoing monitoring and sanctions screening and compliance. MAS continuously updates AML/CFT Notices applicable to DPT service providers, ensuring alignment with FATF standards.

In terms of stablecoins, Singapore has developed a targeted framework for stablecoins, particularly Single-Currency Stablecoins (SCS).[94] While stablecoins are generally regulated as DPTs under the PS Act, MAS has introduced a distinct regulatory classification for SCS, defined as stablecoins pegged to the Singapore Dollar, or any G10 currency. Key legal requirements include:

- Full reserve backing with high-quality, low-risk assets
- Segregation and safeguarding of reserve assets
- Maintenance of minimum base capital and solvency levels
- Restrictions on redemption and operational risks

MAS has also introduced a “stablecoin issuance service”[95] as a regulated activity, with the intent of ensuring that only credible and well-backed stablecoins operate within the financial system.

MAS is aligning its prudential framework with the Basel Committee on Banking Supervision (BCBS)[96] standards for crypto-assets. Crypto exposures are categorised into:

- Group 1 (lower risk) : tokenised traditional assets
- Group 2 (higher risk) : unbacked crypto-assets

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[92] *Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992* (Singapore Statutes Online) https://sso.agc.gov.sg/Act/CDTOSCCBA1992 accessed 29 March 2026

[93] *Trusts (Special Provisions) Act 2002* (Singapore Statutes Online) https://sso.agc.gov.sg/Act/TSFA2002 accessed 29 March 2026.

[94] Monetary Authority of Singapore, *MAS Finalises Stablecoin Regulatory Framework* (Media Release, 15 August 2023) https://www.mas.gov.sg/news/media-releases/2023/mas-finalises-stablecoin-regulatory-framework accessed 29 March 2026.

[95] Ibid.

[96] *Basel Committee on Banking Supervision* (Bank for International Settlements) https://www.bis.org/bcbs/index.htm accessed 29 March 2026.

Banks are required to:

- Notify MAS prior to undertaking crypto exposures
- Apply conservative capital treatment to higher-risk assets

Although full implementation is expected post-2027, supervisory oversight is already active. Singapore has adopted the Crypto-Asset Reporting Framework (CARF) developed by the OECD. Under CARF, crypto service providers must report transaction data and information is exchanged automatically with foreign tax authorities, with the regime expected to be operational by 2028. This enhances cross-border tax transparency and regulatory cooperation.

Singapore's framework represents a comprehensive, multi-layered regulatory architecture, combining:

- Functional classification of crypto-assets
- Activity-based licensing across multiple statutes
- Strong AML/CFT enforcement
- A structured and credible stablecoin regime
- Progressive integration of innovation through regulatory sandboxes

The result is a highly mature and tightly supervised ecosystem, designed to support innovation while minimising systemic and consumer risks.

Hong Kong

The regulatory framework governing digital assets in Hong Kong SAR[97] is not based on a single omnibus statute, but instead reflects a hybrid, principle-based legislative model, wherein existing financial services laws are extended to virtual assets, supplemented by targeted crypto-specific legislation. The core statutory instruments include the Securities and Futures Ordinance (Cap. 571)[98], the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615)[99], and the newly introduced Stablecoins Ordinance (Cap. 656)[100], each of which governs distinct aspects of the virtual asset ecosystem.

Securities law perimeter & AML regulation

Under the Securities and Futures Ordinance (SFO)[101], virtual assets that qualify as "securities" or "futures contracts" fall squarely within the traditional financial regulatory perimeter. In such cases, intermediaries including exchanges and advisors must obtain licences from the Securities and Futures Commission for regulated activities such as dealing in securities,

[97]The World Bank, *Hong Kong SAR, China* (World Bank Data) https://data.worldbank.org/country/hong-kong-sar-china accessed 29 March 2026.
[98]*Securities and Futures Ordinance* (Cap. 571) (Hong Kong e-Legislation) https://www.elegislation.gov.hk/hk/cap571 accessed 29 March 2026.
[99]*Bailiff Ordinance* (Cap 615) (Hong Kong e-Legislation) https://www.elegislation.gov.hk/hk/cap615 accessed 29 March 2026.
[100]*Companies Ordinance* (Cap 656) (Hong Kong e-Legislation) https://www.elegislation.gov.hk/hk/cap656 accessed 29 March 2026.
[101]*Securities and Futures Ordinance* (Cap 571) (Hong Kong e-Legislation) https://www.elegislation.gov.hk/hk/cap571 accessed 29 March 2026.

advising on securities, or operating automated trading services. Virtual Asset Trading Platforms (VATPs) dealing in security tokens are therefore subject to full securities law obligations, including licensing, conduct requirements, and market oversight. Pursuant to Section 114 SFO[102], any person carrying on a "regulated activity" (including dealing in securities (Type 1), advising on securities (Type 4), or asset management (Type 9)) must be licensed by the Securities and Futures Commission (SFC). Further, Section 19 SFO[103] imposes the general prohibition on operating an exchange without authorisation, which is relevant for virtual asset trading platforms dealing in security tokens. Additionally, Part III SFO (Sections 103–109)[104] governs the offering of investments to the public, including restrictions on unauthorised invitations and advertisements, which extend to token offerings that constitute securities.

For virtual assets that do not qualify as securities, such as utility tokens or certain payment tokens, the primary regulatory hook is the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (AMLO)[105]. Under this regime, the SFC is empowered as the principal regulator of Virtual Asset Service Providers (VASPs), imposing AML/CFT compliance obligations analogous to those applicable in traditional financial markets. This includes licensing of VATPs, customer due diligence, transaction monitoring, and compliance with FATF-aligned standards. Additionally, crypto exchanges engaging in fiat-crypto interfaces must obtain licences under the Money Service Operator (MSO) regime[106], administered by the Customs and Excise Department, thereby extending AML obligations to payment-facing crypto activities.

Stablecoins dedicated legislative regime

A distinct statutory framework has been introduced through the Stablecoins Ordinance (Cap. 656), effective August 2025[107], which establishes a formal licensing regime for fiat-referenced stablecoin issuers. Regulatory oversight is vested in the Hong Kong Monetary Authority (HKMA), which supervises issuance, governance, reserve management, redemption processes, and prudential requirements. The ordinance establishes a clear licensing regime for stablecoin issuers:

- Section 5 is the statutory definition and extra-territorial scope of regulated activity, defining "regulated stablecoin activity" (RSA) in deliberately expansive terms.[108] The provision captures not only the issuance of specified stablecoins within Hong Kong, but also extends to offshore issuance where the stablecoin is referenced to the Hong Kong

[102]Securities and Futures Commission, *Licensing Handbook 2025* (Hong Kong SFC, July 2025) https://www.sfc.hk/-/media/EN/assets/components/codes/files-current/web/licensing-handbook/LIC-Handbook-2025-Eng.pdf?rev=77b73d8a0caf4663a2c8e8c2aeab6d47 accessed 29 March 2026

[103]*Securities and Futures Ordinance* (Cap 571) (Hong Kong e-Legislation) https://www.elegislation.gov.hk/hk/cap571?xpid=ID_1438403465441_002 accessed 29 March 2026

[104]*Securities and Futures Ordinance* (Cap 571) (Hong Kong e-Legislation) https://www.elegislation.gov.hk/hk/cap571!en accessed 29 March 2026

[105]*Securities and Futures Ordinance* (Cap 615) (Hong Kong e-Legislation) https://www.elegislation.gov.hk/hk/cap615 accessed 29 March 2026.

[106]InCorp Asia, *Money Service Operator (MSO) Licence in Hong Kong* (InCorp Asia) https://hongkong.incorp.asia/guides/money-service-operator-mso-licence-in-hong-kong/#:~:text=A%20Money%20Service%20Operator%20(MSO,and%20Excise%20Department%20(C&ED)) accessed 29 March 2026.

[107]Stablecoins Ordinance (Cap 656) of the Laws of Hong Kong (enacted 30 May 2025, in force 1 Aug 2025) https://www.elegislation.gov.hk/hk/cap656 accessed 29 March 2026.

[108]*Cap 656 Stablecoins Ordinance* (Hong Kong) s 5, Meanings of regulated stablecoin activity and related expressions.

dollar or actively marketed to the Hong Kong public. The inclusion of a delegated power to prescribe additional activities ensures regulatory elasticity, enabling the framework to respond dynamically to evolving stablecoin structures. In effect, Section 5 operationalises a functional and extra-territorial approach, preventing regulatory arbitrage through geographic structuring.

