The Stablecoins Ordinance

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The Stablecoins Ordinance (Cap. 656) was passed by the Legislative Council on 21 May 2025 and came into operation on 1 August 2025. It requires a licence from the HKMA for anyone who, in the course of business, issues a "specified stablecoin" in Hong Kong, or issues anywhere a specified stablecoin that purports to maintain a stable value by reference to the Hong Kong dollar. A specified stablecoin is a fiat-referenced stablecoin, so the Ordinance covers single- and multi-currency fiat tokens and leaves out tokens referencing commodities or crypto assets. The extraterritorial reach for Hong Kong dollar tokens is deliberate: the HKMA will not tolerate an offshore HKD stablecoin that it cannot supervise.[1]

A licensee must be a Hong Kong-incorporated company or an authorised institution and must hold paid-up share capital of at least HK$ 25 million or its equivalent. The reserve must consist of high-quality, highly liquid assets held for each stablecoin separately and at all times equal in market value to at least the par value of the tokens in circulation. Holders must have a redemption right at par without unreasonable conditions or fees. The licensee needs risk management, a white paper for each stablecoin and HKMA consent for key appointments. Only licensed issuers' stablecoins may be offered to retail investors in Hong Kong, and only by licensed entities (the issuer, a licensed VATP, a bank, a Type 1 licensee). The HKMA issued

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guidelines on supervision, AML and licensing in July 2025 and opened the application window with the commencement. It made clear that it would grant only a small number of licences at first.[2]

Compared with MiCA's EMT title, the Hong Kong Ordinance is a licensing regime for a new category of institution with a higher capital floor than MiCA's EMI route and a narrower scope than MiCA's ART title. Compared with MAS's single-currency stablecoin framework, it is legislation in force where Singapore's remained a framework awaiting its bill at the cut-off date. Compared with Switzerland, it is the only one of the four regimes that addresses the stablecoin issuer as a new type of licensee, whereas FINMA still works through deposit and collective-investment categories. For a Swiss franc or Singapore dollar stablecoin issuer the Hong Kong regime is irrelevant unless the token references the Hong Kong dollar or is issued in Hong Kong. For a Hong Kong dollar token it is unavoidable wherever the issuer sits.

Notes

1. Stablecoins Ordinance (Cap. 656), passed 21 May 2025, commencement 1 August 2025 by notice published 6 June 2025. The licensing requirement, HK$ 25 million minimum paid-up capital, reserve, redemption and governance requirements are summarised in CMS, "Hong Kong Stablecoins Ordinance in Operation on 1 August 2025", June 2025, which the author consulted. ↩
2. HKMA, Guideline on Supervision of Licensed Stablecoin Issuers, Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Stablecoin Issuers), and Explanatory Note on Licensing, all of 29 July 2025. The HKMA ran a stablecoin issuer sandbox from March 2024 with participants including Standard Chartered, JD Coinlink and RD InnoTech. ↩

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