Hong Kong

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Hong Kong is the comparison that matters for three reasons. It is the only other common-law international financial centre in Asia, it shares Singapore's tax neutrality on capital gains and the two cities have competed for the same banks, funds and family offices for fifty years. Its digital-asset policy has moved in the opposite direction to Singapore's since 2022. Where Singapore tightened retail access after the collapses of that year, Hong Kong announced in a policy statement of October 2022 that it would welcome virtual-asset businesses and would consider retail access to licensed platforms. It has since built a regime of unusual breadth.[1]

The core of the regime is the licensing of virtual asset trading platforms. Since 1 June 2023, under amendments to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, any centralised platform trading non-security tokens in Hong Kong needs a licence from the Securities and Futures Commission. Platforms trading security tokens already needed a licence under the Securities and Futures Ordinance. Existing platforms had a twelve-month transitional period. Licensed platforms may serve retail investors if they implement suitability assessments, a token admission committee and a restriction of retail trading to large-capitalisation tokens included in at least two acceptable indices.[2] In April 2024 Hong Kong approved the first spot Bitcoin and Ether exchange-traded funds for

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retail investors, a product MAS has not permitted. The Securities and Futures Commission published a roadmap for the virtual-asset market in February 2025 and the Government a second policy statement in June 2025 that extended the agenda to tokenisation of real-world assets and to the licensing of dealers and custodians.[3]

Hong Kong's stablecoin regime moved faster than Singapore's. The Stablecoins Bill was introduced into the Legislative Council on 18 December 2024, passed in May 2025 and commenced on 1 August 2025. It requires anyone issuing a fiat-referenced stablecoin in Hong Kong, or a Hong Kong-dollar-referenced stablecoin anywhere, to hold a licence from the Hong Kong Monetary Authority, with reserve, redemption and governance requirements comparable to those of the Singapore framework of 2023.[45] By mid-2026 Hong Kong therefore had in force a statute that Singapore still had in draft, and several of the stablecoin issuers that had planned Singapore issuance under the 2023 framework were weighing Hong Kong instead.

The author holds a Hong Kong practising certificate and has advised on both sides of the Singapore–Hong Kong line for many years. Part O, Chapter III examines the Hong Kong regime in depth and shows how it fits into a strategy built on Zug and Singapore. For present purposes the contrast with Singapore can be stated in a table.

Axis	Singapore (30 June 2026)	Hong Kong (30 June 2026)
Regulator for exchanges	MAS, under the Payment Services Act 2019	SFC, under the AMLO (non-security tokens) and the SFO (security tokens)
Retail spot trading	Permitted by licensees under severe conduct restrictions (no credit, no incentives, risk assessment)	Permitted by licensed platforms for large-cap tokens with suitability checks
Spot crypto ETFs for retail	Not permitted	Permitted since April 2024
Stablecoin issuance	2023 framework; legislation pending	Stablecoins Ordinance in force since 1 August 2025

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Axis	Singapore (30 June 2026)	Hong Kong (30 June 2026)
Overseas-only providers	Licence required under FSMA Part 9, almost never granted	No equivalent regime; licensing turns on activity in or toward Hong Kong
Tax on crypto gains	None for investors; trading income taxed	None for investors; trading income taxed; offshore-sourced profits exempt
Banking for licensees	Domestic banks engaged under MAS encouragement	Banks engaged under HKMA encouragement since 2023
Courts	Common law; SICC; proprietary status of tokens recognised	Common law; proprietary status recognised in Re Gatecoin
Political overlay	Independent city state; ASEAN member	Special administrative region; National Security Law since 2020
Access to mainland China	Indirect	Direct policy aim; mainland capital controls still apply

Notes

1. Financial Services and the Treasury Bureau, Hong Kong, "Policy Statement on Development of Virtual Assets in Hong Kong", 31 October 2022. ↩
2. Hong Kong Securities and Futures Commission, Consultation Conclusions on the Proposed Regulatory Requirements for Virtual Asset Trading Platform Operators, 23 May 2023; the virtual asset trading platform regime under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) commenced on 1 June 2023 with a twelve-month transitional period, per Clyde & Co, "Hong Kong virtual assets regulatory update" (June 2023). ↩
3. Hong Kong Securities and Futures Commission, "ASPIRe" roadmap for the virtual asset market, 19 February 2025; Financial Services and the Treasury

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Bureau, "Policy Statement 2.0 on the Development of Digital Assets in Hong Kong", 26 June 2025. ↩

4. Stablecoins Bill introduced into the Legislative Council on 18 December 2024, licensing by the Monetary Authority of issuers of "specified stablecoins" referencing one or more official currencies, per Legislative Council Panel on Financial Affairs paper of 17 January 2025 (LC Paper No. CB(1)55/2025(02)). ↩

5. Stablecoins Ordinance (Cap. 656), passed by the Legislative Council on 21 May 2025 and in operation from 1 August 2025; the Hong Kong Monetary Authority's licensing guidelines and the first licences issued thereafter. ↩

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