- Section 8[109] establishes the core normative prohibition underpinning the regime, stipulating that no person may carry on, or hold themselves out as carrying on, a regulated stablecoin activity without a licence or statutory exemption. This provision operates as the legal gateway to the entire framework, rendering licensing a condition precedent to lawful participation in the market. The breadth of the prohibition extending to "holding out" is significant, as it captures preparatory and representational conduct, thereby closing potential circumvention pathways. The provision is backed by penal consequences, underscoring its role as the primary enforcement lever.
- Section 9[110] introduces a distinct but complementary layer of market regulation, restricting the offering of specified stablecoins to the public to a closed class of "permitted offerors". This includes licensed issuers, authorised institutions, and other regulated intermediaries. The provision effectively decouples issuance from distribution, ensuring that even lawfully issued stablecoins cannot circulate freely without controlled intermediation. By limiting access for retail investors to regulated channels and confining unregulated stablecoins largely to professional investors, the section embeds investor protection and market integrity considerations directly into the statutory design.
- Sections 14 to 16[111] collectively establish the licensing machinery of the Ordinance, including exemptions, application procedures, and the grant of licences by the HKMA. These provisions are framed to confer broad supervisory discretion, particularly in assessing whether applicants satisfy "fit and proper" requirements, possess adequate financial and technical resources, and can comply with prescribed prudential standards. The structure reflects a prudential, forward-looking regulatory philosophy, enabling the HKMA to impose conditions, tailor requirements, and refuse licences where systemic or consumer risks are identified.
- Sections 140–141[112] read with Schedule 6 (Supervisory Enforcement and Appellate Oversight) crystallises the enforcement architecture, establishing a structured mechanism for review of regulatory decisions. Decisions of the HKMA, such as refusal, suspension, or revocation of licences are designated as "specified decisions" subject to appeal before a specialised tribunal. However, the absence of an automatic stay ensures that regulatory actions remain immediately operative, preserving market stability and preventing regulatory lag. This reflects a calibrated balance between procedural fairness and effective supervisory control.

<u>Licensing of Virtual Asset Trading Platforms (VATPs) & Custody</u>

[109]Cap. 656 Stablecoins Ordinance, s 8 (Hong Kong)
[110]Cap. 656 Stablecoins Ordinance (Hong Kong) s 8 (offence of carrying on regulated stablecoin activity without a licence or exemption).
[111]Cap 656 Stablecoins Ordinance (Hong Kong) s 8 (offence of carrying on or holding out as carrying on a regulated stablecoin activity without a licence or exemption)
[112]Cap 656 Stablecoins Ordinance (Hong Kong) s 9 (offence and restrictions on offering specified stablecoins by non-permitted offerors)

The AMLO establishes a mandatory licensing regime for VATPs[113], under which operators must obtain authorisation from the SFC. By 2025, multiple platforms had been licensed, subject to stringent conditions relating to custody, product offerings, and investor protection. The SFC has further refined this regime through circulars, including relaxing the "12-month track record" requirement for professional investors[114]. This demonstrates a shift toward **c**ontrolled liberalisation, particularly for institutional participation. Custody of virtual assets is tightly regulated. Currently, custodians associated with licensed VATPs must be: wholly owned subsidiaries, licensed as Trust or Company Service Providers (TCSPs)[115] and regulated by the SFC. Additionally, banks authorised by the HKMA may provide custody services. Notably, legislative proposals are underway to introduce a standalone licensing regime for digital asset custodians, reflecting a move toward functional regulation of infrastructure providers.

Hong Kong is progressively expanding the licensing perimeter beyond trading platforms. As of late 2025[116]:

- Proposals have been introduced to create dedicated licensing regimes for virtual asset dealers,
- Separate licensing categories are being considered for VA advisory and asset management services, aligning with the SFO's classification of regulated activities (Type 1, Type 4, Type 9).

This reflects a deliberate move toward activity-based regulation, ensuring consistency across traditional and crypto financial services.

Tokenised securities

A key doctrinal position in Hong Kong law is that tokenisation[117] does not alter legal character. Accordingly, tokenised securities remain subject to the SFO and existing securities law framework. This ensures continuity in investor protection, disclosure obligations, and market conduct rules, irrespective of the underlying technology.

In substance, Hong Kong's legislative framework reflects a layered and functionally differentiated approach:

- SFO → governs security tokens and investment-like crypto-assets,
- AMLO → governs exchanges and non-security VASPs through AML/CFT obligations,

[113]Securities and Futures Commission, 'Virtual asset trading platform operators' (Fintech Contact Point, SFC Hong Kong) https://www.sfc.hk/en/Welcome-to-the-Fintech-Contact-Point/Virtual-assets/Virtual-asset-trading-platforms-operators accessed 29 March 2026.
[114]Securities and Futures Commission, *Consultation Conclusions on the Proposed Regulatory Requirements for Virtual Asset Trading Platform Operators Licensed by the Securities and Futures Commission* (23 May 2023) https://apps.sfc.hk/edistributionWeb/api/consultation/conclusion?lang=EN&refNo=23CP1 accessed 29 March 2026.
[115]Registry for Trust and Company Service Providers (Hong Kong), *Guideline on Licensing of Trust or Company Service Providers* (October 2022) https://www.tcsp.cr.gov.hk/tcspls/portal/guide/59/eng accessed 29 March 2026.
[116]Summer Zhen and Jiaxing Li, 'Hong Kong expands virtual asset push with new licensing, trading options' *Reuters* (19 February 2025) https://www.reuters.com/technology/hong-kong-issues-nine-digital-asset-platform-licenses-plans-more-approvals-2025-02-19/ accessed 29 March 2026.
[117]Securities and Futures Commission, 'Circular on Tokenisation of SFC-Authorised Investment Products' (2 November 2023) https://apps.sfc.hk/edistributionWeb/api/circular/openFile?lang=EN&refNo=23EC53 accessed 29 March 2026.

- Stablecoins Ordinance → establishes a bespoke prudential regime for fiat-backed stablecoins,
- Supplementary licensing regimes (MSO, TCSP, proposed VASP expansions) → address operational and infrastructural roles.

This architecture evidences a convergence model, where crypto-assets are regulated not as a distinct category per se, but by mapping them onto existing legal classifications, supplemented by targeted legislation where systemic risk justifies bespoke treatment.

Canada

Canada's story for cryptoassets reflects a principles-based, multi-agency approach prioritizing investor protection, financial stability, and innovation, coordinated across federal and provincial authorities including the Canadian Securities Administrators (CSA)[118], Office of the Superintendent of Financial Institutions (OSFI)[119], Bank of Canada (BoC)[120], and Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)[121]. Canada integrates digital assets into existing financial laws without bespoke federal crypto legislation similar to Singapore, relying instead on activity-based oversight, registration mandates, and evolving prudential standards to mitigate systemic risks while fostering market development.

There is a proactive engagement through the CSA's Financial Innovation Hub (FinHub)[122], established to provide regulatory sandboxes, no-action letters, and interpretive guidance on cryptoassets, thereby facilitating dialogue between innovators and regulators to balance technological advancement with market integrity. The 2025 federal budget introduced pivotal tax reforms mandating implementation of the OECD Crypto-Asset Reporting Framework (CARF)[123] via amendments to the Income Tax Act, effective January 1, 2026, which compel crypto exchanges, brokers, and ATM operators to collect and report user transaction data starting in 2027, enhancing transparency and combating tax evasion in line with global standards.

On legal perimeter and authorisation, the Retail Payment Activities Act (RPAA)[124], enforced from 2025, requires payment service providers (PSPs) offering crypto-related activities such as fund transfers involving virtual currencies to register with the Bank of Canada[125] by September 8, 2025, subjecting them to stringent risk management, operational resilience, and client fund safeguarding obligations. Notably, federally regulated banks remain exempt but must ensure compliant partnerships. Concurrently, Money Services Businesses (MSBs), engaged in virtual

[118]Canadian Securities Administrators, 'Homepage' https://www.securities-administrators.ca/ accessed 29 March 2026.
[119]Office of the Superintendent of Financial Institutions (Canada), 'Homepage' https://www.osfi-bsif.gc.ca/en accessed 29 March 2026.
[120]Bank of Canada, 'Homepage' https://www.bankofcanada.ca/ accessed 29 March 2026.
[121]Financial Transactions and Reports Analysis Centre of Canada, 'Introduction — Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)' https://fintrac-canafe.canada.ca/intro-eng accessed 29 March 2026.
[122]Canadian Securities Administrators, 'CSA Financial Innovation Hub' https://www.securities-administrators.ca/csa-activities/csa-finhub/ accessed 29 March 2026
[123]OECD, *Crypto-Asset Reporting Framework: 2025 Monitoring and Implementation Update* (Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD, Paris, 2025) https://www.oecd.org/content/dam/oecd/en/networks/global-forum-tax-transparency/crypto-asset-reporting-framework-monitoring-implementation-update-2025.pdf accessed 29 March 2026.
[124]Retail Payment Activities Act, S.C. 2021, c. 23, s. 177 (Can) https://laws-lois.justice.gc.ca/eng/acts/R-7.36/page-1.html accessed 29 March 2026.
[125]Bank of Canada, 'Home – Bank of Canada' https://www.bankofcanada.ca/ accessed 29 March 2026

currency dealing or exchange, register with FINTRAC under the Proceeds of Crime (Money Laundering)[126] and Terrorist Financing Act, enduring robust anti-money laundering/counter-financing of terrorism (AML/CFT) programs[127], including the FATF Travel Rule for transactions exceeding CAD 1,000[128]. Cryptoasset trading platforms (CTPs) face provincial securities regulation, with those facilitating securities or derivatives trading required to join the Canadian Investment Regulatory Organization (CIRO) as investment dealers following CSA Staff Notice 21-329 issued in February 2025, imposing licensing, capital adequacy, and client asset segregation imperatives.[129]

The core regulatory framework vests primary oversight of Crypto Trading Platforms with the CSA, enforcing comprehensive standards on risk management, custody protocols (including cold storage mandates and insurance), conflict-of-interest mitigation, and enhanced disclosure of fees, risks, and asset backing to safeguard retail investors. Publicly offered crypto funds fall under amended National Instrument 81-102 Investment Funds, effective July 16, 2025[130], which delineates eligible cryptoassets (limited to those with established liquidity and pricing), concentration limits (no more than 10% per asset), and custodial requirements aligned with derivatives rules. OSFI's Guideline E-23 on Capital and Liquidity Treatment of Cryptoasset Exposures[131], finalized February 2025 and updated October 2025, mirrors Basel Committee standards by classifying exposures into Group 1 (tokenized traditional assets) and Group 2 (unbacked cryptoassets), prescribing risk weights up to 1,250%, liquidity coverage ratio exclusions for volatile assets, and mandatory public disclosures to address valuation, custody, and concentration risks.

Regarding digital money, the BoC has deferred a retail central bank digital currency (CBDC) decision[132], pivoting research toward privacy-preserving designs and financial inclusion while emphasizing payments system interoperability. However, the 2025 budget signals forthcoming legislation for fiat-backed stablecoins via RPAA amendments, placing issuance and supervision under BoC purview with requirements for 1:1 high-quality liquid reserves, at-par redemption

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[126]Financial Transactions and Reports Analysis Centre of Canada, 'Money services businesses (MSBs)' https://fintrac-canafe.canada.ca/msb-esm/msb-eng accessed 29 March 2026.

[127]Department of Finance Canada, *Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime Strategy 2023-2026* https://www.canada.ca/en/department-finance/programs/financial-sector-policy/canadas-anti-money-laundering-and-anti-terrorist-financing-regime-strategy-2023-2026.html accessed 29 March 2026.

[128]Financial Action Task Force, *Best Practices on Supervising the Implementation of the FATF Travel Rule* (March 2023) https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/Best-Practices-Travel-Rule-Supervision.pdf accessed 29 March 2026.

[129]Canadian Securities Administrators and Investment Industry Regulatory Organization of Canada, *Joint CSA/IIROC Staff Notice 21-329: Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements* (29 March 2021) https://www.securities-administrators.ca/newsroom/publications/joint-csaiiroc-staff-notice-21-329-guidance-crypto-asset-trading-platforms-compliance-regulatory accessed 29 March 2026.

[130]Canadian Securities Administrators, 'CSA Notice – Amendments to National Instrument 81-102 Investment Funds Pertaining to Crypto Assets' (Ontario Securities Commission, 17 April 2025) https://www.osc.ca/en/securities-law/instruments-rules-policies/8/81-102-81-102cp/csa-notice-amendments-national-instrument-81-102-investment-funds-pertaining-crypto-assets accessed 29 March 2026.

[131]Office of the Superintendent of Financial Institutions (Canada), *Capital and Liquidity Treatment of Crypto-asset Exposures (Banking) – Guideline* (20 February 2025) https://www.osfi-bsif.gc.ca/en/guidance/guidance-library/capital-liquidity-treatment-crypto-asset-exposures-banking-guideline accessed 29 March 2026.

[132]Payments Canada, *Central Bank Digital Currency (CBDC): Retail Considerations* (The Series Vol. 2, Payments Canada, 2021) https://www.payments.ca/sites/default/files/2022-08/PaymentsCanada_2021CBDCRetailConsiderations_En.pdf accessed 29 March 2026.

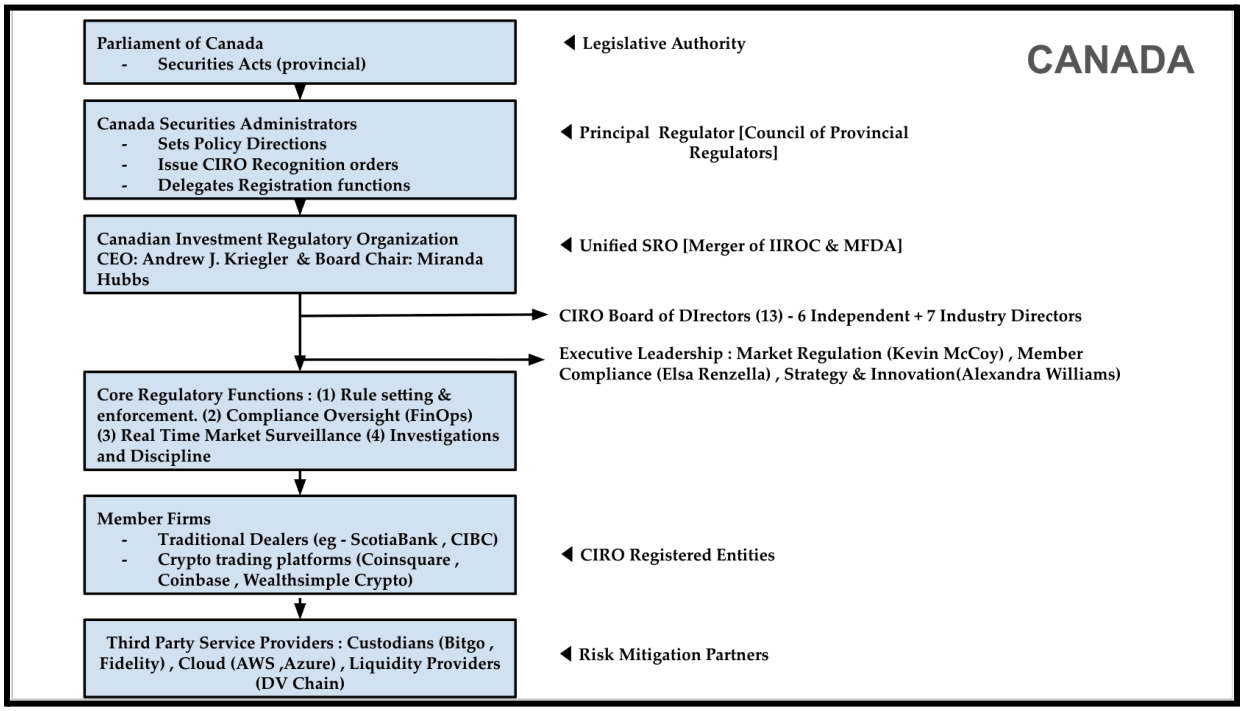
rights, robust risk controls, data privacy compliance, and cybersecurity protocols to prevent runs or illicit use.[133]

Canada's Stablecoin Framework[134]

1. The proposed framework (via Budget 2025 and the envisaged Stablecoin Act) establishes a bespoke federal regulatory architecture governing fiat-backed stablecoin issuance, addressing a previously unregulated domain and operating complementarily with existing federal and provincial regimes, including the Retail Payment Activities Act.
2. All non-financial institution issuers are required to register with, and remain subject to ongoing prudential oversight by, the BoC, including continuous disclosure obligations, compliance reporting certified by professionals, and supervisory intervention powers.
3. Issuers must maintain a fully backed (1:1) reserve in high-quality liquid assets denominated in the reference currency, with such assets segregated and insulated from creditor claims, thereby ensuring priority rights of stablecoin holders in insolvency scenarios.
4. The framework mandates binding redemption obligations, requiring issuers to publish and adhere to a transparent redemption policy guaranteeing timely, at-par convertibility into the underlying fiat currency, including disclosure of procedures, timelines, and fees.
5. Issuers are subject to stringent conduct rules, including obligations relating to corporate governance, risk management, and data security, alongside prohibitions on offering yield, misrepresenting stablecoins as legal tender or insured deposits, and disseminating misleading disclosures.
6. The regime adopts a functionally segmented oversight model with issuance supervised by the BoC and trading/payment activities governed under securities and payment laws while conferring broad intervention powers upon the Minister of Finance, including denial of market access or prohibition of activities on public interest or national security grounds.

[133]Cozen O'Connor, *Future of Stablecoins in Canada Following Budget 2025* (Lexology, 6 November 2025) https://www.lexology.com/library/detail.aspx?g=76f16e15-ddf2-43c2-84a0-b12e9178e8c3 accessed 29 March 2026.
[134]Department of Finance Canada, *Canada's Stablecoin Framework* (9 February 2026) https://www.canada.ca/en/department-finance/programs/financial-sector-policy/canadas-stablecoin-framework.html accessed 29 March 2026.

SRO Model of Canada



In Canada, regulatory control over crypto-assets is functionally fragmented but federally anchored: prudential oversight of stablecoin issuers vests with the Bank of Canada, while market conduct and trading platforms fall within the jurisdiction of provincial securities regulators coordinated through the Canadian Securities Administrators, subject to overarching policy direction by the federal Department of Finance. Going forward, the proposed statutory framework signals a decisive consolidation of federal authority, with an integrated, risk-based regime for stablecoins and payment-related crypto activities, underpinned by enhanced supervisory and intervention powers calibrated to financial stability and systemic risk concerns.

Japan

Japan has one of the world's most advanced and comprehensive regulatory frameworks for crypto assets, emphasizing investor protection, financial stability, and innovation through dual primary laws: the Payment Services Act (PSA)[135] and the Funds Settlement Act (FIEL). The Financial Services Agency (FSA)[136] serves as the central authority, overseeing licensing, supervision, and enforcement without mentioning specific external analyses.

Crypto assets are explicitly defined under PSA Article 2 as “payment instruments”[137] (not securities unless they qualify under FIEL), covering any digital representation of value transferable electronically for payments or investment. This excludes fiat currencies and central

[135]Payment Services Act, Act No. 59 of 2009 (Japan) https://www.japaneselawtranslation.go.jp/en/laws/view/3965/en accessed 29 March 2026.
[136]Financial Services Agency (Japan), ‘Homepage’ https://www.fsa.go.jp/en/ accessed 29 March 2026.
[137]Payment Services Act, Act No 59 of 2009 (Japan) art 2, in *Japanese Law Translation* https://www.japaneselawtranslation.go.jp/en/laws/view/3965/en#je_ch1at2 accessed 29 March 2026.

bank digital currencies. Exchanges must register as Crypto Asset Exchange Service Providers (CAESPs), handling activities like buying/selling, custody, exchange, or brokerage. Stablecoins are subclassified as "Electronic Payment Instruments" (EPIs), with fiat-pegged versions (e.g., JPY-backed) restricted to 1:1 reserves in cash or equivalents.[138]

FSA enforces "same business, same risk, same rules," applying bank-like standards for custody segregation, capital adequacy, AML/CFT, and cybersecurity. Unregistered operations incur up to 3 years imprisonment or ¥3M fines.[139] Licensing and registration process:

- CAESP Registration[140]: mandatory FSA approval involves 6-12 month reviews covering governance (fit-and-proper directors), internal controls, audit trails, and client asset segregation (95%+ cold storage). Over 30 CAESPs operate as of early 2026, including BitFlyer and Coincheck.[141]
- Stablecoin Issuance: Limited to licensed banks, registered fund transfer service providers, or trust companies as EPI Business Providers (EPIBPs). Reserves must be 100% backed by JPY cash, deposits, or government bonds; redemption at par within T+1.
- New Brokerage Category (2025 PSA Amendment): "Crypto Asset Brokerage Services" allow non-custodial intermediaries (e.g., matching buyers/sellers without holding assets), with lighter requirements like simplified capital and no segregation mandates.

Applicants submit detailed business plans, risk assessments, and compliance manuals, with the FSA conducting on-site inspections pre- and post-approval.

Stablecoins outlook

Japan's stablecoin regulation is primarily governed by the Payment Services Act (PSA)[142] and was further strengthened through the Amendment Act, passed in June 2022 and effective from June 1, 2023.

1. This framework classifies stablecoins as Electronic Payment Instruments (EPIs) if they can be used and transferred between unspecified persons without issuer involvement or KYC checks.
2. EPIs, commonly currency-denominated stablecoins, are treated distinctly from prepaid instruments or centrally managed digital money. Permissionless blockchain-based

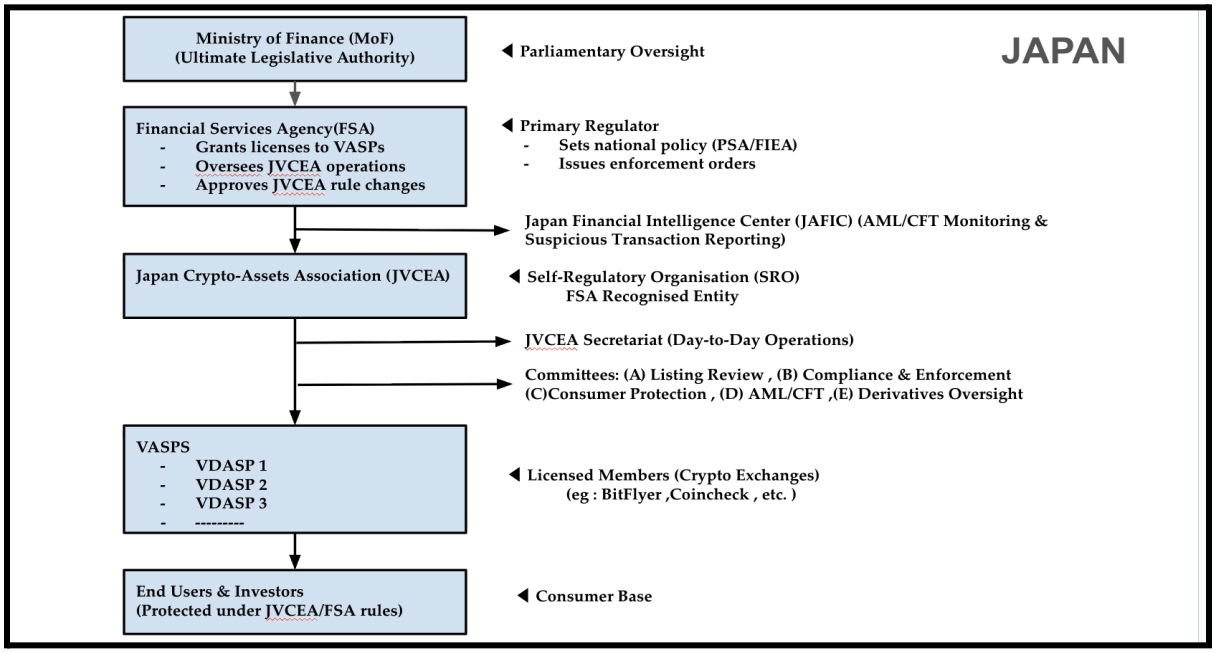
[138]Payment Services Act, Act No 59 of 2009 (Japan) art 2 https://www.japaneselawtranslation.go.jp/en/laws/view/3965/en#je_ch1at2 accessed 29 March 2026.
[139]Ayanfe Fakunle, 'Crypto Regulation in Japan 2025: From FSA Rules to Tokyo's Web3 Hub' *Disruption Banking* (18 December 2025) https://www.disruptionbanking.com/2025/12/18/crypto-regulation-in-japan-2025-from-fsa-rules-to-tokyos-web3-hub/ accessed 29 March 2026.
[140]Keisuke Hatano and Satomi Umezu (eds), *Fintech Laws and Regulations 2025: Japan* in *Fintech Laws and Regulations 2025* (Global Legal Insights, published 1 September 2025) https://www.globallegalinsights.com/practice-areas/fintech-laws-and-regulations/japan/ accessed 29 March 2026.
[141]Daisuke Tatsuno, Masato Honma and Ayako Suga, 'Japan Moves to Enhance Transparency in Crypto-Asset Markets' *Connect On Tech* (23 January 2026) https://connectontech.bakermckenzie.com/japan-moves-to-enhance-transparency-in-crypto-asset-markets/ accessed 29 March 2026
[142]Anderson Mori & Tomotsune, 'Japan Update: Fintech Laws and Regulations 2024' *Transatlantic Law International* (25 September 2024) https://www.transatlanticlaw.com/content/japan-update-fintech-laws-and-regulations-2024/ accessed 29 March 2026

stablecoins typically qualify as EPIs due to their open transferability and decentralized nature.

3. Under the Amendment Act, only licensed Japanese entities, banks, fund transfer service providers, and trust companies, can issue EPIs directly to residents, as issuance and redemption are categorized as "fund remittance transactions." Additionally, only registered Electronic Payment Instruments Exchange Service Providers (EPIESPs) may list or manage EPIs, and they are subject to strict AML/CFT rules, including compliance with the travel rule for cross-border transfers.[143]
4. Building on this, in 2025, the FSA[144] proposed allowing up to 50% of stablecoin reserves to be invested in short-term government bonds (e.g., JGBs or US Treasuries) while retaining liquidity safeguards. Currently, issuers must fully back EPIs with yen or foreign currency-denominated demand deposits held domestically, limiting their ability to generate yield. The proposal seeks to address this and enhance profitability.
5. EPIs target Japanese residents only, prohibiting foreign-issued stablecoins without FSA whitelist. Key rules:
    - Reserves: Post-2025 amendments, up to 50% in low-risk non-cash assets (e.g., JPY T-bills) to enhance yield competitiveness while maintaining liquidity.
    - Disclosure: Real-time reserve attestations by external auditors; monthly FSA reporting.
    - Limits: No systemic caps, but FSA monitors for deposit flight risks; interoperability tests with Bank of Japan payment systems ongoing.
    - Non-yen stablecoins (e.g., USDT) treated as general crypto unless security-classified.

[143]Takeshi Nagase, Takato Fukui and Keisuke Hatano, 'Japan' in *Blockchain & Cryptocurrency Laws and Regulations 2026* (Global Legal Insights, published 21 October 2025) https://www.globallegalinsights.com/practice-areas/blockchain-cryptocurrency-laws-and-regulations/japan/ accessed 29 March 2026.
[144]Financial Services Agency (Japan), 'JFSA' https://www.fsa.go.jp/en/ accessed 29 March 2026.

SRO model



Japan is presently undergoing a structural regulatory pivot, reclassifying crypto-assets from a "means of payment" to "financial products" within the Financial Instruments and Exchange Act (FIEA) framework[145]. This transition entails:

- Full-fledged licensing of exchanges, custodians, and intermediaries akin to securities firms,
- Comprehensive disclosure obligations (including continuous reporting and material event disclosure),
- Application of insider trading prohibitions and market manipulation rules, and
- Enhanced enforcement powers, including criminal sanctions and cease-and-desist orders.

It can be said that Japan's regime represents one of the most mature and interventionist crypto regulatory models globally, characterised by early prudential safeguards and an evolving shift toward full securities-law assimilation. The future direction suggests a high-compliance, institution-friendly ecosystem, albeit with a tangible risk that regulatory stringency may outpace technological adaptability and market innovation.

[145]Financial Instruments and Exchange Act, Act No 25 of 1948 (Japan) https://www.japaneselawtranslation.go.jp/en/laws/view/3492/en accessed 29 March 2026.

Australia

Australia adopts a principles-based, technology-neutral regulatory approach, under which crypto-assets are not regulated through a standalone statute but are instead subsumed within existing financial services, corporations, payments, and AML frameworks. The regulatory architecture is divided among the Australian Securities and Investment Commission (ASIC) [146] , the Australian Transaction Reports and Analysis Centre AUSTRAC[147], the Reserve Bank of Australia (RBA)[148], and the Australian Prudential Regulation Authority (APRA)[149]. This results in a multi-regulator, activity-based system, where the applicable legal regime depends on the functional characterisation of the crypto-asset or service rather than its technological form.

Statutory framework, licensing and legal classification

The core legal position is derived from the Corporations Act 2001 (Cth)[150], under which a crypto-asset will be regulated if it falls within the definition of a "financial product"[151]. This includes situations where the token constitutes or gives rise to:

- a security,
- a derivative,
- an interest in a managed investment scheme, or
- a non-cash payment facility.

Where such classification is triggered, the full suite of financial regulation applies, including licensing, disclosure, and conduct obligations. Parallelly, the AML/CTF Act 2006 governs crypto-intermediaries from a financial crime perspective, while the Payment Systems (Regulation) Act 1998[152] may apply where tokens function as payment instruments. From an analytical standpoint, this substance-over-form classification model provides flexibility but also generates legal uncertainty, particularly for hybrid tokens that exhibit both utility and financial characteristics.

ASIC requires Australian Financial Services Licences (AFSL)[153] for platforms providing custodial services, trading, or advisory on crypto-assets classified as financial products (derivatives, securities, or managed investment schemes). Digital Asset Platforms (DAPs) handling client assets over $10M annual volume or $5K per client must comply with custody rules, risk disclosures, and platform operating standards under the 2025 Digital Asset Platform Reforms.

[146]Australian Securities and Investments Commission, 'Homepage' https://www.asic.gov.au/ accessed 29 March 2026.
[147]Australian Transaction Reports and Analysis Centre (AUSTRAC), 'AML/CTF Rules' https://www.austrac.gov.au/business/legislation/amlctf-rules accessed 29 March 2026.
[148]Reserve Bank of Australia, 'Homepage' https://www.rba.gov.au/ accessed 29 March 2026.
[149]Australian Prudential Regulation Authority, 'Homepage' https://www.apra.gov.au/ accessed 29 March 2026.
[150]Corporations Act 2001 (Cth) https://www.legislation.gov.au/C2004A00818/2019-07-01/text accessed 29 March 2026.
[151]Australian Securities and Investments Commission, 'Digital assets, financial products and services' https://www.asic.gov.au/regulatory-resources/digital-transformation/digital-assets-financial-products-and-services/ accessed 29 March 2026.
[152]Reserve Bank of Australia, 'Homepage' https://www.rba.gov.au/ accessed 29 March 2026.
[153]Australian Securities and Investments Commission, 'AFS licensees' https://www.asic.gov.au/for-finance-professionals/afs-licensees/ accessed 29 March 2026.

AUSTRAC registration is mandatory for exchanges as Virtual Asset Service Providers (VASPs), implementing the FATF Travel Rule since 2022 with IVMS888 data standards for transactions over AUD 1,000. The RBA oversees stablecoin issuers as stored-value facilities via the Payments System Board, with draft rules from November 2025 requiring 1:1 reserves, redemption rights, and monthly audits.

Australia is steadily advancing toward a comprehensive regulation for stablecoins, reflecting growing interest from banks, fintechs, and regulators in their potential for payments, settlement, and financial innovation.

1. The Reserve Bank of Australia (RBA)[154] notes that stablecoins, particularly asset-backed ones, are increasingly used as a bridge within crypto markets and for emerging applications like tokenised asset settlement and cross-border payments. While AUD-denominated stablecoins like TrueAUD are still relatively limited, pilots by entities like ANZ and products such as AUDD (Australian Digital Dollar) signal accelerating market development.
2. AUDD is a 1:1 fiat-backed stablecoin that aims to offer low-fee, instant, and secure payments for individuals and businesses, including use in supply chains, remittances, and crypto hedging. Its infrastructure complies with regulatory expectations on security, auditability, and financial transparency.[155]
3. To support innovation while managing risks, Australia's Council of Financial Regulators (CFR) and Treasury have prioritized regulation of payment stablecoins tokens used as a store of value and medium of exchange.[156]
4. The proposed Digital Assets (Market Regulation) Bill 2023[157] requires issuers to maintain full reserve backing in Australian dollars, hold funds in authorized deposit-taking institutions (ADIs), and meet strict disclosure, reporting, and auditing requirements. Issuers would also need capital adequacy buffers, cybersecurity risk frameworks, and ongoing engagement with the Australian Prudential Regulation Authority (APRA).[158]
5. The Australian Securities and Investments Commission (ASIC) is working in parallel to mandate Australian Financial Services Licences (AFSLs) for stablecoin issuers and crypto platforms, aligning them with traditional financial products and enhancing consumer protection.

Judicial Treatment

[154]Cameron Dark, Eleanor Rogerson, Nick Rowbotham and Peter Wallis, 'Stablecoins: Market Developments, Risks and Regulation' *Reserve Bank of Australia Bulletin* (8 December 2022) https://www.rba.gov.au/publications/bulletin/2022/dec/stablecoins-market-developments-risks-and-regulation.html accessed 29 March 2026.
[155]Cameron Dark, Eleanor Rogerson, Nick Rowbotham and Peter Wallis, 'Stablecoins: Market Developments, Risks and Regulation' (Reserve Bank of Australia Bulletin, December 2022) https://www.rba.gov.au/publications/bulletin/2022/dec/stablecoins-market-developments-risks-and-regulation.html accessed 29 March 2026.
[156]Tony Richards, 'The Future of Payments: Cryptocurrencies, Stablecoins or Central Bank Digital Currencies?' (Reserve Bank of Australia Speech, 18 November 2021) https://www.rba.gov.au/speeches/2021/sp-so-2021-11-18.html accessed 29 March 2026.
[157]Australian Parliament, *Digital Assets (Market Regulation) Bill 2023* https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=s1376 accessed 29 March 2026
[158]Digital Assets (Market Regulation) Bill 2023 (Cth) https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=s1376 accessed 29 March 2026.

Australian courts have played an important role in clarifying the legal status of crypto-assets, particularly through a functional and substance-oriented interpretive approach.

1. In *ASIC v Web3 Ventures Pty Ltd*[159], the court held that certain crypto-linked offerings could constitute financial products, thereby attracting regulation under the Corporations Act. The decision reinforced ASIC's broad interpretive authority and underscored the adaptability of existing financial law to digital assets.
2. In *ASIC v Finder Wallet Pty Ltd*[160], the court examined whether a crypto "earn" product qualified as a regulated financial product (including as a debenture). The case highlighted the difficulty of applying traditional legal categories to novel crypto arrangements, and exposed interpretive inconsistencies within the current framework.
3. Earlier, in *Blockchain Tech Pty Ltd v Lendlease Corporation Ltd*[161], the court recognised crypto-assets as a form of property capable of legal enforcement, contributing to doctrinal clarity in private law.

Taken together, these cases demonstrate that while courts are willing to extend existing legal principles to crypto-assets, the absence of bespoke legislation continues to generate interpretive ambiguity and case-by-case outcomes.

Additionally, Australia is in the process of transitioning toward a more structured and comprehensive crypto regulatory regime. Recent policy initiatives include proposals for a Crypto-Asset Secondary Service Provider (CASSPr) regime[162], which would introduce:

- licensing requirements for crypto intermediaries,
- custody and safeguarding obligations, and
- enhanced consumer protection measures.

In parallel, the government has undertaken a "token mapping" exercise to systematically classify crypto-assets and determine appropriate regulatory treatment. These reforms signal a move from a fragmented, reactive framework to a more coherent and forward-looking legislative architecture, though full implementation remains pending.

[159]Australian Securities and Investments Commission, *ASIC v Web3 Ventures Pty Ltd [2025] FCAFC 58* (Media Release No 25-062MR, 22 April 2025) https://download.asic.gov.au/media/dqslt5v3/25-062mr-asic-v-web3-ventures-pty-ltd-2025-fcafc-58.pdf accessed 29 March 2026.
[160]John Bassilios, Max Ding and Wilson Lee, 'Landmark decision in ASIC versus Finder Wallet: exploring legal boundaries of crypto-assets' *Hall & Wilcox* (15 March 2024) https://hallandwilcox.com.au/news/landmark-decision-in-asic-versus-finder-wallet-exploring-legal-boundaries-of-crypto-assets/ accessed 29 March 2026.
[161]ibid
[162]Australian Government Treasury, *Review into the Future of Australia's Payments System* (Final Report, March 2022) https://treasury.gov.au/sites/default/files/2022-03/c2022-259046.pdf accessed 29 March 2026.

Thailand

Thailand's approach to crypto-asset regulation is anchored in a licensing-centric and supervisory model under the Emergency Decree on Digital Asset Businesses B.E. 2561, which vests primary regulatory authority in the Securities and Exchange Commission Thailand. The Decree establishes a comprehensive legal framework governing digital asset exchanges, brokers, dealers, and ICO portals, all of which must obtain prior approval and operate under stringent compliance, disclosure, and governance requirements. Crypto-assets are classified broadly into cryptocurrencies and digital tokens, with differentiated regulatory treatment depending on their economic function. The core of Thailand's digital asset regulation is the Emergency Decree on Digital Asset Businesses B.E. 2561 (2018)[163]. This decree provides the legal definitions for "digital assets," which are categorized into crypto (used as a medium of exchange) and digital tokens (representing rights, including investment and utility tokens). It established a mandatory licensing regime for all Digital Asset Business Operators, including exchanges, brokers, dealers, fund managers, advisors, and custodial services.

A major update occurred with the Emergency Decree on Digital Asset Businesses (No. 2) B.E. 2568 (2025).[164] This legislation was specifically designed to enhance oversight of offshore digital asset businesses that provide services to individuals within Thailand. It requires foreign platforms to obtain authorization if they market to or serve Thai customers, aiming to ensure they meet the same investor protection and anti-money laundering (AML) standards as licensed local entities. Furthermore, digital asset businesses are now subject to the Technology Crimes Legislation, which imposes shared liability on operators for damages caused by online scams unless they can prove they implemented required preventive measures.

Regulatory oversight and "Digital Money:

Authority is split between two primary bodies:

- The Securities and Exchange Commission (SEC)[165]: Acts as the main regulator for licensing, investor protection, disclosure standards, and cybersecurity for digital asset intermediaries. The SEC also enforces specific prohibitions, such as banning meme tokens, fan tokens, and certain non-fungible tokens (NFTs) from local exchanges.
- The Bank of Thailand (BOT)[166]: Oversees "digital money," including Thai Baht-backed stablecoins and electronic money (e-Money) used for payments. These are regulated

[163]Emergency Decree on Digital Asset Businesses B.E. 2561 (2018) (Unofficial English translation, Office of the Securities and Exchange Commission, Thailand) https://www.sec.or.th/EN/Documents/EnforcementIntroduction/digitalasset_decree_2561_EN.pdf accessed 29 March 2026.
[164]Securities and Exchange Commission (Thailand), 'SEC is ready to elevate restrictions on illegal digital asset platforms after the new laws take effect today' (SEC News No 89/2025, 13 April 2025) https://www.sec.or.th/EN/Pages/News_Detail.aspx?SECID=11698 accessed 29 March 2026.
[165]Securities and Exchange Commission (Thailand), 'Homepage' https://www.sec.or.th/EN accessed 29 March 2026.
[166]Bank of Thailand, 'Homepage' https://www.bot.or.th/en/home.html accessed 29 March 2026.

under the Payment Systems Act B.E. 2560 (2017).[167] The BOT has launched a "Programmable Payment Sandbox"[168] (Stablecoin Sandbox) to test these instruments in a controlled environment with strict reserve requirements (1:1 backing in segregated accounts).

Thailand has implemented strategic tax exemptions to foster the industry. As of late 2025, a ministerial regulation exempts capital gains from cryptocurrency sales from Thai income tax for assets acquired through December 31, 2029, provided the trades occur via licensed Thai exchanges. Additionally, a 2024 Royal Decree made crypto transactions through licensed platforms permanently exempt from VAT[169]. For general compliance, firms must adhere to strict AML/KYC checks and, as of 2026, Thailand is working toward implementing the OECD Crypto-Asset Reporting Framework (CARF) to standardize the automatic exchange of tax-related information.

Central Bank Digital Currency

While not yet a full Act of Parliament for national rollout, the BOT has completed a Retail CBDC pilot that tested issuance and transactions among the public. Although no plans for full-scale retail issuance exist currently, the research continues to inform future payment system enhancements and interbank settlement infrastructure.

From a market conduct perspective, Thailand has progressively tightened investor-protection norms. Retail participation is regulated through suitability assessments, advertising restrictions, and limitations on certain high-risk tokens. The SEC has also imposed restrictions on meme tokens and fan tokens lacking clear underlying value, reflecting a cautious stance toward speculative instruments. Additionally, custodial obligations, segregation of client assets, and cybersecurity compliance have been strengthened in response to global exchange failures and domestic enforcement concerns. On the payments side, the Bank of Thailand has adopted a restrictive posture toward the use of crypto-assets as a means of payment. While trading and investment are permitted within the regulated ecosystem, the use of cryptocurrencies for goods and services has been effectively prohibited to mitigate systemic and consumer risks. This delineation underscores Thailand's intent to treat crypto primarily as an investment asset class rather than a parallel payment system.

In conclusion, Thailand's crypto regulatory trajectory is best characterised as cautious but structured: it permits innovation within a tightly controlled, licensing-based regime while

[167]Payment System Act B.E. 2560 (2017) (Unofficial English translation) (Bank of Thailand) https://www.bot.or.th/content/dam/bot/documents/en/laws-and-rules/laws-and-regulations/legal-department/4-payment-act/4.1%20LAW04_PaymentSystemAct.pdf accessed 29 March 202

[168]Benja Supannakul, Kullarat Phongsathaporn, Phetrada Kampusiri and Yanisa Nilkhet, 'Thailand: Bridging Payments and Digital Assets – Current Regulatory Developments' *Baker McKenzie* (29 January 2026) https://www.bakermckenzie.com/en/insight/publications/2026/01/thailand-bridging-payments-digital-assets-current-regulatory-developments accessed 29 March 2026.

[169]Global VAT Compliance, 'Thailand: Royal Decree No 788 Exempts VAT on Cryptocurrency and Digital Token Transfers' https://www.globalvatcompliance.com/globalvatnews/thailand-exempts-cryptocurrency-vat/ accessed 29 March 2026.

ring-fencing financial stability and consumer protection risks. The forward outlook suggests incremental tightening particularly around investor safeguards and systemic risk rather than liberalisation, positioning Thailand as a jurisdiction that prioritises regulatory certainty and prudential oversight over rapid market expansion.

India

India's regulatory approach to crypto-assets in 2026 remains fragmented, and supervisory in nature, rather than constituting a comprehensive licensing or statutory regime. The policy direction is primarily driven by the Financial Intelligence Unit - India (FIU-IND)[170] under the Ministry of Finance[171], reflecting a preference for oversight through existing financial regulatory frameworks. Notably, India has also committed to implementing the OECD's Crypto Asset Reporting Framework (CARF) by 2027, signalling an alignment with emerging global standards on transparency and cross-border reporting.

In terms of legal characterisation, India does not have a dedicated crypto statute; instead, regulation operates through a combination of taxation, anti-money laundering (AML), and reporting frameworks. Crypto-assets, NFTs, and related instruments are classified as "Virtual Digital Assets" (VDAs) under Section 2(47A) of the Income Tax Act, 1961.[172] The Finance Act, 2022 formalised this classification, emphasising the borderless nature of such assets and the need for international cooperation, while explicitly noting that no timeline exists for a comprehensive legislative framework.

A central pillar of India's current framework is the AML/CFT regime under the Prevention of Money Laundering Act, 2002 (PMLA). Virtual Digital Asset Service Providers (VDA-SPs), including crypto exchanges, are designated as "Reporting Entities" and must register with FIU-IND via the FINGate portal. These guidelines have also been updated by FIU-IND which marks a significant move.[173] They are subject to extensive compliance obligations, including KYC of beneficial owners, maintenance of transaction records (wallet addresses and hashes), filing of Suspicious Transaction Reports (STRs), appointment of compliance officers, and adherence to FATF-aligned Travel Rule requirements.[174] The regulatory scope has also expanded to cover emerging risks such as unhosted wallets, mixers, anonymity-enhancing tokens, and ICOs.

The regulatory infrastructure for crypto markets remains underdeveloped. Crypto-assets are not recognised as legal tender, and there is no formal framework for centralised clearing or

[170]Financial Intelligence Unit-India (FIU-IND), *Financial Intelligence Unit-India* (Government of India, Web Page) https://fiuindia.gov.in/ accessed 29 March 2026.
[171]Ministry of Finance, Government of India, *Ministry of Finance* (Web Page) https://finmin.gov.in/ accessed 29 March 2026.
[172]Rahul Dahiya, 'Virtual Digital Assets (VDAs) in India and Overseas Investment Routes' (Mondaq, 24 November 2025) https://www.mondaq.com/india/fin-tech/1708916/virtual-digital-assets-vdas-in-india-and-overseas-investment-routes accessed 29 March 2026.
[173]Financial Intelligence Unit-India (FIU-IND), *AML & CFT Guidelines for Reporting Entities Providing Services Related to Virtual Digital Assets* (8 January 2026) https://fiuindia.gov.in/pdfs/downloads/VDA08012026.pdf accessed 29 March 2026.
[174]Ibid

settlement akin to traditional financial markets. This results in structural risks, including counterparty exposure, custody vulnerabilities, and limited investor recourse in case of platform failure. Further, ambiguity persists regarding the regulatory treatment of decentralised exchanges and non-custodial wallets, creating gaps in enforcement and supervisory reach.

Judicial developments, however, indicate incremental legal recognition. In October 2025, the Madras High Court[175] called crypto as "property", which may strengthen proprietary claims and investor protection through judicial remedies. This development builds on India's gradual evolution from the 2018 banking ban[176], to its reversal by the Supreme Court in 2020[177], followed by taxation (2022) and AML inclusion (2023) reflecting a phased formalisation without full legitimisation.

From a monetary policy perspective, the Reserve Bank of India (RBI) maintains a restrictive stance toward private crypto-assets and stablecoins, viewing them as lacking intrinsic value and posing risks to monetary sovereignty and currency substitution. In contrast, the RBI is actively advancing the Central Bank Digital Currency (CBDC) - the Digital Rupee (e₹)[178], which has scaled significantly in pilot phases, supporting retail and wholesale use cases, programmability, and interoperability with existing payment systems like Unified Payments Interface[179]. The RBI has also initiated sandbox frameworks and cross-border pilot explorations, positioning CBDC as a safer alternative to private digital currencies.[180]

Looking ahead, India's regulatory trajectory suggests incremental tightening rather than liberalisation. Authorities are expected to enhance AML/KYC controls, particularly around peer-to-peer transactions and unhosted wallets, while maintaining a high-tax regime as both a deterrent and a data-gathering mechanism.

[175]Cyril Amarchand Mangaldas, 'Client Alert: Madras High Court Ruling on Cryptocurrency' (PDF, 13 November 2025) https://www.cyrilshroff.com/wp-content/uploads/2025/11/Client-Alert-Madras-High-Court-Ruling-on-Cryptocurrency.pdf accessed 29 March 2026.
[176]Reserve Bank of India, *DPSS.PD.No.2632/02.10.002/2010-2011: Reconciliation of Failed ATM Transactions – Time Limit* (Notification, 27 May 2011) https://www.rbi.org.in/commonman/english/scripts/Notification.aspx?Id=2632 accessed 29 March 2026.
[177]Aneesha Mathur, 'Supreme Court sets aside RBI ban on cryptocurrency transactions' *The Hindu* (4 March 2020) https://www.thehindu.com/news/national/supreme-court-sets-aside-rbi-ban-on-cryptocurrency-transactions/article61967124.ece accessed 29 March 2026.
[178]Reserve Bank of India, 'Digital Rupee (e₹) – FAQs' (FAQ, updated 4 February 2026) https://www.rbi.org.in/coNational Payments Corporation of India (NPCI), *UPI (Unified Payments Interface) – Product Overview* https://www.npci.org.in/product/upi accessed 29 March 2026.
mmonman/english/scripts/FAQs.aspx?Id=3686 accessed 29 March 2026.
[179]National Payments Corporation of India (NPCI), *UPI (Unified Payments Interface) – Product Overview* https://www.npci.org.in/product/upi accessed 29 March 2026.
[180]Reserve Bank of India, *Inter-operable Regulatory Sandbox (IoRS) – FAQs* (FAQ, 17 September 2025) https://www.rbi.org.in/commonman/English/scripts/FAQs.aspx?Id=3822 accessed 29 March 2026.

Progress in adoption

It can be observed that, within a relatively short span of two to three years, the global landscape of crypto-asset and stablecoin regulation has undergone a marked transformation. What was once a fragmented and largely exploratory regulatory space has now evolved into a more structured and mainstreamed framework across key jurisdictions. This shift reflects a significant progression not merely in legislative output but in the depth of regulatory understanding. Policymakers have moved beyond preliminary assessments toward developing coherent regimes that integrate crypto-assets and stablecoins within existing financial systems, while addressing risks relating to consumer protection, market integrity, and financial stability. The increasing convergence toward formal regulation also signals the mainstreaming of crypto-assets and stablecoins as recognised components of the financial ecosystem. Jurisdictions are no longer treating these instruments as peripheral innovations; rather, they are actively shaping legal and supervisory architectures to accommodate and control their growth. In essence, the recent trajectory underscores a decisive shift from conceptual engagement to regulatory consolidation, highlighting both the maturation of the asset class and the responsiveness of global legal systems in adapting to technological and financial innovation.

S.No.	Countries	Regulatory Framework	Licensing	Crypto assets	Stablecoin
1.	**United Kingdom**	Ongoing consultations but pending implementations	✅	✅	✅
2.	**United States**	✅	✅	✅	✅
3.	**European Union**	✅	✅	✅	✅
4.	**Singapore**	✅	✅	✅	✅
5.	**UAE**	✅	✅	✅	✅
6.	**Thailand**	✅	✅	✅	✅
7.	**Canda**	✅	✅	✅	✅
8.	**Japan**	✅	✅	✅	✅
9.	**Australia**	Ongoing consultations but pending implementations	Not yet in place	✅	✅
10	**Hong Kong**	✅	✅	✅	✅
11	**India**	Not yet in place	Not yet AML- through FIU-IND	✅	❌

Snapshots

Jurisdiction	Securities regulator	Commodities Regulator	Central Banks	New/ Bespoke regulator	Ultimate authority
United States	Securities and Exchange Commission (SEC) – independent agency overseeing U.S. securities markets (exchanges, issuers, brokers, mutual funds, etc.). Authorised by the Securities Exchange Act of 1934, Securities Act 1933, Investment Company and Advisers Acts 1940.	Commodity Futures Trading Commission (CFTC) – independent agency regulating futures, options, and swaps markets under the Commodity Exchange Act (CEA, 1936) and Dodd-Frank Act (2010)[181]. No separate regulator for commodities; USDA & Dept of Commerce handle physicals.	Federal Reserve System – central bank (Board of Governors and regional Feds); mandates include inflation control/maximum employment. Sets interest rates via FOMC, issues currency. Bank supervision (with FDIC/OCC) and oversight of payment systems. (Founded under Federal Reserve Act).	No new dedicated regulators. Recent focus: FinCEN/US Treasury on digital assets; SEC office of Crypto Assets; proposals for new digital asset oversight.	Independent federal agencies, but accountable to U.S. Congress. Heads appointed by the President (executive) but agencies operate independently. Congress enacts laws (e.g. Dodd-Frank, JOBS Act).
United Kingdom	Financial Conduct Authority (FCA) – main conduct regulator for UK financial markets (securities, investment firms, exchanges). Created under Financial Services and Markets Act 2000 (FSMA 2000). Prudential Regulation Authority (PRA) (Bank of England) – prudential bank/insurance	FCA (same as securities) – regulates commodity derivatives under MiFID-type rules. No separate commodities regulator	Bank of England (BoE) – UK central bank; Monetary Policy Committee sets interest rates (mandate: price stability, also supports growth); issues Bank of England notes. Also oversees financial stability (Financial Policy Committee) and prudential supervision (via	No wholly new agencies. Notable creations: the Financial Policy Committee (BoE) in 2012. *Crypto*: Special regs by FCA (2023 FSMA Cryptoassets Regs) to bring crypto-service providers under FCA.	Independent statutory bodies; HM Treasury (government) sets policy and funds them (FCA is accountable to Treasury/Parliament); Parliament legislates (FSMA, FS Act 2021, etc.).

[181] Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub L No 111-203, 124 Stat 1376 (21 July 2010) https://www.congress.gov/111/plaws/publ203/PLAW-111publ203.pdf accessed 29 March 2026

	regulator (PRA is part of BoE since 2013).		PRA). Established by Bank of England Act 1998.		
European Union (EU)	European Securities and Markets Authority (ESMA) – EU-level regulator for securities and markets (cooperating with national regulators). Implements MiFID II/MiFIR (Directive 2014/65/EU & Reg.600/2014), Market Abuse Reg. (596/2014), Prospectus Reg. (2017/1129), etc. National regulators (e.g. BaFin, AMF) apply EU law.	ESMA covers commodity derivatives under MiFID/EMIR. The European Market Infrastructure Regulation (EMIR 648/2012) for OTC derivatives is also enforced by ESMA (reporting/clearing). No separate EU commodities authority.	European Central Bank (ECB) – central bank of euro area (Treaty on EU, Art. 127 TFEU). Manages the euro and monetary policy (via Governing Council, inflation targeting). Banking supervision for EU banks under the Single Supervisory Mechanism (Regulation 1024/2013) (ECB supervises significant banks).	New EU frameworks: *Markets in Crypto-Assets (MiCA)* – adopted 2023, for crypto regulation (enforcement by ESMA/national authorities); *Digital Operational Resilience Act (DORA)* – 2022 for ICT risk in finance. No new agencies (the *European Systemic Risk Board (ESRB)* already exists since 2010, and EU Parliament/Commission drive policy).	EU legislation is set by the European Parliament and Council (via Commission proposals). ESMA is an independent authority under EU law, accountable to the Commission and co-legislators. ECB is independent (Treaty-based).
United Arab Emirates	(New) Capital Market Authority (CMA) – federal regulator for securities and capital markets (replacing the old Securities & Commodities Authority). Scope: all financial markets (exchanges, brokers, funds, capital raising). Established by Federal Decree-Law No.32 of 2025 (CMA Law) and 33 of 2025 (Capital Market Law).	The CMA covers derivatives (e.g. futures, options) under its remit. Note: The UAE also has the Dubai and Abu Dhabi free zones with separate regulators (DFSA in DIFC, FSRA in ADGM) which oversee exchanges there. Commodities futures (e.g. on DGCX) are regulated by CBUAE historically. No standalone federal commodity regulator.	Central Bank of the UAE (CBUAE) – issues Dirham (pegged to USD), manages reserves, and sets policy (currency board system). Regulates banks and finance companies under its law (CBUAE Law).	*Dubai Virtual Assets Regulatory Authority (VARA, 2022):* New regulator for virtual assets in Dubai free zone. *ADGM FSRA:* Abu Dhabi's financial regulator (free zone). *Fintech:* CBUAE fintech lab/sandbox.	CMA and CBUAE are government agencies under the UAE Cabinet/Ministry of Finance (CMA under Cabinet). Ultimate legislative authority is the Federal Government (President and Federal National Council). Dubai/AD agencies answer to the respective emirate government.
Singapore	Monetary Authority of Singapore (MAS) – integrated central bank	MAS – also covers futures/exchange-traded derivatives (under SFA	MAS (again) – central bank of Singapore. Monetary	*FinTech & Crypto:* MAS's 2019 Payment Services	MAS is a statutory board under the Ministry of Finance

	and financial regulator under the MAS Act. Supervises all capital markets and exchanges (SGX), securities, insurance, banking. Key statutes: MAS Act 1970, Securities and Futures Act (SFA, 2001) and subsidiary regs. (MAS also administers Companies Act rules for securities).	and MAS Rulebook). No separate commodity futures regulator (commodity trading is limited in Singapore).	policy: managed via exchange-rate policy (monetary policy is de facto exchange rate targeting). Issues currency, oversees financial system stability (banks, insurers).	Act (PSA) created a new licensing regime for e-payments and digital tokens (in force 2020). No separate new agency, but MAS has fintech offices and sandboxes.	(Ministry sets policy). MAS is operationally independent but accountable to government/Parliament.
Hong Kong	Securities and Futures Commission (SFC) – independent statutory regulator (est. 1989) for securities and futures markets. Powers from the Securities and Futures Ordinance (SFO). Regulates brokers, exchanges (HKEX), funds, public offerings, takeovers, etc.	SFC – also regulates futures and options on commodities (e.g. HKFE products) and commodity-linked derivatives under the SFO. (Note: formerly separate commodity supervision ended in 1987.)	Hong Kong Monetary Authority (HKMA) – Hong Kong's central banking institution. Maintains currency stability (linked exchange rate), supervises banks, manages Exchange Fund. Conducts de facto monetary policy. (HKMA Act 1993)	*Virtual assets:* New regulatory regime (2022–23): VASP licensing and stablecoin issuers require SFC/HKMA authorization under the amended Anti-Money Laundering Ordinance. *Financial Development:* Hong Kong government (FSB) drafted a "Virtual Assets Regulatory Authority" (2023) but SFC/HKMA remain main implementers.	Independent of HKSAR Government (funded by levies). The Financial Secretary / LegCo enacts laws (SFO, AMLO, etc.) to empower SFC/HKMA. Final policy by Financial Secretary (Cabinet).
Japan	Financial Services Agency (FSA) – government agency (under the Cabinet Office/Ministry of Finance) acting as integrated regulator for securities, banking, insurance. Securities trading is governed by the Financial	FSA: also regulates commodity futures and other derivatives (e.g. Tokyo Commodity Exchange) under FIEA. (Small agricultural commodities regulated by the Ministry of Agriculture.)	Bank of Japan (BoJ) – central bank (BoJ Act). Sets monetary policy (Policy Board, inflation target), issues currency. Supervises banking sector (banks, trust banks) under the Banking Act, though	No new agencies; *crypto:* Japan established a crypto exchange licensing regime (Payment Services Act, 2017, revised 2019) and is moving crypto into FIEA oversight (planned ~2027).	FSA reports to the Minister of Finance and ultimately to the Diet (Parliament). BoJ is independent (Governor appointed by Cabinet, accountable via Diet).

	Instruments and Exchange Act (FIEA, 2007, superseding the old Securities and Exchange Act of 1948).		FSA handles much prudential oversight.		
Canada	Canadian Securities Administrators (CSA) – umbrella for provincial/territorial securities regulators (e.g. Ontario Securities Commission, Autorité des marchés financiers in Quebec). Each province has its own Securities Act; Ontario's Act (R.S.O. 1990) is often cited. (There is no federal capital markets regulator.)	CSA (same organization) – regulates exchange-traded and OTC derivatives under provincial laws (adopting CRM, Title 21-101, etc.). No separate federal CFTC-like body. (Canada has a Derivatives Act for clearing houses federally.)	Bank of Canada (BoC) – central bank (Bank of Canada Act). Monetary policy: inflation targeting (2% CPI). Issues currency. Does not directly supervise banks (that's OSFI) but is "lender of last resort" and responsible for financial system stability.	*FinTech:* No new regulator, but OSFI and securities regulators issuing fintech/crypto guidance. *Proposed:* Cooperative Capital Markets Regulatory Authority (federal/provincial project – not yet established).	Provincial governments (Ministries of Finance) regulate markets via their statutes. BoC and OSFI are federal (Min. of Finance guidance); Parliament passes the Bank Act. FSCO (federal) for ID matters.
Jordan	Jordan Securities Commission (JSC) – established under the 1997 Securities Law No.23 (amended later). Regulates Amman Stock Exchange and capital market activities (broker-dealers, issuers, mutual funds).	*Derivatives:* No organized commodities derivatives market; any such contracts would fall under JSC/ASE oversight. (Agricultural commodities largely unregulated by financial law.)	Central Bank of Jordan (CBJ) – central bank (CBJ Law). Goals: maintain monetary/financial stability, convertibility of dinar, support growth. Issues currency, manages reserves, supervises banks & financial institutions under CBJ law.	*FinTech:* CBJ launched a Fintech regulatory sandbox (2019) and drafted an E-Payments Law (2018) to govern digital payments. *New:* Payment Systems Law 2020 came into force.	CBJ is independent but under the oversight of the Ministry of Finance/ Cabinet. JSC is under the Ministry of Finance. Parliament (Legislative Council) enacts laws (Securities Law, CBJ Law).

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